OLD AGE SUPPORT AND THE WELL-BEING OF THE ELDERLY
IN THE PEOPLE'S REPUBLIC OF CHINA

DISSERNATION

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By

Xiaomei Pei, M.S.

Denton, Texas
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One of the major issues concerning old age security is the adequacy of support systems for the aged population. Population aging and economic development in the People’s Republic of China have raised the question about the ability of the family to take care of the elderly. Using the latest data collected by the Research Center on Aging in China of a national representative sample of the aged population, this study develops a model to examine the effectiveness of family support for the elderly during the current socio-economic transition of the society. The model also examines the adequacy and effectiveness of state welfare systems on the aged population and the effect of select socio-demographic factors on the well-being of the elderly in China.

The investigation into the social, economic, and health aspects of the life of the elderly provides the background knowledge for understanding the support systems for the elderly in China. The multivariate analyses of the effects of the elderly support systems within the framework of shared functions of the primary groups, and the bureaucracy in achieving social goals, identify the important effects of the economic conditions of the family and the state income maintenance programs on the sense of well-being of the elderly. The findings lead to the conclusion that the cooperation of the family and the state is necessary to provide a secure life for an aged population.
The patterns and trends of old age support in China are found to be constrained by the interplay of various social forces, among which the effect of politicalization of the social and economic conditions of the elderly is crucial. Policy recommendations include public assistance to the family, encouragement of the local effort, and national legislation on old age security.
ACKNOWLEDGMENTS

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I would like to thank Dr. Vijayan Pillai for his valuable advice on the design of this research. My great appreciation also goes to Dr. Martin Jaeckel who helped me greatly in clarifying many key concepts and theoretical issues in this dissertation. I am grateful to Dr. Jan Weaver for her constant material and moral support and for her assistance in editing the final draft. Finally, thanks are also due to Mr. Lonnie Roy for reviewing and commenting on the statistical analyses of the dissertation.
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CHAPTER 1

INTRODUCTION

This is a study of the patterns and trends of support for the aged population in contemporary China. Because academics and policy makers in China define the "aged" or the "elderly" as persons aged 60 and above, that definition has been accepted by this study.

Five sections are included in this introductory chapter. The first section provides a rationale for the study through the discussion of the global trend of population aging and its implications for the well-being of the elderly, especially for those in the less developed nations. Emphasis is given to the issues concerning the adequacy of support systems. The second section outlines the problems of the studies that have been done on old age security in China and the issues that this study is intended to address. The third section provides a demographic profile of the aged population in China as a background for understanding the issues of old age support in China. The fourth section overviews the existing old age support systems in China. The last section outlines the organizational structure of this study.

1. Old Age Support - A Global Issue

Population aging has long been viewed as a phenomenon of the developed world because the process of population aging, which has been taking place for well over a
century, has resulted in the high percentage of the aged found in many Western populations. Recently, population aging as a developmental issue has begun to capture the attention of the academic community and policy makers beyond the developed world. The demographic transition, resulting from declines both in mortality rates and fertility rates, is taking place in a much shorter period of time in many developing countries than was the case in developed countries.

The demographic transition has led to increasing concerns about the ability of societies to provide security for people in their later years. The long-term consequences of socio-economic development have included gradual improvements in living standards in most of the developed countries and relatively well-established systems of old-age support. Resources were potentially available to be delivered to the aged population by the time a substantial proportion of the population had reached old age (Sen, 1994). Even with these advantages, these relatively wealthy societies are frequently challenged by problems of resource distribution such as uniformity, equity, and adequacy.

Recently, the proportion of resources devoted to the aging has been challenged. Unlike developed countries, population aging in the developing world does not occur as the result of real socio-economic development. Rather, it is due to the effects of medical technology, including prevention and treatment of diseases that cause high mortality, coupled with effective means of contraception (Kalache, 1991). In these countries, large segments of the population still live in the margins. While there is a lack of resources for effective public old-age support programs, the traditional forms of support, specifically the family support systems, are threatened by rapid social changes
such as urbanization and the increasing participation of women in the workforce.

