



Journal of Advanced Research in Business and Management Studies

Journal homepage:
<https://karyailham.com.my/index.php/arbms/index>
ISSN: 2462-1935



The Evolution of China's Rural Old-Age Security System: A Historical Perspective

Wang Hanjue^{1,2}, Thenmolli Vadeveloo^{1,*}, Suhaimi Abd. Samad¹

¹ Faculty of Administrative Science and Policy Studies, Universiti Teknologi MARA (UiTM), Shah Alam, Malaysia

² Guangdong Finance Trade Vocational College, Guangzhou, China

ARTICLE INFO

Article history:

Received 7 July 2025

Received in revised form 14 August 2025

Accepted 20 August 2025

Available online 25 August 2025

Keywords:

Rural old-age care; security system;
historical evolution; old-age security

ABSTRACT

This study provides a comprehensive analysis of the evolution and effectiveness of China's rural old-age security system through a combination of literature review, historical analysis, and comparative analysis. It critically examines how the longstanding urban-rural dual structure (urban-rural fragmentation and imbalance) has led to systemic bias, with rural regions consistently underprioritized in the development of old-age services. From the perspective of the supply entity, the construction of the rural old-age security system in China has gone through five stages. The traditional old-age system is the most fundamental stage. The responsibility for elderly care is entirely borne by the family, relying on land security and intergenerational support. The people's commune support system established an initial welfare guarantee mechanism covering specific disadvantaged groups. The pension insurance system is the first to introduce the concept of social insurance, attempting to develop a mechanism where individual responsibilities are shared with those of the collective and the state. It is a crucial step for rural old-age security towards modernization and institutionalization. The new rural social endowment insurance system (New Rural Pension Insurance) has, for the first time, clearly defined the government's direct fiscal responsibility in rural old-age security (universal basic pension), achieving full coverage of the system. And the old-age security system for coordinating urban and rural development. The institutional division between urban and rural areas has been broken, and a unified framework of the Urban and Rural Resident Pension Insurance system has been established. The study found that there are still some shortcomings in China's rural old-age security at present, such as the prominent contradiction of supply and demand imbalance. There is a significant mismatch between the products, services, and financial support that the current rural old-age security system can provide and the increasingly growing and diversified elderly care demands of rural residents. In the coming period, China's rural old-age security system needs to adhere to the path of continuous improvement and innovation. Thus, while meeting the elderly care needs in rural areas, it promotes the development of rural productive forces, narrows the income gap between urban and rural residents and moves towards common prosperity.

* Corresponding author.

E-mail address: thenm020@uitm.edu.my

1. Introduction

With the orderly advancement of China's rural revitalization strategy, the rural old-age security system, as a key component in implementing this strategy, should play a fundamental role in ensuring basic welfare. Although significant achievements have been made in the development of China's rural old-age security system, challenges persist due to its relatively late establishment and the lagging economic and social development in rural areas [1,2]. Currently, there remains a substantial gap between rural and urban areas in terms of elderly care security levels, with the urban-rural imbalance remaining pronounced [3].

Under China's urban-rural "dual structure (urban-rural fragmentation and imbalance)," the aging population trend in rural areas has become increasingly pronounced, while traditional family-based elderly care models face growing challenges [4]. The imbalance between supply and demand in rural old-age security has also become increasingly acute [5]. The issue of rural elderly care security is not only an unavoidable challenge in the realm of social welfare and in addressing China's urban-rural development disparities, but also one of the most pressing concerns for farmers regarding their immediate interests [38].

The report to the 20th National Congress of the Communist Party of China emphasized the need to establish a comprehensive, urban-rural integrated, equitable and unified, secure and standardized, sustainable and multi-tiered social security system that covers the entire population [6]. It reaffirmed the commitment to prioritize agricultural and rural development, promote integrated urban-rural development, and comprehensively advance rural revitalization [7]. The 2023 "Central Committee of the Communist Party of China and the State Council's Opinions on Comprehensively Promoting Key Rural Revitalization Tasks" specifically highlighted rural elderly care services, calling for deepening the rural old-age security system and outlining concrete implementation measures [8]. In the new context of comprehensively advancing rural revitalization, enhancing rural old-age security has become crucial for ensuring farmers' prosperous livelihoods and enabling them to live and work in contentment [9].

The longstanding urban-rural dual economic structure in China has resulted in lagging elderly care security levels in rural areas, an imbalanced proportion of elderly populations between urban and rural regions, and rural families increasingly characterized by "empty-nests" and smaller household sizes [10,11]. China's rural elderly care issues have become a key focus for policymakers, and improving the rural old-age security system has emerged as a critical weakness that must be addressed to sustain socio-economic development and advance rural revitalization [3].

Specifically, in rural societies, the rural social security system serves as a safety net and stabilizer, which is directly linked to the economic stability and sustainable development of rural areas [12]. A well-established rural old-age security system not only provides basic livelihood guarantees for China's rural elderly, alleviating their economic burdens [12,13], but also stimulates rural domestic demand, promotes consumption and investment [14]. Thereby forming a virtuous development cycle that drives the growth of rural industries and ultimately advances China's rural revitalization strategy. In conclusion, conducting an in-depth analysis of the existing issues in China's current rural elderly care security system is not only essential for addressing the challenges posed by population aging but also crucial to the overarching success of the rural revitalization strategy.

