

Exploration for New Rural Social Pension Insurance System in China

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Abstract: With the rapid economic development, the gap between rich and poor is increasing, which is inconsistent with the goal of common prosperity. So, protecting the rights of poor and vulnerable groups has become the primary means of regulating social conflicts. China's new rural social pension insurance system, the latest model focusing on farmers' pension, aims at guarantee farmers' basic livelihood in their old-age periods. Therefore, research on the premise and objective of implementation of new rural social pension insurance system seems urgent. It is of positive significance in improving the new rural social pension insurance and narrowing the gap between urban and rural areas.

1 INTRODUCTION

New rural social pension insurance, including farmer personal fees and the subsidy of government and society, is deposited into farmers' individual accounts to guarantee farmers' daily life. Such insurance system, combined with land security, social support and assistance policies, has become an important part of China's insurance system. The implementation and improvement of China's new rural social pension insurance system can provide certain financial support to farmers, reducing their economic pressure (Li Xingxing, 2013). That is also the main part of narrowing the gap between rich and poor and easing social conflicts. To some extent, new rural social insurance system is the key measures to solve farmers' supporting problem. New rural social pension insurance can improve the income level of farmers, and promote social harmony and progress. However, in the specific implementation process of this system, reasonable design is needed, for only reasonable system can comprehensively improve farmers' economic ability. New rural social pension insurance system can not only promote the realization of China's socialist target, but also solve the problem of farmers' basic supporting problem practically (Cong Yun, 2013). Therefore, to perfect China's new rural pension insurance system, emphasis should put on the premise and objective of implementation, as well as the tasks that need completed in the process.

2 PREMISE OF IMPLEMENTATION OF CHINA'S NEW RURAL SOCIAL PENSION INSURANCE SYSTEM

2.1 Traditional Agricultural Country, the Foundation of Implementing New Rural Social Pension Insurance

Large land with rich resource and complexity of climates make China suitable for the growth of various plants. Therefore, it is the superior natural condition that makes China a traditional agricultural country, and agriculture has long been the pillar industry of China. According to China's State Statistics Bureau, till February 22, 2013, the total population of China in mainland is 135,404. Among them, the rural population is about 64,222, 48.8% of the total population, and has improved 1.1 percentage points compared with former year. Rural population in China occupies a large proportion, so farmers' living guarantee is the major social factor affecting social stability. Farmers' living guarantee has a direct impact on the development of grain production and other food processing industries, so

farmers are of importance in agriculture and economy. Maintaining the stability and steady development of society, as well as gradually realizing a well-off society, is the requirements of China's socialist system (Qi Min, 2012). They are also the main objective of this vulnerable group—farmers. China's new rural social pension insurance system, starting from agriculture, rural areas and farmers, is an important measure to really service "three agriculture". Therefore, the proportion of rural population more than a half is the premise of implementation and necessary requirement of China's new social pension insurance system.

2.2 Deepening of Population Aging Degree

As the most populous country in the world, China has a relatively large population base. Over the recent years, affected by family planning policy, and the improvement of people's cultural level and the overall quality of society, people have gained a deeper understanding of education and responsibility. On the whole, people's attitude towards fertility has undergone a new change, leading to a steady decline in the number of newborns. While the population of the elderly is relatively large, leading young people have to shoulder the increasing pressure of supporting the elderly. At present, many newly married couples are the only children, so they need to work to support the elderly, or even grandparents both sides. Based on statistics of State Statistics Bureau, till February 22, 2013, the population of 60 years and above has reached 19,390, accounting 14.3% of the total population, with a 0.59 percent increase compared with former year. The population aging problem in China is emerging, seriously affecting the normal life of society. And the excessive pressure generated from support for the elderly has brought a direct negative effect to young people's work and life. Therefore, the deepening of population aging degree is the main driving factor of implementing new rural pension insurance system.

2.3 Adjustment of Economic Structure

China has been in primary stage of socialism, with low level of economic development, when economic development structure needs continuous adjustment. Labor demand is constantly expanding, especially in the eastern coastal areas, where economic level is relatively high and with a lot of small and medium

enterprises. Moreover, China's labor market appears an imbalance. The surplus labor in the west is relatively excessing, while the economic development level not high enough, leading to a weak demand for labor. So lots of western people are more accustomed and familiar with the flowing life. And it is very common for many young people to go to metropolitan to develop. Most young people, with low education, will not follow their parents to engage in agriculture production. They will choose to work in cities to broaden their horizons, thus changing their destiny. While the college students, who can create wealth through knowledge, seldom return to the countryside again after graduation. This vicious circle makes lonely elder people and left-behind children become more and more. Data from the State Statistics Bureau show that the national total population of Family Separation is 279 million. Among them, 236 million are the flowing population. Young people depart their homes, worrying their children and elderly parents. In the countryside, the economy is relatively backward and medical conditions relatively poor. The elderly people mainly depend on the grain, which cannot fully guarantee their life in the case of illness and attending children. China's new rural pension insurance system gives the elderly a real guarantee and sustenance, thus making young people work outside attentively. In this way, young people can develop themselves while caring their families, thus enabling the society to develop more stable and harmonious. Therefore, the flowing population caused by the adjustment of economic structure is also the premise and requirement of quick execution of the new rural pension insurance system.