Support systems can be either informal or formal. Informal support refers to the assistance provided by families and friends. This was the major form of old-age support before the public programs such as pensions and social security came into being in the developed countries and has remained as the primary form of old-age support in the developing countries. Formal support refers to the systems of public response to the security of the aged. It includes the assistance provided by government or local agencies through programs that are legislatively based. Social Security and Medicare in the United States are two examples. Formal support also includes assistance provided by businesses that are based upon employment. Pensions are an example of assistance of this kind.

One of the major issues concerning old-age security is the adequacy of support systems of either kind. Atchley (1988) noted that the term "support system" has been frequently used to refer to relationships that involve the giving and receiving of assistance. The assistance can be ongoing or sporadic. However, it must be viewed by both the giver and receiver as significant in maintaining the psychological, social, economic, and physical integrity of the receiver (Lopata, 1975; Cantor, 1980).

A great deal of research has been conducted on the old-age support systems of the developed world. In comparison, research on old-age support in the developing world is much less adequate. In addition to the need to fill the gap in this area of study, the current demographic transition occurring in the developing world also makes the research on old-age security in those countries an urgent task because their problems
have consequences for all countries. This study of the well-being of the elderly in China is an attempt to contribute to that task.

2. Statement of Problem

Research on elderly support in China is contradictory. Some studies indicate that because of the norms of reciprocity and orientation to the family group, Chinese society offers many advantages for the dependent elderly (Streib, 1987). Moreover, in one study, the elderly were even found to benefit in many ways under the modernization drive that began in the late 1970s, which seems to challenge the notion that the conditions of the elderly will worsen as industrialization progresses (Olson, 1990). However, other studies have observed that lack of old age support is the most frequently mentioned grievance in interviews with the elderly, which seems to support the view that the status of the elderly is declining (Yang & Chandler, 1992). Based on economic analysis and empirical evidence of several developing societies including China, it has been argued that public support has an irreplaceable role to play in removing deprivation and vulnerability of the elderly (Ahmad, Dreze, Hills, & Sen, 1991).

Such differences in assessing elderly support in China result from the lack of a comprehensive view of the current economic status of the Chinese elderly and the effect of current formal and informal support systems on the general security of the aged. Systematic study of aging in China began only within the past decade. Although there is increasing interest in the area, much more research is needed to provide a clear picture of the elderly Chinese as an increasing segment of the population. Such a
picture should reflect the diversity as well as the norm of old-age support systems in China. It is for this purpose that this research is undertaken.

In examining the current patterns of support for the elderly in China, including the dynamics of the developing social security systems for the elderly, this study will address the following issues in the area of old age security.

First, like many developing societies, Chinese society is thought by some Western researchers (Jernigan & Jernigan, 1992; Olson, 1990) to possess the tradition of filial piety, reciprocity between the generations, and the respect for elders. It is true that the family has long been the primary source of support for the elderly throughout the Chinese history. Even in recent time, the majority of the elderly who are not covered by the public support systems have to rely on the family for support undoubtedly. The family will continue to be the major support systems for the elderly, but considering the changing family structure, it is necessary to assess the adequacy of the current family support systems in meeting the needs of the elderly. At present, there is a lack of evidence that shows the extent to which care for the elderly is provided by their families and the degree to which their lives are currently secure.

Second, although elderly care in China rests primarily on the family, welfare programs for those elderly who do not have children or relatives came into existence in the 1950s and urban areas pension systems have been provided for a portion of the elderly who had been employed in the modern industrial sectors. Thus, another issue is the effectiveness of the formal support systems in promoting the well-being of the elderly who are covered by the public programs and the disparity between those who
Finally, research has demonstrated the impact of many socio-demographic factors on the practices of old-age support in many societies. Because of their higher socio-economic status, it is usually married, relatively highly educated, and urban dwelling men who get better economic support both from the family and from the public programs. Females, on the other hand, and people who are unmarried, relatively poorly educated, or live in rural areas receive less support. This study will assess the relationships between gender, marital status, education, geographic location and the elderly support systems.

3. Population Aging in China

China is now under the process of demographic transition. Demographic transition, according to Kasturi Sen (1994), refers to the effect of birth rates and death rates on the size and age distribution of populations. A classic model for demographic transition is seen in the changing structures of the Western European populations. Improvements in social and economic conditions over a period of a century were reflected in the reductions in birth and death rates in those societies. Continuing falls in birth and death rates led inevitably to the growth in proportions of elderly people in those populations. This process of increasing proportion of aged in a population is called population aging. Currently, according to the United Nations, a nation either with 7 percent of its population aged 65 or 10 percent of its population aged 60 and over is considered as an aged population.

