

Research on Influence of Social Transformation on Rural Poor Aged People



Ma Xuesong
Jiangxi Academy of Social Sciences
Nanchang, China

Abstract. China is in the acceleration period of social transformation. In this period, Chinese rural area is experiencing profound change in political system, production mode, living style, family structure and income composition, which is the progress of society. Meanwhile, due to the complexity and persistence of social transformation, it results in rural poor aged people and causes some difficulties for rural poor aged people to get rid of poverty. Problems and difficulties in the social transformation process must be solved and overcome in the process of social transformation.

Key words: social transformation, Chinese rural area, poor aged people.

Social transformation refers to a historical process changing from original society to more developed society full of vigor and spirit. Chinese society is in the historical process “changing and developing from traditional society to modern society, from agricultural society to industrial society and information

society, from closed society to open society¹”, which is followed by the transition and development from rural society to urban society.

Chinese social transformation is a long historical process. It’s generally divided into three stages by the academic circle: 1840–1949 was the first

¹ Guo Dehong. A review of research on Chinese modern society transformation., *Historiography Anhui*, 2003, volume 1.

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stage, which was the initial stage of Chinese social transformation and the outstanding feature of the stage was the Opium War and foundation of new China; 1949-1978 was the second stage, which was the development stage at medium speed of Chinese social transformation, and the outstanding feature of the stage was preliminary construction of new China with many things waiting to be done and China experienced many turns and hardships; 1978-present is the third stage, which is rapid and accelerated development stage of Chinese social transformation and the outstanding feature of the stage is Third Plenary Session of the 11th Central Committee of the Chinese Communist Party and in- depth reform and opening-up. The time node studied is mainly in the third stage (1978-present).

I. Change of Chinese rural area in the social transformation period

In 1978, the Third Plenary Session of the 11th Central Committee of the Communist confirmed the guiding ideology of “emancipating the mind and seeking truth from facts”, made major strategic decision of transforming key emphasis in work of the Party and county to the building of socialist modernization and implementing opening-up and reform, from then on, China go on the correct path of opening-up and reform and socialism with Chinese characteristics. Chinese social transformation entered rapid and accelerated stage and Chinese society experienced earth-shaking changes.

The profound changes of Chinese rural area are mainly shown in the following aspects.

1. Abolishment of People Commune System

As for system reform, firstly, abolishment of people commune system greatly liberated various agricultural production factors including labor force. After national rural people commune system was popular in 1958, long-term highly centralized management system and average distribution method firmly fixed rural production factors in the scope of rural community, which greatly restrained and hindered farmers’ production enthusiasm. The disintegration of people commune system provided the autonomous right for farmers to select occupation and relieved institutional constraint for farmers to transfer out from the agriculture.

2. Implementation of household contract responsibility system with remuneration linked to output

On Jan. 1, 1982, the No. 1 file about rural work in the history of Chinese Communist Party was launched, clearly specifying that fixing farm output quotas on the household basis and household-based contract system are production responsibility system of socialist collective economy. Thereafter, household contract responsibility system with remuneration linked to output was comprehensively promoted, so farmers possessed autonomous right, operation decision right, product sale right and income distribution right

and became relatively independent producers. With the implementation of household contract responsibility system with remuneration linked to output, the disadvantage that the long-term highly centralized management and operation mode is too dull was corrected, farmers were closely linked with the land and farmers changed from simple laborers to producers and operators in the collective economy, which greatly mobilize production enthusiasm of farmers.

3. *Actual loose household registration system*

In 1984, No.1 document of Central Government specified that “farmers providing service, engaging in business and service industry” are allowed to settle down in towns by self-supply. In Oct. 1984, the State Council issued *Notice on Farmers Settling Down in Towns*”, and specified that farmers and their relatives who work in the town (excluding county town), do business and engage in service industry would have fixed domicile in the town. The ones with operation ability or working for township enterprises and institutions for a long term were permitted by the Public Security Department to make registration as permanent residence and be regarded as non-agricultural household. The emergence of “registered permanent residence with self-supply in towns” marked the formal launch of reform of household registration system strictly separating rural area from urban area. Although it was the first step of

the long march, it’s the critical step for actual loose household registration system.