The theoretical significance of this study lies in two aspects. First, this research contributes to enriching and developing the theory of socialist society construction with Chinese characteristics. As a critical component of the social security system, the rural old-age security system is also integral to the construction of a socialist society with Chinese characteristics [15]. Through in-depth exploration and research on the rural elderly care security system, this study aims to refine related theories,

thereby advancing and expanding the theoretical framework of socialist society construction with Chinese characteristics.

Second, this study facilitates a deeper understanding and grasp of the essence of Chinese socialism. As a pivotal component of the rural revitalization strategy, the rural old-age security system plays a critical role in addressing deficiencies in China's social welfare and resolving imbalanced development between urban and rural areas [9,16]. In the new era, conducting in-depth research on the rural old-age security system to identify its shortcomings provides a foundation for formulating subsequent policies and measures. Furthermore, it contributes to promoting the development of rural productive forces, narrowing the income gap between urban and rural residents, and advancing toward common prosperity.

The practical significance lies in its potential to boost China's domestic consumer market and provide robust momentum for rural revitalization. Simultaneously, it helps alleviate the challenges posed by population aging in rural China and advance the nation's goal of common prosperity. As the world's largest manufacturing nation and second-largest consumer market, China places high priority on improving old-age security for both urban and rural residents [17]. The government has proposed gradually eliminating disparities in the old-age security systems under the urban-rural dual structure [18]. By ensuring farmers can consume without financial concerns, this initiative aims to expand the rural consumer market, thereby supporting the realization of rural revitalization and the broader national strategy of enhancing domestic economic circulation [19].

In recent years, China has faced severe population aging, urgently requiring improvements to its pension systems to safeguard the livelihoods of the elderly [17]. Rural residents, who account for many contributors to the Urban and Rural Resident Pension Insurance, are experiencing even more acute aging challenges [11]. The rural elderly care system is plagued by low coverage levels, inadequate replacement rates, and limited effectiveness [20,21]. Advancing common prosperity in China necessitates narrowing the gap in elderly care security between urban and rural areas, ensuring that rural residents can also share in the fruits of development.

2. Literature Review

As the institutional vehicle for the state to safeguard elderly welfare, China's rural old-age security system has long been a focal point of academic research. Using keywords such as "China's old-age security system," "China's rural old-age security system," "the development and evolution of the rural old-age security system in China," and "the historical evolution of China's rural old-age security system: an effectiveness evaluation," the researcher conducted searches across Web of Science, Scopus, and the China National Knowledge Infrastructure (CNKI). The results yielded 5,220, 119, 5, and 0 relevant articles, respectively. This indicates that existing studies predominantly focus on singular themes like the "old-age security system" or "China's rural old-age security system," while integrated research combining the system's historical development, institutional evolution and effectiveness evaluation remains scarce.

As shown in Table 1, existing studies have systematically sorted out the evolution of China's rural old-age security system in phases based on the core content of the system [22], the main ways of elderly care [23], and the economic background [24], summarized the characteristics of each stage, and drawn overall conclusions on the effectiveness of the system [25,26]. Compared with such descriptive studies, explanatory research on the logic and mechanisms of evolution is relatively scarce. Some studies use theoretical frameworks such as discontinuity - equilibrium theory [27] and policy integration theory to conduct an overall analysis of the changes [28]. Other studies focus on single elements such as the role of the state [29], government responsibility [30], and value concepts

to explain the logic of system development. Although this approach is conducive to grasping the logical thread of institutional change, it simplifies the complex mechanisms of action contained in the political process of rural old-age security system changes.

Existing research has also sought to reveal the structural shifts in policy logic, as exemplified by rural social old-age insurance policies, through examining the interplay of policy system elements such as actors, actions and values [31]. However, insufficient attention has been paid to the temporal dimension inherent in institutional evolution. While multi-tiered and multi-pillar frameworks represent the prevailing trend in old-age security system development, the corresponding development strategy for rural old-age institutions remains inadequately defined [22].

Table 1

Comparison of two perspectives on the research of rural old-age security system in China

Dimension	Research on static perspective	Research on dynamic perspective
Research focus	Institutional design for a specific time section (Such as the selection of policy tools, effect evaluation, optimize the path)	The historical evolution trajectory of the system; Change logic and Dynamic mechanism
Research method	Quantitative analysis (such as policy effect measurement) case study, cross-sectional data modelling	Analysis of historical institutionalism, etc
Core issue	How does the current rural old-age system operate? Has the policy effect met the standard? How to optimize local design?	Why and how has the rural old-age security system changed? How does the historical path affect the current situation? What is the future direction of transformation?
Advantage	Focus on practical problems and provide immediate policy suggestions	Reveal the root logic of institutional development; Explain the path dependence and fracture mechanism
Limitations	Ignore the historical context, it is difficult to explain institutional inertia or sudden changes	The practicality of specific policy tools; Fewer suggestions
Typical research topics	Evaluation of the coverage rate and satisfaction of the New Rural Social Pension Insurance Policy; Calculation of pension replacement rate and gap analysis; Multi-party responsibility sharing model	From collectivization to socialization: The logic of institutional transformation; The mechanism of institutional differentiation under the urban-rural dual structure; The coordinated evolution of rural revitalization and elderly care security

Overall, existing research has provided relatively rich descriptive cognition and certain logical explanations for the changes and development of the rural old-age security system in China. However, significant gaps remain for further exploration. For example, in terms of population structural pressure, the degree of aging in rural areas is significantly higher than that in urban areas. Coupled with the cohabitation of families and the outflow of labor force, the rate of empty nests in rural areas has increased [26].

