

# A Research on the Development Issues of Elderly Care Service Institutions

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**Abstract:** Since the 1990s, the aging trend of China's population has been intensifying. At this stage, China has entered an aging society, accompanied by aging, disability and empty nest. Complex and diverse pension problems need to be solved urgently. However, in sharp contrast to the growing demand, there is still an incomplete pension service industry chain. As a sunrise industry, the growth of market demand has also brought about diversification of demand, but there are a lot of deficiencies and problems in both low-end and high-end markets, which are mainly manifested in the lack of institutions, single service content, imperfect infrastructure, poor operating conditions and difficult to meet the diversified and multi-level needs of the elderly. This paper will summarize the development status of China's elderly care service institutions industry, analyze the possible problems in the development of China's elderly care institutions on this basis, and then give relevant suggestions to explore the development path of elderly care service institutions suitable for China's road.

## 1. Question posing

### 1.1. Increasing aging

Since the 1990s, China's aging trend has been intensifying. In 1999, China officially entered an aging society. Relevant data show that by the end of 2020, China's population aged 65 and above will be about 190 million, accounting for 13.5% of the total population. It is predicted that in 2050, China will have 498 million elderly people aged over 60 [1]. Even in the world, compared with other Asian countries, China has a fast aging population and a large elderly population, which is an indisputable fact. In the next 60 years, China will have the largest elderly population in the world [2]. Therefore, when formulating and implementing policies, the government authorities must see the opportunities and challenges brought by aging. The aging situation of China's population in the next 15 years will be more severe, and this is an important stage for China to try to achieve the goal of "basically realizing socialist modernization". When the national development and the aging society intertwined, the impact of the elderly care problem on the social operation is particularly prominent.

### 1.2. Changes in the proportion of the elderly population in urban and rural areas

And with the constant change of aging, the proportion of the elderly population in urban and rural areas of China will also change significantly. According to the relevant data survey, the number of urban elderly population in China will exceed the number of rural elderly population for the first time around 2022. At that time, the demand and mode of social pension will change greatly. China's traditional family pension model has been gradually broken in the process of urbanization, and the pension model of the whole society will undergo significant changes. Some studies pointed out that, with the social progress, the economic level and education level of the elderly since 1940 have become higher and higher [3]. The improvement of the economic level has laid a material foundation for the institutional elderly care, and the improvement of the education level has also made the elderly more recognized the institutional elderly care [4]. The elderly's institutional elderly care willingness has gradually increased, and some studies have pointed out that the institutional elderly care willingness of urban residents is higher than that of rural residents [5]. It can be seen that institutional pension will become the main trend of pension in the future.

### **1.3. Problems in the elderly care service industry**

Through a comprehensive review of China's elderly care services based on the current situation and demand, all sectors of society generally believe that there are problems in the supply of China's social elderly care services, such as lack of institutions, single service content, imperfect infrastructure, and poor operation. At present, there is a contradiction between the difficulty of finding a bed and the vacancy of a large number of beds in elderly care institutions. The difficulty of finding a bed mainly occurs in some public elderly care institutions with better conditions, and the vacancy of elderly care beds is mainly caused by the unreasonable layout and positioning of elderly care institutions. In addition, the development of China's elderly care service industry is also faced with outstanding problems that need to be solved urgently, such as the lack of standardized land use for institutions and facilities, imperfect investment and financing support policies, insufficient development of medical and elderly care integration, great difficulty in industry supervision, and severe security forms [6]. Among them, the most serious vacancy of elderly care beds is the high-end elderly care service industry, and some institutions have even reached nearly 80% vacancy rate.

## **2. Cause analysis**

### **2.1. Theoretical analysis**

By summarizing the research results of previous scholars, we can draw the following reasons: 1. The policy support is not enough, the implementation of preferential policies is not in place, and private elderly care service institutions are generally difficult to operate (Tang Zhenxing, 2015; Wu Yushao, Wang Lili, Kong Wei, Dong Pengtao, Yang Xiaoqi, 2015). 2. The two-way standard causes an unequal competition environment in the institutional elderly care service industry and distorts the market price. The government has not yet clarified its own responsibility, which leads to the unclear boundary between the government and the market in the supply of elderly care services. The unfair competition environment has caused the distortion of market prices and restricted the development of private institutions (Wu Yushao, 2014). 3. The industry standards and regulatory mechanism are not perfect, and there is a lack of market norms (Fu Cheng, Wang Yi, 2010).

### **2.2. Status analysis**

#### **2.2.1. The pension mode has defects**

The development of China's existing institutional pension model is uneven. At present, the institutional pension model is mainly public nursing homes, and the public and private pension models are unbalanced. The proportion of social capital integrated into the pension system is small. Besides some high-end nursing homes, there is less social recognition. In addition, many private nursing homes have frequent problems, which further reduces their social credibility. However, it is difficult to meet the needs of the elderly to run nursing homes solely by the government, The demand and market are separated, and the existing pension model needs to be reformed urgently. At present, the demand for various elderly care services of the elderly in China is rising with its growing population. However, the supply of elderly care institutions is indeed insufficient, especially behind the imbalance between supply and demand. In addition to infrastructure construction, capital and other hardware investment, many cognitive, cultural and other factors are also hindering the elderly to accept the elderly care institutions. For example, traditional filial piety emphasizes children to support the elderly [7].