In Oct. 1985, China started to implement identity card system. The actual loose household registration system and implementation of identity card system granted legal identity to farmers moving between cities and countryside.

4. *Establishment of market mechanism and reform of labor employment system*

In 1993, *Decision of the Central Committee of the Communist Party of China on Several Issues of Establishing Socialist Market Economy System* made on the Third Plenary Session of the 14th Central Committee of the Chinese Communist Party specified that the country should encourage and lead surplus rural labor force to transfer to non-agricultural industries and orderly flow between regions. In Dec. 1993, *Overall Vision of Labor System Reform When Establishing Socialist Market Economy System* issued by the Ministry of Labor put forward: “the target mode of cultivating and developing labor force market is to establish the modern labor force market with fair competition, order operation, powerful regulation and complete service, break the employment policy of planning in production and distribution and break the identity boundary hindering labor force flowing among different ownership systems. The laborer can independently choose profession, freely flow and enterprises

can independently choose employees. The labor force supplier and demander shall establish labor relationship through fair competition and two-way selection. From the long-term development, to establish the labor force market under fair competition needs to gradually break the boundary of labor mobility between city and countryside and regions.” The establishment of market mechanism and reform of labor employment system promote the surplus rural labor force to move to city. The magnificent migrant worker group has been moving in China for nearly 40 years. The migrant workers made giant contribution to the social transformation in China.

5. *Outstanding change of farmers' income structure*

Since reform and opening-up, the per capita net income of farmer was increased from 134 yuan in 1978 to 11,422 yuan in 2015, annually increasing by 12.77%, which maintain fast growth in general.

Since reform and opening-up, the income structure of farmer experienced profound change. The farmer's income structure was transformed from simplification to compound type, the income source was diversified, the family operation income was decreasing gradually and the salary income was increasing gradually. At present, the salary income makes stable contribution to farmers' income (above 50%).

6. *Profound change of rural population and family structure*

Chinese One-child Policy and Reform and Opening-up were launched almost simultaneously. Over 30 years' One-child

Policy causes profound change of rural population and family structure in China.

In Chinese rural area, there is always the procreation viewpoint that “you may be happier with more children”. The One-child Policy was launched in 1979, especially young farmers went to work and do business in the city and they were influenced by the urban modern civilization. Meanwhile, the economic condition and work nature of young farmers working in the city also influenced their fertility intension. “Late marriage and having fewer children” was the inevitable choice of young migrant workers. The family planning policy reduced 400 million persons in China; of course, it was also attributable to the contribution of countryside and farmers. It's a well established fact that new rural labor force is in down trend. Meanwhile, the rural family structure presented miniaturization and kernelization. Data shows that the rural family scale was decreased from 5.7² persons averagely in 1978 to 3.3³ persons averagely in 2010.

In the social transformation, Chinese rural area experienced many other profound changes like removal of agricultural tax changes the relation between farmers and the country; in addition, the market economic development and social flow was increased, new hierarchy classification

² Han Jun. Research on rural economic and social transformation since the reform and opening-up. *Economic Research Guide*, 2008, volume 2.

³ *National Health and Family Planning Commission, China Family Development Report 2014*. China Population Publishing House, 2014.

appeared in the rural area and the hierarchy is more complicated and the benefit is diversified, etc.

II. Influence of social transformation on rural poor aged people

1. Scale of rural poor aged people

To study the issue of rural poor aged people, a basic evaluation must be made on number of poor aged people.

To “know fairly well”, we regard the number of people receiving rural minimum living guarantee can be the reference for study. As organizations above county-level in China shall report number of people receiving rural minimum living guarantee to the Ministry of Civil Affairs every month, including the number of people over 60 years’ old receiving rural minimum living guarantee. Although the minimum living guarantee and difference supplementary standard in China are different, the aged people receiving rural minimum living guarantee are confirmed as per local economic development level and living level, which can accurately reflect the number of rural poor aged people in China. Data from the Ministry of Civil Affairs shows that at the end of 2015, the total people receiving rural minimum living guarantee was 49,031,599, including 20,043,541 aged people above 60 years old. At the end of 2015, there were 1.581 million persons in national five guarantees concentrated support and 3.581 million persons in scattered support. There are totally 25,205,541 aged people receiving rural minimum living guarantee and five guarantees, which are the total rural

poor aged people in China at present. To be sure, although the number of people rural minimum living guarantee was calculated and reported monthly, it’s just the minimum scale of poverty population and the actual poor aged people in rural areas may far exceed the number.