Firstly, current analyses of institutional change logic predominantly present a fragmented picture dominated by singular explanatory factors [26]. If the attribution of policy changes is concentrated at the micro level of insufficient fiscal input, failure to deeply analyze the implementation deviation of local governments (such as misappropriation of matching funds) or path dependence (urban-rural dual thinking) [3]. While neglecting the influence of temporal dynamics within institutional sequences

[31]. This limitation impedes a comprehensive delineation of the complex systemic mechanisms underlying institutional evolution.

Secondly, while extant studies focus on investigating the drivers of institutional progression, few have excavated the methodological strategies governing development processes or the overarching patterns operating at the macro level. The innovation of the rural old-age security system in China is an important manifestation of the application of innovative tools in China's public policies and a practical result of the construction of the old-age system with Chinese characteristics [23]. Extracting policy knowledge for the development of China's old-age welfare from it has theoretical and practical significance. Therefore, it is necessary to conduct a systematic perspective on it.

3. Methodology

This study employed qualitative research methods with the inclusion and exclusion criteria in Table 2 below. A variety of research methods were adopted in the process of studying the development evolution and effectiveness evaluation of the rural old-age security system in China to ensure the comprehensiveness, depth and dependability of the research.

Systematically structure policy texts through literature research methods. This study constructs a three-level literature retrieval system. The retrieval scope includes Chinese databases (CNKI, Wanfang) / Web of science / Scopus and government document databases (State Council Policy Platform, official website of the Ministry of Human Resources and Social Security, Social Insurance Law and Local Pension Regulations).

Table 2

Inclusion and exclusion criteria

Category	Inclusion criteria	Exclusion criteria
Academic literature	CSSCI/ core journal papers, monographs published by authoritative publishers	Conference abstracts and news reports that have not undergone peer review
Policy document	Formal regulations and plans issued by the Central and provincial governments	Documents at or below the county Level and internal manuscripts that have not been made public
Statistical data	The official yearbook released by the National Bureau of Statistics and the Ministry of Human Resources and Social Security	Second-hand data without a source indicated

a) Historical analysis method

According to the chronological order and with the fundamental transformation of the institutional paradigm as the node, the rural old-age security system in China is divided into phases as in Table 3.

Table 3

The phased division of the rural old-age security system in China

Stage	Time span	Classification basis
Traditional family-based elderly care	1949-1957	After the land reform, families have become the main body responsible for elderly care
Commune-based collective support for the elderly	1958-1978	The people's commune system established collective guarantees for the "five-guaranteed households"
Pilot programs for rural old-age insurance	1986-2008	The Ministry of Civil Affairs has promulgated the "Basic Plan for County-level Rural Social Endowment Insurance"

New rural social pension system	2009-2013	The State Council Document No. 32 of 2009 established a fiscal subsidy mechanism
The Urban and Rural Resident Pension Insurance system has been integrated	2014-Present	Document No. 8 of The State Council [2014] realizes the integration of urban and rural systems

b) Comparative analysis method

Compare the rural pension security system with the urban development situation. As shown in Table 4, in terms of the level of old-age security, the intensity of fiscal input, and the accessibility of services, etc. To present more clearly the current development status and problems of the rural old-age security system.

Table 4

Table of basic differences between urban and rural areas

Comparison dimension	Operationalized indicators	Data source
Guarantee level	Pension replacement rate (rural average 18% vs. urban 52%)	Report on the Development of China's Pension
Intensity of financial input	Per capita pension financial subsidy (rural areas =420 yuan/year vs. urban areas = 2,860 yuan/year)	Sub-item statistics of social security expenditures by the Ministry of Finance
Service accessibility	The number of nursing beds per 1,000 elderly people (12.3 in rural areas vs. 38.7 in urban areas)	China Civil Affairs Statistical Yearbook

c) Theoretical framework construction method

Combining institutional change with factors such as social and economic development, changes in urban and rural structure, and population aging makes the research more systematic and theoretically profound. As in Figure 1.

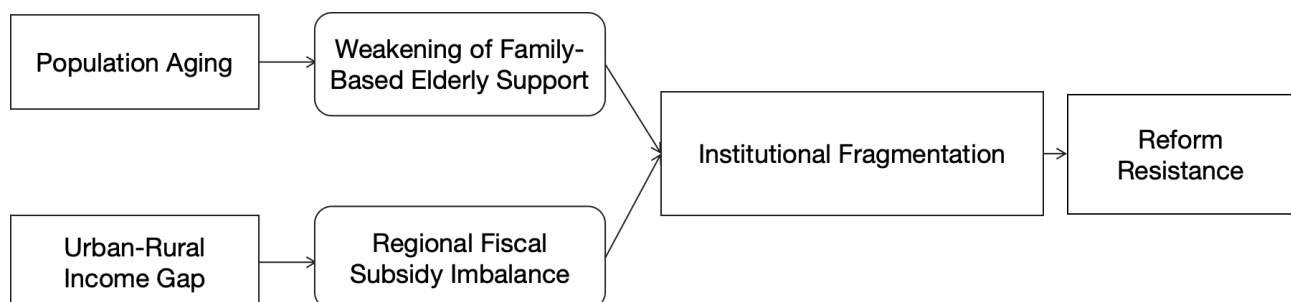


Fig. 1. Dynamic framework construction

This theoretical framework requires continuous comparison of the compatibility between new cases (such as the policy of the Zhejiang Common Prosperity Demonstration Zone) and the existing framework until no new explanatory dimensions can be extracted.