The proportion of the elderly aged 60 and over in China is currently less then
10 percent of the total population. Table 1.1 summarizes the number and projections of the elderly in China between 1950 and 2030. The proportion of the aged has increased gradually following a drop from 7.58 percent of the total population in 1950 to 6.06 percent in 1960. The increase accelerated in the 1980s and in 1990 the percentage of the elderly in the population rose to 8.7. The projections for continued growth are even more striking. By the end of the century, the elderly will make up 10 percent of the total population and in the following three decades, the percentage will double.

Table 1.1 Elderly Population of China (aged 60 and above), 1950-2010

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Population (in millions)</th>
<th>% of 60+</th>
</tr>
</thead>
<tbody>
<tr>
<td>1950</td>
<td>563.00</td>
<td>7.58</td>
</tr>
<tr>
<td>1960</td>
<td>662.07</td>
<td>6.06</td>
</tr>
<tr>
<td>1970</td>
<td>829.92</td>
<td>6.35</td>
</tr>
<tr>
<td>1980</td>
<td>987.05</td>
<td>7.32</td>
</tr>
<tr>
<td>1990</td>
<td>1,143.33</td>
<td>8.70</td>
</tr>
<tr>
<td>2000*</td>
<td>1,280.00</td>
<td>10.00</td>
</tr>
<tr>
<td>2010*</td>
<td>1,379.00</td>
<td>11.70</td>
</tr>
<tr>
<td>2020*</td>
<td>1,483.00</td>
<td>15.00</td>
</tr>
<tr>
<td>2030*</td>
<td>1,537.00</td>
<td>20.00</td>
</tr>
</tbody>
</table>


Population aging in most Western societies is primarily the consequence of
declining fertility and more rapidly declining mortality resulting in longer life expectancy. The process of population aging in China, similar to the classic model of most Western societies, is a combined effect of the downward trend in fertility and declining mortality, yielding significant improvement in life expectancy.

Table 1.2 demonstrates that both the birth rate and the death rate dropped significantly from the 1960s to the 1980s. The birth rate, defined as the number of children born per 1,000 population per year, dropped from 39.14 in 1964 to 20.91 in 1981.

Table 1.2: Selected Vital Statistics of China, 1950-2010

<table>
<thead>
<tr>
<th>Year</th>
<th>Birth Rate (Per 1000 Population)</th>
<th>Death Rate (Per 1000 Population)</th>
<th>Life Expectancy at Birth Male</th>
<th>Life Expectancy at Birth Female</th>
<th>Life Expectancy at 65 Male</th>
<th>Life Expectancy at 65 Female</th>
</tr>
</thead>
<tbody>
<tr>
<td>1953</td>
<td>39.14</td>
<td>11.50</td>
<td>42.20</td>
<td>54.58</td>
<td>7.88</td>
<td>9.59</td>
</tr>
<tr>
<td>1964</td>
<td>20.91</td>
<td>6.36</td>
<td>61.64</td>
<td>63.22</td>
<td>11.29</td>
<td>12.93</td>
</tr>
<tr>
<td>1981</td>
<td>22.28</td>
<td>6.67</td>
<td>66.43</td>
<td>69.35</td>
<td>12.44</td>
<td>14.60</td>
</tr>
<tr>
<td>1990</td>
<td>21.06</td>
<td>6.67</td>
<td>69.2</td>
<td>70.9</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2000</td>
<td>---</td>
<td>---</td>
<td>71.4</td>
<td>73.2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2010</td>
<td></td>
<td></td>
<td>73.3</td>
<td>75.1</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>


In the West, changes in the birth rate are usually influenced by factors such as the age structure of the population, the desirability of children, availability and
reliability of birth control methods, and legalized abortion (Banister, 1992). The decline in the birth rate in China varies from that of the West in that it is closely associated with the state's one-child family planning policy, which was implemented in the late 1970s in an effort to meet the goal of an optimum population of 1.2 billion by the end of the century. While the policy successfully reduced the size of the total population, it unintentionally increased the process of population aging by dramatically reducing the birth rate.