3 PURPOSE OF CHINA'S NEW RURAL PENSION INSURANCE SYSTEM

Construction of socialist new countryside is an important part of China's socialist construction. Rural pension insurance system, a software system in rural areas, can provide a powerful guarantee for socialist new countryside characterized by Chinese features. Meanwhile, it is also an important method to reflect the superiority of socialist system. Implementing new rural pension insurance system can alleviate the problem of the aging population and provide more opportunities and spaces for young people. So that young people can better devote

themselves to work, thus making their own contribution for socialist modernization. It is also significant to solve the problem of support for the elderly people.

Implementation of new rural pension insurance system is an integral part of China's socialist pension system, and also a major breakthrough of the traditional pension model. Subsidies for farmers' pension insurance will change the self-supporting model, alleviating their financial burden. It can also provide farmers with some financial support, thus excluding the worries of young people and reducing their pressure. To some extent, it can increase farmers' distributable income levels and improve their living standards. Besides, it is of historical significance in the promotion of harmonious development, common progress and common prosperity. China's socialist system shows strong advantage. From the social protection degree perspective, the social pension insurance is an important reflection. Pension insurance has a strong practical significance in the aspects like narrowing the gap between rich and poor and realizing social justice. From the tax perspective, it can maintain the country's overall balance of payments, collect more social capital and increase revenue. In this way, more farmers will be provided with better services, with their basic living improved and their legitimate interests protected. Besides, the society will be more stable for the rapid and smooth development of China's economy, thus achieving better progress.

4 SPECIFIC TASKS OF CHINA'S NEW RURAL PENSION INSURANCE SYSTEM

4.1 Strengthening Propaganda of New Rural Pension Insurance System

The overall quality of farmers is not high, and their understanding of the pension insurance system is inadequate. So, explaining this new system in detail is necessary. For it enable farmers to have a real understanding of it, thus eliminating their reluctance to payment and reducing their blind resistance to pension insurance. Government should guide farmers to learn the advantages of pension insurance, including the benefits and normalization of it. Then farmers will be active in participating and cooperating, and the pension system be perfected. Make farmers know the vulnerability of land, then

farmers will accept the new system and form, thus better understanding the new social insurance system. Encourage farmers to participate actively and making their paying fees more transparent, so that farmers will build a sense of trust to relevant departments and government, making the government well supported. Moreover, certain government propaganda is required to strengthen the new rural pension insurance system, thus ensuring better promotion and development.

4.2 Strengthening the Support Dynamics

Capital is the foundation to ensure the smooth implementation of pension insurance system. Government should visit farmers' life to understand their actual situations. And government also needs to manage the capital, income and insurance system well, increasing fiscal spending to improve the living standards of farmers. Capital is the best support for farmers. While strengthening the support dynamics, some targeted measures are also needed. For example, government can use different standards for different income levels, and different charging methods for villagers' different economic situations. Moreover, management of the capital is also an important step in pension insurance. With capital increase, certain supervision and control of capital flowing is necessary, so that more capital can be better used. During the operation and support of capital, government should supervise the capital and pension system to protect farmers' legitimate rights and interests. Finally, a strict supervision system is crucial to avoid the emergence of corruption.

4.3 Promoting Rural Economic Development

While increasing the capital support, rural resources should also be developed actively. That includes developing the economy with local conditions, stimulating employment and increasing technical support for rural economic development. In this way, the living standards of farmers will be fundamentally improved. In the process of becoming rich, government needs to strengthen rural infrastructure construction, like the construction of highway. Transport is the key link of grain transportation, and only smooth road can seize the better sales period of vegetables and grain. Rural economic development is the foundation of improving farmers' disposable income. Government, while providing support and

assistance, should focus on the local economy and exploit the development potential of rural areas, thus protecting the basic living of farmers. Providing technical support is also to promote economic development, since it is the key to increase grain production level. Guiding farmers to acquire more advanced production technology enable rural grain and cash crops to better play its economic value, so as to protect farmers' life and guarantee their pension.

4.4 Perfecting Related Systems

New rural social pension insurance combines government subsidies and farmers' contributions. Farmers' contributions are a burden for every family, and they maybe hesitant. So, reliable systems and strict execution measures are necessary to prove the feasibility of pension system, giving farmers a sense of trust. In addition, issues such as the restitution of pension that most valued by farmers also need reasonable research and improvement according to insurance system. At this point, government and relevant departments should put restitution in the first place, ensuring the prompt restitution and the amount. Perfecting supervision and restitution enable farmers to maintain a harmonious relationship with the government and relevant departments, achieving the long-term cooperation. Then, farmers' real benefits and pension will be guaranteed. Sound system is a guarantee for the implementation of rural pension insurance, because it can provide guidance and direction for the government and relevant departments. However, to better implement and enforce it, more institutional and regulations are needed to safeguard the legitimate rights and interests of people. From another perspective, a sound social pension insurance system is also the requirements of protecting farmers' benefits.

5 CONCLUSIONS

New rural social pension insurance has achieved great success in rural areas throughout China, protecting the benefit of farmers well. However, shortage of many subsidies still exists. That means the pension system is still not perfect, and need the efforts of all aspects, including the mutual cooperation and supervision of the government and family. After comprehensive analysis of the premise and objective of implementation, as well as the tasks need to be completed in the process, we should firmly adhere to the socialist road and the road of

common prosperity. Only concerning the vital interests of farmers from actual conditions, farmers' pension will be achieved and social justice realized. Meantime, the pressure on young people to support the elderly will be alleviated, thus they will have more time and energy to work and make a better contribute to the socialist construction. The superiority of socialist system needs to be reflected in every policy and system. Since believing the party and government, people should be confident and hopeful about the future life.

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