The comprehensive application of these research methods provides strong support for a thorough and in-depth study of the development evolution and effectiveness evaluation of China's rural old-age security system, ensuring credibility and dependability of the research results and facilitating the proposal of more targeted and feasible improvement suggestions and innovative development paths.

4. Results and Discussion

The changes in the rural old-age security system in China are closely related to China's modernization process. Rural old-age has gradually shifted from relying on families and collectives to being government-led and jointly participated in by families and society. From the perspective of the changes in the supply subjects of rural old-age security, the future development direction of China's rural old-age security system can be clearly observed.

4.1 Traditional Elderly Care System: Cantered on Intergenerational Family Support

Traditional rural China was characterized by a natural economy foundation and the predominance of Confucian culture. Within this socioeconomic and cultural context, the traditional Chinese rural old-age system operated through a supply model where families served as the primary providers, supplemented by state and societal support, demonstrating enduring stability.

The unity of production and consumption within households determined that old-age in traditional Chinese agrarian society predominantly occurred within the family unit. Traditional families developed concepts such as "raising sons for old-age security" and "more children, greater blessings," ensuring intergenerational support through labor force reproduction. Under the conditions of a natural economy, where advanced social division of labor had yet to emerge, new generations primarily relied on agricultural knowledge passed down by elders for livelihood sustenance. This paternal authority thus provided a fundamental guarantee for the stability of traditional family-based old-age in China.

The Confucian values of respecting and venerating the elderly were vigorously promoted by successive dynasties, while family-based care concurrently represented the most cost-effective form of elderly support. Furthermore, the state assumed limited responsibilities through measures such as establishing sparse almshouses and exempting advanced-age individuals from corvée labor. Given that state-village relations were confined to specific administrative functions like tax collection and conscription, clans bore virtually all burdens for local public goods provision. This fundamentally stemmed from the traditional state's constrained fiscal capacity, which precluded it from fulfilling the public service obligations characteristic of modern governance. From the founding of the People's Republic of China in 1949 to the establishment of the people's commune system, the traditional old-age model with families as the main supply subjects dominated.

The implementation of the "Land Reform Law of the People's Republic of China" in 1950 completely restructured the rural economic structure. By confiscating land from landlords and distributing it to poor and hired farmers (poor farmers refer to those with a small amount of land or no land at all, mainly relying on their own labor for a living; hired farmers are those without land and can only sell their labor), a private land ownership system based on the family unit was established. During this period, rural elderly in China relied entirely on family support for their livelihood, obtaining support through land production and children's care. Although the "Labor Insurance Regulations" were established in 1951 to provide urban workers with old-age insurance, it did not cover rural residents. However, China established rural credit cooperatives and supply and marketing cooperatives, providing farmers with limited channels for mutual assistance in production and life, indirectly strengthening the economic foundation of family-based elderly care.

4.2 The Commune-based Collective Support System: Based on the Foundation of Collective Ownership

Following the completion of China's agricultural collectivization in 1956, land was brought under collective ownership, and rural old-age began to integrate with the collective economic system. After the formal establishment of the People's Commune system in 1958, a distribution system characterized by "three-tier ownership with the production team as the foundation" was implemented. Through public welfare fund allocations and grain distribution, communes enforced the "Five Guarantees" system (guaranteeing food, clothing, housing, medical care, and funeral expenses) for elderly widows and childless seniors, marking China's first institutionalized rural old-age security arrangement. The 1962 "Regulations on the Work of Rural People's Communes" further mandated production teams to ensure basic subsistence for disadvantaged commune members, establishing collective welfare as a crucial supplement to family-based elderly support. However, the actual protection level remained minimal, with nationwide rural per capita collective distribution averaging merely 74 yuan in 1978. Most elderly people still relied primarily on family support and self-sufficiency through labor.

From the perspective of families, the old-age support system in China underwent an evolutionary process of initial enhancement, subsequent weakening, and eventual restoration during the period from land reform to the dissolution of the People's Commune system. Around 1949, the completion of land reform enabled peasants to obtain land as means of production. This significantly promoted rural development, enhanced farmers' enthusiasm for production, and thereby strengthened the elderly support function for most families. The social transformation of rural China liberated over 300 million peasants, who regained land ownership that provided fundamental conditions for elderly care security [32]. According to relevant data, within three years after the founding of New China, agricultural grain output increased by nearly 60%, while peasants' purchasing power grew by 70% [33]. The increase in household income enabled many families to accumulate savings, creating material guarantees for the improvement of family-based old-old-age security.

From a Collective Perspective, in June 1956, the Model Articles for Advanced Agricultural Producers' Cooperatives, adopted by the National People's Congress of the Communist Party of China, stipulated specific social security provisions for vulnerable groups. This document established a crucial collective welfare system in rural China. It focused primarily on guaranteeing five essential aspects—food, clothing, housing, healthcare, and funeral expenses which for special members of the cooperatives. These provisions later evolved into the rural "Five Guarantees" system, becoming a foundational form of old-age security in rural China.