Since 1978, it’s the accelerated social transformation period of China. In this period, Chinese economy experienced rapid development, the urbanization was stably promoted, the surplus rural labor force migrated as migrant bird in a large scale for a long term, the family planning policy was completely implemented, the New Rural Co-operative Medical System and new rural endowment insurance systems were established and implemented. Under the general background of rapid social transformation, some factors become poverty causes of rural poor aged people and some factors become obstacles hindering poverty elimination of rural poor aged people, therefore, rural poor aged people becomes a new issue in the social transformation period.

2. Accelerating coexistence of urbanization and rural hollowing”

Generally, if the urbanization rate is 30–60%, it’s the acceleration period of urbanization. In 1998, the urbanization rate of China was 30.4% and China entered the acceleration period of urbanization. The People’s Republic of China was founded in 1949, in which the urbanization rate was only 10.64%; the urbanization rate was 30.89% in 1999, only 20.25 percentage points were increased in 50 years and only

0.41 percentage points were increased per year. After entering the acceleration period, in 1998, the urbanization was gradually accelerated and the urbanization rate reached 56.10% in 2015; 25.21 percentage points were increased in 17 years, which exceeded the sum of previous 50 years, and averagely 1.48 percentage points were increased per year, presenting obvious acceleration trend.

With the acceleration of urbanization, the surplus rural labor force greatly moved to city, the rural hollowing has received high attention from the public; wherein, hollow village is an outstanding issue.

Hollow village increased the living difficulty for rural aged people, especially poor aged people. Firstly, as residence in hollow village was reduced gradually, the village clinic must stop operation or move to other places. Secondly, as the village scale was small, water, electricity, road, communication and other infrastructures cannot be improved. With the passage of time, original infrastructures were deteriorated. Thirdly, as the villagers were reduced gradually, some service systems (system of elderly care service, cultural service system, etc.) needing interaction with communities and residences cannot be established; even original service system cannot be maintained due to personnel reduction. Fourthly, the traditional rural entertainment activities in the past, like opera singing, dragon lantern dance, etc. were not performed and these activities were basically not

handed down. The aged people may feel lonelier. If the aged people died, it's difficult to hold a funeral procession by eight persons as the tradition (commonly known as "Eight Immortals"), there is no "eight immortals" in the village.

3. *Left-behind countryside with "left-behind" poverty*

We've known that most floating population in China is rural migrant population. As "incomplete urbanization" system arrangement, they are working in the city but their household registration is in countryside. There is a floating family in the family and there is a left-behind family in the countryside. They work in city in young ages and return to the countryside in old age. Therefore, there is a huge number of left-behind aged people group in the countryside. *China Aging Development Report 2013* pointed out that there were about 50 million left-behind aged people in 2012, occupying 50%⁴ of total rural aged people. There are three main types of rural left-behind aged people: elderly couple family, elderly single family and households of old grandparents with minor grandchildren.

With age increasing of left-behind aged people, the incidence was increasing year by year. However, limited by rural medical condition, it's inconvenient to seek medical advice. If the left-behind aged people want to see medical advice in hospitals in the city, they may be cumbered with grandchildren or

⁴ Wu Yushao (Ed.). *China Ageing Development Report 2013*. Social Sciences Academic Press, 2013.

unable to go without escort, so many aged people endure minor illness and serious illness, their physical health was significantly influenced. The left-behind aged people is separated with children for a long time. They not only suffer economic poverty but also endure spiritual loneliness. The left-behind aged people without dependence is unable to receive the same treatment as other aged population “receiving treatment in case of illness and enjoying the life in old age”.