#### **2.2.2. The internal development of elderly care institutions is not perfect**

The internal development of the elderly care institutions is not perfect, resulting in a single service content of the elderly care institutions, and the elderly care needs can't be met. First of all, in terms of institutional management, due to the shortcomings of the internal management of elderly care institutions, there is a lack of classified care for the elderly of different ages, thus ignoring the different needs of the elderly. Secondly, from the perspective of institutional staff, most of the

nursing staff for elderly care in institutions are non-professional nursing workers, lacking professional education background and training, and nursing experience. Thirdly, from the perspective of institutional value, we ignore the ethical care in the elderly service. Most of the existing elderly care institutions still stay at the level of daily life care for the elderly, unable to achieve the ultimate care of a happy old age and a good ending, and ignoring the spiritual needs of the elderly.

### **2.2.3. Elderly care industry chain fault**

At present, China's elderly care industry is still in the primary stage of development, and there is a serious fault in the composition of the industrial chain. In terms of market development maturity, only the elderly real estate market and elderly care service industry are active in the current segment of the elderly care industry, while other segments have not yet formed. Take the high-end elderly care industry as an example. Since a complete industrial chain has not yet been formed, the development enterprises of high-end elderly care institutions in China can only "shoulder to shoulder" or rely on "imports", resulting in high operating costs of high-end elderly care institutions. The newly built elderly care institutions tend to be far away and expensive and luxurious, which is not only separated from the economic affordability of the ordinary elderly, but also inconvenient for the elderly to live in and their families to visit [8].

### **2.2.4. Lack of professionalism of elderly care institutions**

Due to the dramatic social changes caused by the rapid economic development in China, the professional elderly care institutions have developed for a short time and are now in the initial stage. Although the relevant practitioners and the government are actively exploring effective measures to improve this industry, it must require a long time of trial and experience accumulation. The existing problems at this stage include: the education level of employees needs to be improved, the service quality is difficult to guarantee, the lack of corresponding policy support, and the absence of a supervision system. These conditions limit the development of institutional pension to a certain extent, resulting in uneven service quality between different institutions. At the same time, it is difficult to carry out cooperation and resource exchange between pension institutions and other institutions for the sake of economic interests, which also harms the development of institutional pension itself [9]. They only want their enterprises to make profits, rather than promoting this model at the social level from a long-term perspective. On the one hand, this is due to the needs of the enterprise's own survival, on the other hand, it also reflects a fact that the policy has not been well guided.

## **3. Countermeasures and suggestions**

### **3.1. Transforming the pension model of existing institutions in China**

At present, in the case of the failure of "family pension", the state should assume the responsibility of social pension. At the same time, the market and social organizations should make up for the deficiencies and deficiencies of national pension services, and achieve the ideal goal of replacing the single government provision with diversified provision methods. In the process of promoting the integration of social capital into institutional elderly care, enterprises, units, individuals and social organizations should be encouraged to participate in the elderly care business and set up private elderly care homes to form a diversified institutional elderly care model that focuses on public elderly care institutions and develops together with private elderly care institutions.

### **3.2. Improve the internal management mode of elderly care institutions**

First of all, we need to improve the management mode of elderly care institutions to meet the needs of the elderly at different ages, especially the needs of the elderly. We need to implement different supply methods in the existing elderly care institutions, provide different service items to different service objects, and provide professional medical staff and medical facilities. We need to

adopt a combination of medical care and nursing to enrich the content of institutional services. Secondly, we should pay attention to the spiritual needs of the elderly, enrich their spiritual life, and achieve happiness in old age.

### **3.3. Improve the elderly care industry chain**

At present, one of the problems facing the formation of China's elderly care industry chain is the insufficient investment of private capital. In addition to the limited financial support from the government, most private capital is in a wait-and-see state, with limited investment. Some fields involved in the pension industry chain have social welfare characteristics, so the formation and development of the pension industry chain need the support of the government. The government should first formulate a long-term plan for the development of the elderly care industry chain, build a corresponding industrial policy system, support the development of the elderly care industry chain, and promote the coordinated development of the elderly care industry. Secondly, we should improve the supporting policy system for each link of the industrial chain.

### **3.4. Promote the integration of communities and institutions in cities**

In view of the current trend of large-scale, expensive and suburbanization of elderly care institutions, which are seriously disconnected from the consumption capacity and actual needs of ordinary people, promoting community institution based elderly care is a good solution. Building small elderly care institutions in communities not only has low cost and convenient operation, but also the elderly can live in their familiar environment, greatly reducing the difficulty of readjustment. It is also convenient to visit the elderly frequently and reduce their loneliness. This is an ideal way for people's practical needs.

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