However, as communes implemented egalitarian distribution policies, individuals became dependent on the collective, weakening the independent economic status of families and eroding their traditional role in elderly support. Under this planned economy, the egalitarian supply-based approach failed to classify the rural elderly population into specific categories. Influenced by the ideology of "large in size and collective in nature", the collective—despite its limited economic capacity—provided Five Guarantees households with policies such as "free meals" and even "distribution according to need". These policies exceeded the collective's financial capacity, ultimately leading to severe consequences: many collectively run homes for the aged were disbanded, resulting in a decline in the quality of life for the elderly.

From a National Perspective, during this period, China primarily safeguarded farmers' old-age rights through institutional support. After 1949, rural old-age security was gradually incorporated into the socialist legal framework, providing legal backing for protecting farmers' old-age rights and improving the rural old-age system. The following documents were successively enacted, clearly stipulating citizens' rights to old-age security: The Common Program of the Chinese People's Political

Consultative Conference; The Constitution of the People's Republic of China; The Labor Insurance Regulations of the People's Republic of China.

Meanwhile, before the collective support system was formed, local Party committees and governments across China, based on local conditions, took active measures to provide assistance and old-age security for special groups in rural areas. Such as distributing relief funds, reducing or exempting agricultural taxes, and providing preferential treatment and resettlement for revolutionary martyrs, etc. Therefore, although the rural endowment insurance system in China was not established during this period, the policy measures adopted by the state played a significant role in solving the elderly care problems of special rural groups.

4.3 Pension System: Absence of Government Fiscal Responsibility

On the one hand, after the dissolution of the People's Communes in China, central documents required localities to retain a certain amount of village funds through collective economy and other sources of income after the implementation of the household contract responsibility system, to continue the "five guarantees" support model. However, due to the uneven development of rural economies across China, the adopted old-age models varied greatly. For instance, in some areas with a relatively strong collective economy, models such as unified management at three levels of community and income determination based on expenditure were developed on the basis of the "five guarantees" support. However, most of these attempts ended in failure [34]. Overall, most rural areas with weak collective economies found it difficult to continue providing higher-quality old-age security for the elderly.

On the other hand, after China implemented the reform and opening-up policy, the exchange between urban and rural markets gradually flourished, and farmers' income sources diversified. Monetary income gradually became the main component of rural household income, and the traditional family-based rural old-age model regained its dominant position. With the rise of the trend of rural residents leaving their hometowns to work in cities in some areas, the socialization of agricultural production has led to a gradual decline in the status of the elderly in family production and operation. The traditional intergenerational exchange old-age model centered on physical and intellectual contributions has faced challenges.

As the main bearer of old-age security, the state has been constantly exploring a social old-age security system with Chinese characteristics since the reform and opening up. The concept of social security was first proposed in the "Seventh Five-Year Plan" for national economic and Social development in 1986, and it pointed out the direction for the reform of China's pension security system. In December 1986, the Ministry of Civil Affairs issued the "Report on Exploring the Establishment of a Rural Grassroots Social Security System". It has clarified how to establish the rural social security system and formed a preliminary idea, including the necessity of establishing rural social security, the institutional framework, the sources of funds and the role of families in social security, etc.

In 1992, on the basis of summarizing the pilot experience in Shandong, the Ministry of Civil Affairs issued the "Basic Plan for County-level Rural Social Endowment Insurance". This plan gradually conducts the pilot and promotion of the system from point to line and from line to surface. This system adheres to the basic principle of "mainly individual contributions, supplemented by collective subsidies, and supported at the policy level" to raise pensions, and has established the Rural Social Insurance Department, which is affiliated with the Ministry of Civil Affairs. The Rural Social Insurance Department has established specialized institutions such as the Rural Social Endowment Insurance Management Service Center to manage pension accounts.

In the early 1990s, with the deepening of the reform of the rural economic system in China, the traditional collective old-age model became unsustainable. In 1991, in accordance with the spirit of the "Decision of The State Council on Reforming the Pension Insurance System for Enterprise Employees" (Guo Fa [1991] No. 33), the Ministry of Civil Affairs took the lead in jointly issuing documents such as the "Notice on Relevant Compilation Issues of the Pilot Program of Rural Social Pension Insurance" with the Ministry of Labor, the Ministry of Finance and other departments. The aim is to explore a rural social endowment insurance system that combines individual contributions, collective subsidies and national policy support, laying the foundation for the subsequent "New Rural Social Endowment Insurance". These documents have clarified the rules for fund raising, management and the use of service fees, promoted the transition of rural old-age security to socialization, and provided corresponding policy support for the implementation of the rural old-age insurance system.

4.4 The New Rural Social Pension System: Participation of Multiple Entities

In October 2008, the "Decision of the Central Committee of the Communist Party of China on Several Major Issues Concerning the Promotion of Rural Reform and Development" was issued, proposing the establishment of a "New Rural Social Endowment Insurance" (hereinafter referred to as "New Rural Endowment Insurance"). The following year, The State Council issued the "Guiding Opinions on Carrying Out Pilot Programs of the New Rural Social Endowment Insurance". The two orientations of the "New Rural Social Pension Insurance" system: The first is "wide coverage, basic guarantee, multi-level, and sustainability"; The second is to adopt the basic model of "combining individual contributions, collective subsidies and government subsidies".