4. *Dual-poverty of loss of single-child family*

“Loss of Single-Child Family” refers to the family that the couple only gave birth to or adopted a child but the child was dead due to disease or accident and the couple couldn’t give birth to or adopt a child⁵. “Loss of Single-Child Family” is the new issue caused by family planning policy.

Professor Mu Guangzong in Institute of Population Research of Peking University regarded that single-child family is essentially risk family and the risk is the uniqueness⁶. Many loss-of single-child families are sorely bearing the risk.

Psychological trauma is difficult to be healed. Family endowment function is lost. It’s difficult to enter nursing institution as there is no guarantor.

⁵ Wang Weiwei, Hu Cheng. Review of loss of single child family problem in China. *Journal of Chongqing City Management College*, 2013, volume 3.

⁶ Mu Guangzong. Building people-oriented population policy and population strategy. *Study Times*. 4th edition. 2004. October 18.

The family suffers financial difficulty and will have a lonely and dreary life in old age. Family relationship is out of balance. The family is broken down which is to add insult to injury. The family suffers the pressure of caring the third generation.

5. *Low remuneration from new rural social pension insurance*

From 2009, China launched new rural social pension insurance pilot work. To the end of December 2012, all county level administrative regions carried out coverage of new rural social pension insurance. As the fund source of new rural social pension insurance consists of individual payment, collective subsidy and government subsidy. Therefore, the economic development condition and financial ability of different regions determined the remuneration level of new rural social pension insurance. The remuneration for farmers participating in pension insurance in underdeveloped area is always very low.

In 2014, the State Council issued *Opinion on Establishing Uniformed Basic Pension Insurance System for Urban and Rural Residents*, and decided to combine new rural pension insurance with urban resident pension insurance and establish uniform basic pension insurance system for urban and rural residents in the whole country. Personnel participating in the urban and rural resident pension insurance can pay the pension insurance as per regulations. There are 12 grades for pension insurance standard: 100 yuan, 200 yuan, 300 yuan, 400 yuan, 500 yuan,

600 yuan, 700 yuan, 800 yuan, 900 yuan, 1,000 yuan, 1,500 yuan and 2,000 yuan per year. The increased payment grades can better adapt to regions with different economic development levels and urban and rural residents with different income levels. Other contents are not significantly changed. Especially for rural poor aged people paying lower level of pension insurance, their remuneration is very low, which cannot change their poverty condition. Meanwhile, there is obstacle for the transfer and renewing of pension insurance for migrant workers, which cause hidden worry for receiving pension in the hometown. At present, among rural poor aged people, many people are migrant workers before.

6. New rural cooperative medical system is unable to fundamentally block the poverty causation and re-poverty channels

Poverty and re-poverty caused by disease is one of important factors causing poverty; it's especially true for rural poor aged people.

The aged people is a special group suffering high prevalence rate, diversified diseases and high proportion of hospitalization. The senile dementia for the aged people is increased, so the nursing pressure is great. Poverty and re-poverty caused by disease is prominent in rural areas.

The new rural cooperative medical system has alleviated economic burden caused by disease for rural poor aged people. However, according to our survey, many aged people suffer poverty and re-poverty caused by disease. As the guarantee level of new rural cooperative medical system is not high, and the formalities for applying for reimbursement are complicated. The reimbursement institution in remote countryside is far away, the cost for applying for reimbursement is increased so many patients give up treatment. The medical level of fixed medical institutions in some counties and towns is limited. If the patient go to the superior medical institution, the reimbursement proportion will be lowered, therefore the patient's burden is increased. The rural aged patients in poverty are caught in a dilemma.

The social transformation is characterized by integrity, complexity and persistence. On one hand, the social transformation will bring giant progress and development to Chinese rural area; on the other hand, it also cause some inducement causing poverty and hindering poverty elimination to rural poor aged people. The inducement and difficulty were generated in the transformation process and will be overcome and solved in the transformation process.

Information about the Author

Ma Xuesong – Chief Research Associate, Jiangxi Academy of Social Sciences (Nanchang, China)

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