The decline in the death rate was even more rapid. The death rate is defined as the number of people that died per 1,000 population per year. The decline of the death rate in China began in the 1950s before the decline of the birth rate. The effect of this drop in mortality, without a fertility decline, was an increase in the proportion of younger people and a decrease in the proportion of the elderly in the total population from the 1950s to the 1960s as shown in Table 1.1. This decline was a direct effect of improvements in the areas of public health and medical care after decades of warfare and chaos. The mortality rate continued its downward trend until the 1980s at which time it stabilized and has remained at a relatively low level of 6.00.

The impact of the decline in the death rate can been seen in the improvement of life expectancy. Life expectancy is the estimated average number of years an individual at a certain age can expect to live (U.S. Bureau of Census, 1990). A decline in the death rate at younger ages will ultimately lead to more individuals' surviving to old age. A decline in the death rate for older persons will increase the percentage of older persons in the population if the birth rate is stable or declining.
In China, the life expectancy at birth has improved significantly since the 1950s. In 1953, life expectancy at birth for average Chinese was 35 years. By 1964, it was 42.20 years for males and 54.58 years for females. In 1982, the life expectancy at birth for males had risen to 66.43 years and for females to 69.35 years, an increase of 19.5 years from the life expectancy at birth in 1964. Projections made by some studies (Liang, et al., 1986) indicates the possibility of a four year increase in life expectancy at birth in the next two decades. At the same time, life expectancy at age 65 has experienced an increase since the 1960s. In 1982, the life expectancy at age 65 for males was 12.44 years and for females was 14.60 years. There had been an average increase of 4.76 years since 1964.

The continuous decline of fertility and mortality resulting in increased longevity ultimately affects the age structure of China. Data in Table 1.3 indicate that the proportion of persons age 14 and below declined from 40.53 percent in 1964 to 33.45 percent in 1982. At the same time the proportion of those 65 and over grew from 3.55 percent to 4.89 percent. The increase in the proportion of the elderly is expected to accelerate early in the next century as a result of the current family planning policy. Two projections have been made by Banister (1992) about the growth of the aged in the total population of China. Based upon the assumption that the one-child policy will continue to 2050, by the year 2030, we can expect the aged 65 and over to compose 22 percent of the total population. Assuming that a two-child policy is gradually implemented between the years 2000 and 2010 and then maintained to the future, we can still expect the aged 65 and over to make up 16 percent of the total population by
the year of 2030. The dependency ratio as a measure is widely used to indicate the
working versus the nonworking or dependent segments of the society. A low
dependency ratio would indicate that the working segment of the society supports a
small number of dependents. A large ratio usually indicates that a large number of
nonworking population are dependent segments of the society. Despite its many faults
as a measure, the growth of the dependency ratio, especially the growth of the
proportion of the elderly as dependents in the predictable future should be an alarm to
current policy makers.

Table 1.3 Observed & Projected Age Structure of the Chinese Population
1953-2030

<table>
<thead>
<tr>
<th>Year</th>
<th>0-14</th>
<th>15-64</th>
<th>65+</th>
<th>Dependency Ratio*</th>
<th>Elderly as %* of Dependents</th>
</tr>
</thead>
<tbody>
<tr>
<td>1953</td>
<td>35.67</td>
<td>59.94</td>
<td>4.38</td>
<td>40.05</td>
<td>10.93</td>
</tr>
<tr>
<td>1964</td>
<td>40.53</td>
<td>55.92</td>
<td>3.55</td>
<td>44.08</td>
<td>8.05</td>
</tr>
<tr>
<td>1982</td>
<td>33.45</td>
<td>61.65</td>
<td>4.89</td>
<td>38.34</td>
<td>12.75</td>
</tr>
<tr>
<td>1990*</td>
<td>6</td>
<td>41</td>
<td></td>
<td>20</td>
<td></td>
</tr>
<tr>
<td>2000*</td>
<td>8</td>
<td>30</td>
<td></td>
<td>33</td>
<td></td>
</tr>
<tr>
<td>2010*</td>
<td>9</td>
<td>29</td>
<td></td>
<td>42</td>
<td></td>
</tr>
<tr>
<td>2020*</td>
<td>15</td>
<td>32</td>
<td></td>
<td>60</td>
<td></td>
</tr>
<tr>
<td>2030*</td>
<td>22</td>
<td>42</td>
<td></td>
<td>74</td>
<td></td>
</tr>
</tbody>
</table>

* Projected by Banister (1992) base upon the assumption about a total fertility rate of
1.0 birth per woman from 1990 to 2050.