The "New Rural Social Pension Insurance" was the first to propose the establishment of a multi-level and sustainable rural endowment insurance system, emphasizing the responsibility sharing among multiple subjects including the government, society and individuals (families). Especially in terms of government responsibility, pensions consist of two parts: social pooling and individual accounts. Among them, the basic pension is fully borne by the national finance, and the basic pension is linked to economic development and price changes.

This indicates that China has begun to implement a universal rural endowment insurance model. The "New Rural Social Pension Insurance" is also known as another major pro-farmer policy after the abolition of agricultural taxes. This system was established after the country completely abolished agricultural taxes, and it was also a period when industry "gave back" to agriculture and cities supported rural areas. It is of great significance for promoting fairness and development between urban and rural areas. The "New Rural Social Pension Insurance" emphasizes the responsibility of the government and aims to make up for the imbalance in development between urban and rural areas through government regulation. The implementation of the "New Rural Social Pension Insurance" has highlighted the value of social equity, shaped the labor market, and more prominently reflected the return of government responsibility [30].

Although there are some problems in the practice of the "New Rural Social Pension Insurance" system, from the experience of its operation for more than ten years, it can be seen that the system is established against the backdrop of the country's enhanced economic strength and the era when cities "give back" to rural areas. It comprehensively considers the dual differences between urban and rural areas in China and the actual situation of economic and social development in different regions and has a certain forward-looking ability.

First, it has laid the foundation for the connection between the framework of the rural pension security system in China and the pension insurance system for urban employees, and created

conditions for accelerating the operation of the integrated urban and rural social security system [35]. Second, a tripartite co-funding model of "individual contribution + collective subsidy + government subsidy" was implemented, which combined the collective mutual assistance of family elderly care in traditional Chinese rural society with the public service functions of modern states, giving full play to the advantages of all parties and preparing conditions for further establishing a higher-level old-age security model for urban and rural residents.

4.5 Rural Old-age Security System: The Trend of Urban-rural Integration is Becoming More Prominent

Since 2012, with the continuous transfer of rural labor force to cities, China's urbanization rate has been constantly increasing. Many migrant workers have entered cities to work, but in terms of pension benefits, there is a considerable gap between them and urban residents and employees of enterprises and public institutions. How to enable migrant workers to enjoy equal social security has become an important issue for promoting social equity in China. On the one hand, after a large number of migrant workers move to cities, the connection issue among rural old-age, urban old-age and employee old-age is rather urgent. On the other hand, from the perspective of the entire society, due to the significant regional differences in the urban and rural residents' endowment insurance and the relatively low level of pooling, it is urgent to introduce new policies to regulate and coordinate the use of pensions.

In response to the above two issues and to accelerate the integration of old-age policies in the process of urban-rural integration, The State Council issued the "Opinions on Establishing a Unified Basic Pension Insurance System for Urban and Rural Residents" in early 2014. This also marked the acceleration of the integration process of China's urban and rural old-age security system and kicked off the integration of the urban and rural old-age security system in China.

Compared with the "New Rural Social Pension Insurance", the Urban and Rural Resident Pension Insurance system in China has made substantive breakthroughs. The greatest significance lies in enabling urban and rural residents to enjoy basic old-age security fairly and further promoting the integration of urban and rural areas. The financing methods of insurance benefits and the payment of benefits have been equalized between urban and rural areas, the level of pooling has been raised, the flow of talents between urban and rural areas has been promoted, and the requirement of "establishing a fairer and more sustainable social security system" has been reflected. Since the implementation of the Urban and Rural Resident Pension Insurance system, driven by the economic development of cities, subsidies to basic pension accounts in China have increased year by year, and the pension security level of rural residents has been continuously improved.

But at the same time, there are still some problems to be solved. On the one hand, compared with urban residents, the income level of rural residents is generally lower. Among the same pension contribution levels, rural residents often choose the lowest contribution level. For the majority of rural residents, the pension is merely a supplement. They still have to rely more on their children's support and land-based old-age. On the other hand, Urban and Rural Resident Pension Insurance is only one component of rural pension security. Farmers' pension security also includes other indispensable aspects such as pension assistance and pension benefits. With the improvement of the living standards and conditions of Chinese residents, the elderly care demands of farmers have shown a diversified trend, and the demands of different regions and groups of people vary. Therefore, compared with urban areas, rural old-age security is more distinctive.

Through the review of the changes in the rural old-age security system in China, the supply subjects of farmers' old-age security have extended from "family - collective - state", which is closely related to the process of the transformation from a traditional state to a modern one. Modern

countries, while providing elderly care services, are also striving to promote fairness and justice in old-age security by narrowing the urban-rural gap. Meanwhile, the transformation towards a modern country is accompanied by the development of the socialist market economy, and the differences in elderly care demands among different regional groups are becoming increasingly significant.

Under the background of rural revitalization in China, the gap between urban and rural areas will gradually narrow. In this process, how to further respond to the diversified trend of rural old-age security demands through the input of external resources; How to properly handle the imbalance between supply and demand of rural old-age security; It will be a major issue that needs to be solved for a relatively long period in the future.

5. Conclusions

The diversified elderly care demands in rural China have driven the induced changes in the old-age security system. However, there are still some major problems in rural old-age security at present. The research found that the subjects of rights and responsibilities were not clear. The boundaries of responsibility among multiple supply entities (the state, society, families, and individuals) are unclear, and the function of family-based elderly care continues to weaken. Meanwhile, socialized services (such as the growth of rural elderly care institutions by 67% have not yet fully filled the gap, resulting in a "responsibility vacuum" [36]. The service content is unbalanced. The mismatch between material supply (such as pensions and care beds) and spiritual needs (such as emotional companionship) has intensified the contradiction between the profit-driven nature of commercial services and the insufficient capacity of public welfare organizations.

The disparity in resource allocation between urban and rural areas. The aging problem in rural areas is more severe, and the contradiction between supply and demand is prominent. By the end of 2023, the total number of elderly care beds across the country was approximately 8.2 million, with about 5.2 million in urban areas (accounting for 63.4%) and about 3 million in rural areas (accounting for 36.6%) [37].

The conflict between standardization and diversity. The disposable income of rural residents varies significantly across different regions in China, and their demands for old-age security are diversified. Implementing old-age security based on a single supply standard will inevitably lead to the problem of unbalanced security.

Although the diversified demands of Chinese farmers have promoted the socialization transformation of the system, the path dependence on the supply side (such as the urban bias under fiscal decentralization) has led to incomplete changes, verifying North's theory of "institutional change stickiness". It also enriches the application of the theory of institutional change in the field of rural elderly care.

The essence of the predicament of rural old-age security in China is a typical manifestation of the lag of institutional supply behind the demands of social transformation. Future reforms need to go beyond the "filling in the gaps" mindset and shift towards preventive institutional design - by empowering rural communities (such as fostering mutual aid elderly care cooperatives), activating the market (such as offering tax incentives to guide commercial insurance to rural areas), and promoting technological innovation (such as subsidies for AI companion robots), a dynamic equilibrium system of "demand - supply - feedback" should be constructed. This path is not only related to the issue of elderly care itself, but also the key for China to achieve integrated urban-rural development.

Acknowledgement

This research was not funded by any grant.

References

- [1] Tao Xu. "Rural Pension System and Farmers' Participation in Residents' Social Insurance." arXiv preprint arXiv:2204.00785 (2022):
- [2] Jianhai Yang, Ziyang Li, Jiexin Zhang, and Zheng Zang. "The impact of basic pension for urban and rural residents on the subjective well-being of the older adult in Chinese rural areas." *Frontiers in public health* 12 (2024): 1394688. <https://doi.org/10.3389/fpubh.2024.1394688>
- [3] Xiaodong Zheng, shuangyue Shang guan, and xiangming Fang. "新型农村社会养老保险政策效果的研究综述." *Agricultural economic issues* 41, no. 5 (2020): 79-91.
- [4] Lianjie WangYao Tang. "Changing trends and the effectiveness of informal care among rural elderly adults in China." *SAGE Open* 13, no. 4 (2023): 21582440231202580. <https://doi.org/10.1177/21582440231202580>
- [5] Jieyu LiuJoanne Cook. "Ageing and intergenerational care in rural China: A qualitative study of policy development." *Contemporary Social Science* 15, no. 3 (2020): 378-391. <https://doi.org/10.1080/21582041.2018.1448943>
- [6] People's Daily Online, 高举中国特色社会主义伟大旗帜 为全面建设社会主义现代化国家而团结奋斗——习近平同志代表第十九届中央委员会向大会作的报告摘登. 2022. p. 1017.
- [7] Jinping Xi, 高举中国特色社会主义伟大旗帜 为全面建设社会主义现代化国家而团结奋斗: 在中国共产党第二十次全国代表大会上的报告. 2023: Foreign Languages Press Co., LTD.
- [8] Xinhua News Agency. 中共中央 国务院关于做好2023年全面推进乡村振兴重点工作的意见. 2023; Available from: https://www.gov.cn/zhengce/202302/content_6754065.htm
- [9] Lanlan Liyuxiong Wang. "农民生活观现代化的基本内涵与实践路径." *Journal of Anhui Agricultural Sciences* 51, no. 18 (2023):
- [10] Guodong Liu. "多元主体视角下农村养老保障困境分析." *Advances in Social Sciences* 10 (2021): 3017. <https://doi.org/10.12677/ASS.2021.1011412>
- [11] Qingping Liu. "乡村振兴战略背景下我国农村养老问题研究." *Aging Research* 10 (2023): 441. <https://doi.org/10.12677/AR.2023.103057>
- [12] Le-rong YUXiao-yun LI. "The effects of social security expenditure on reducing income inequality and rural poverty in China." *Journal of Integrative Agriculture* 20, no. 4 (2021): 1060-1067. [https://doi.org/10.1016/S2095-3119\(20\)63404-9](https://doi.org/10.1016/S2095-3119(20)63404-9)
- [13] Yan Chen, Lisheng Zhao, Yubing Fan, and Bingxue Xie. "Does the new rural pension scheme improve residents' livelihoods? Empirical evidence from northwestern China." *Plos one* 16, no. 4 (2021): e0250130. <https://doi.org/10.1371/journal.pone.0250130>
- [14] Wei HuangChuanchuan Zhang. "The power of social pensions: evidence from China's new rural pension scheme." *American Economic Journal: Applied Economics* 13, no. 2 (2021): 179-205. <https://doi.org/10.1257/app.20170789>
- [15] Mark C Dorfman, Dewen Wang, Philip O'Keefe, and Jie Cheng. "China's pension schemes for rural and urban residents." *Matching Contributions for Pensions* 217 (2013): https://doi.org/10.1596/9780821394922_CH11
- [16] Chang Liu, Shuai Zhou, and Xue Bai, Ageing in China: Trends, Challenges and Opportunities, in *Aging Across Cultures: Growing Old in the Non-Western World*, H. Selin, Editor. 2021, Springer International Publishing: Cham. p. 137-152. https://doi.org/10.1007/978-3-030-76501-9_9
- [17] Yanzhong Wang, Yuqi Long, and Yafang Ning. "'十四五'时期中国社会保障建设的目标任务与政策建议." *Social Security Review* 4, no. 3 (2020): 3-14. <https://doi.org/10.33142/ec.v3i2.1464>
- [18] Hong-dian Ma. "城乡居民基本养老保险在农村实施的路径选择." *Journal of Beijing Vocational College of Agriculture* 30, no. 5 (2016).
- [19] Shuoyan Lin, Zixuan Xia, Jiazhan Li, and Dandan Song. "新结构经济学视角下释放农村居民 消费潜力研究." *Agricultural Outlook (1673-3908)* 20, no. 9 (2024).
- [20] Guanghua Wan, weirui Jiang, and mengxue Zhao. "城镇化的共同富裕效应." *Rural Economy in China* 4 (2022): 2-22.