Social Socience and Medicine, 23(12), 1353-1362; Banister, J. (1992). 
Implications of the aging of China's population. In D.L. Poston Jr. & D. 
Yaukey (Eds.), The Population of Modern China (pp.463-490). New York: 
Plenum Press.
Population aging in China, like the experience of Western aged societies, shares a similar effect of declines in fertility and mortality and increases in life expectancy. However, the process departs from the classic model of demographic transition in that its major cause is the state population policy, rather than a gradual social, economic change of the whole society. As a result, the growth of the aged population in China has been faster than that of the Western societies. For example, the aged 65 and over made up 4.7 percent of the total U. S. population in 1920. By 2030, the growth of the elderly population will reach 21.8 percent of the total population (U.S. Senate Special Committee on Aging, American Association of Retired Persons, Federal Council on the Aging, & U.S. Administration on Aging, 1991). It took the U.S. over a hundred years to have the aged population increase from 4.7 percent to 21.8 percent. In contrast, it will take China only half a century to complete a similar process of population aging if current projections are accurate.

Another important aspect of population aging in China is the decline in the sex ratio. Sex ratio refers to the number of males per 100 females in a population or a subgroup of population. In almost all societies, the sex ratio declines as the proportion of the aged increases. Studies (Atchley, 1988; Crandall, 1991; Hess and Markson, 1980) give two plausible explanations for this phenomenon. First, males have a higher death rate in all age categories, which contributes to a shorter life span. Second, advances in medicine have significantly reduced maternal mortality, the most serious threat to females, and thus promoted a longer life expectancy for them. As a result, as the population ages, more women than men survive. When a large majority of the
elderly are female, the issue of aging becomes, in many respects, an issue of older women.

From Table 1.4 we see that the sex ratio for the elderly population in China declines by approximately 10.0 for each 5 year increase in age. For example, in 1983, the sex ratio for the age group 60 to 64 was 102.8; for the age group 65 to 69, it was 94.2; for the age group 70 to 74, it was 84.7; for those aged 75 to 79, it was 71.4; for those aged 80 to 84, it was 57.9, and finally for those aged 85 and over, the sex ratio was 42.0. The decrease in the sex ratio becomes more drastic in the old-old cohorts. Between age groups 60 to 64 and 65 to 69, there was a difference of 8.0 in the sex ratio as compared to a difference of 16 between the 80 to 84 and 85+ cohorts.

Table 1.4 Sex Ratio of Elderly Population of China by Age 1953 - 1987

<table>
<thead>
<tr>
<th>Age</th>
<th>1953</th>
<th>1964</th>
<th>1982</th>
<th>1987</th>
</tr>
</thead>
<tbody>
<tr>
<td>60-64</td>
<td>94.3</td>
<td>85.1</td>
<td>100.4</td>
<td>102.8</td>
</tr>
<tr>
<td>65-69</td>
<td>84.7</td>
<td>78.3</td>
<td>91.7</td>
<td>94.2</td>
</tr>
<tr>
<td>70-74</td>
<td>73.4</td>
<td>68.6</td>
<td>81.3</td>
<td>84.7</td>
</tr>
<tr>
<td>75-79</td>
<td>61.5</td>
<td>57.9</td>
<td>68.3</td>
<td>71.4</td>
</tr>
<tr>
<td>80-84</td>
<td>49.5</td>
<td>47.3</td>
<td>57.4</td>
<td>57.9</td>
</tr>
<tr>
<td>85+</td>
<td>38.0</td>
<td>40.0</td>
<td>42.3</td>
<td>42.0</td>
</tr>
<tr>
<td>Total 60+</td>
<td>81.7</td>
<td>75.5</td>
<td>86.5</td>
<td>88.6</td>
</tr>
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The above discussion of observed and projected measures of demographic transition in China illustrates some similarities and variations of population aging
between China and the Western societies. To sum up, the process of population aging in China is similar to that of the Western populations in that it results from the combined effect of reductions in both birth and death rates. It is also similar to the West in that the proportion of women is growing in the aged population. Population aging in China is different from the classical model of demographic transition in that the major cause is the state population policy rather than the effect of gradual social, economic change of the whole society. As a consequence, population aging in China is happening at a speed that is faster than that experienced by Western societies.