- [21] Chinese Society of Gerontology and Gerontology. "十四五"健康老龄化规划发布. 2022 15 Aug 2024]; Available from: <http://www.cagg.org.cn/portal/article/index/id/1136/cid/8.html>
- [22] Hui Wanghuimin Liu. "制度变迁中的农村养老保障政策: 整合逻辑与路径选择." *Theory and Reform* 4 (2023): 131-146.
- [23] Wen-tao Niurui-ge Jiang. "新中国 70 年的农村养老保障: 历史演进与现实困境." *Agricultural economic problems* 41, no. 2 (2020): 54-64.
- [24] Juncheng Jiang. "农村养老保障的制度演进与发展趋势探析." *云南民族大学学报: 哲学社会科学版* 34, no. 2 (2017): 67-77.
- [25] Yuanzheng Yangtinghe Deng. "农村基层供求视域下的“三医”困局与应对." *Journal of Hebei Normal University/Philosophy and Social Sciences Edition* 44, no. 6 (2021).
- [26] Jie-hua Lu, fang-ci Guo, ji-hua Chen, and ying-gang Chen. "新时代农村养老制度设计: 历史脉络, 现实困境与发展路径." *Journal of China Agricultural University (Social Sciences)* 38, no. 4 (2021): 113-122.
- [27] Xiansheng Lei. "新中国成立以来农村养老保障政策的演进——基于间断—均衡理论框架的分析." *Journal of Guangdong Administration College* 5 (2019).
- [28] Renyao Zhong, jianyun Wang, and jiyuan Zhang. "我国农村互助养老的制度化演进及完善." *Journal of Sichuan University (Philosophy and Social Sciences Edition)* 1 (2020): 22-31.
- [29] Wei Hu. "国家角色的转变与新中国养老保障政策变迁." *Administrative Management in China*, no. 6 (2012): 40-44.
- [30] Xudong Yangdewen Wang. "从缺位到归位——新中国成立以来农村养老保障与政府责任的再思考." *Academic circle*, no. 1 (2019): 101-108. <https://doi.org/10.26549/jxffcxysj.v1i1.976>
- [31] Weijie Su. "我国新型农村养老保险制度变迁与学术研究分析 (1990—2020)." *Journal of Chongqing Jiaotong University (Social Sciences Edition)* 20, no. 6 (2020): 21.
- [32] Changquan Zhang. "从乡土中国到城乡中国: 上半程与下半程." *Journal of China Agricultural University (Social Sciences Edition)* 39, no. 2 (2022): 22-39.
- [33] Chengming Wu, zhikai Dong, and li Wu. "中华人民共和国经济史: 1949-1952." (No Title)
- [34] Qiao Liyaqi Liu. "农村互助养老的历史演进, 实践模式与发展走向." *Journal of Northwest A&F University (Social Science Edition)* (2018).
- [35] Jun Yin. "我国农村与城镇养老保险体制衔接问题的探讨." *Social Security Research* 6 (2005).
- [36] Ministry of Civil Affairs. "年民政事业发展统计公报 [Z]. 2023." (2022).
- [37] Ministry of Civil Affairs. 民政部: 2023年养老机构40.4万个, 养老床位823万张 (附2023年民政事业发展统计公报全文) . 2024; Available from: https://mp.weixin.qq.com/s?__biz=MzA3MjY0MTY1OA==&mid=2651331585&idx=1&sn=f1f7031578037bd39f6b5fe77688f050&chksm=85b34c9a4ed2f89e497789e9110b47dc5d44c99c7593d19702f3dc13b692b636d157845dbce7&scene=27.
- [38] Shuguang Zhang, Reflection on the development status and dilemma of rural elderly care services. *Journal of Sociology and Ethnology* (2023) Vol. 5: 97-101. DOI: <http://dx.doi.org/10.23977/jsoc.2023.050114>