The magnitude and speed of population aging in China ultimately poses the issue of elderly support. Is China as a society ready to meet the challenge of rapid aging of its population? What and how much do the Chinese need to do to meet this challenge? Anyone who is concerned about the future development of China simply cannot avoid these questions.

4. Overview of Elderly Support in China

China has been an agricultural society for thousands of years and the idea of filial piety has served as the spirit of Chinese culture throughout Chinese history. Within the context of the family, at least ideally, the position of the aged members was clearly defined and relatively secured. The ongoing life of the family was governed by the mutual obligations that family members had to each other (Jernigan & Jernigan, 1992). The older members were expected to care for the younger ones when they were too young to care for themselves. In turn, the younger members were expected to care for the older ones when they were in need of care. Thus family was the primary means
of support for the elderly.

To avoid the experience of being without family, individuals without children might seek to adopt a child in order to have someone to care for them in old age (Jernigan and Jernigan, 1992). It was usually the responsibility of the clan organizations to support the childless elderly in rural areas. Old people who were city dwellers without families might turn to either their regional organizations of persons who shared a common place of origin or the surname organizations of persons who shared a common surname regardless of their place of origin (Ikels, 1983; Jernigan, 1976, 1992).

Despite the beliefs about family support and respect for the elderly in China, life for many old Chinese was very tenuous throughout most of Chinese history. As Harrell (1985) points out, wealthy families tended to have more children survive and thus were able to meet the Confucian ideal of the extended family with its carefully ordered relationships based on age and gender. Furthermore, only the older men of the upper class were the absolute rulers of their clans, and their wives commanded the obedience and respect of younger women in the households. Poor families often broke down under the stress of famine and poverty. In the worst of times children were sold, and old people died of starvation and lack of medical care (Davis-Friedmann, 1981; Freedman, 1961).

The involvement of the state in the economic support of the old started in the 1950s along with economic growth. A system of social welfare was gradually established as the state began to provide economic support for the elderly without adult
children and relatives. In rural areas, the influence of the state in terms of elderly support is seen in the program of "Five Guarantees." The "Five Guarantees" include food, clothing, housing, medical care, and burial expenses. Subsidized by the collectives or the local government, the program covers all those elderly who have no children or relatives to turn to for support. Due to the slow economic development of rural areas, the provisions have remained quite meager (Greenbalgh & Bongaarts, 1992). During the past decade of economic reform, however, alternative systems of old-age support, such as saving and pension programs, have begun to emerge in some relatively developed places (Ling & Gao, 1985; Greenbalgh & Bongaart, 1992). Nevertheless, for the majority of the elderly in rural areas, there remains a lack of viable alternatives to filial support.

In urban areas, in addition to the welfare program for the childless elderly, those elderly who have been employed can expect pensions provided by the enterprises or the institutions in which they had been employed. Until the early 1980s, China's industry was basically made up of two kinds of enterprises: state owned enterprises and collective owned enterprises, with state enterprises accounting for about 80 percent of annual gross industrial output value and the collective sector about 20 percent. Both the state and the collective enterprises were under the hierarchical supervision of at least one government supervisory agency (e.g., industrial ministries at the central level or industrial bureaus at the provincial, municipal, and county levels). Most Chinese industrial enterprises had only a single main plant with a single main production line, but many ancillary activities were integrated within state enterprises. In addition to
machinery repair, manufacturing, production of components, and production or mining of raw materials, these enterprises were also responsible for a host of services for employees, ranging from workers' housing and meals to child day care facilities, medical care, commuter transport, and pensions (Byrd, 1991; Bien, 1994).

After seventeen years of economic reform, China's industrial sector currently consists not only of state owned and collective owned enterprises, but also of private enterprises, foreign enterprises, and joint ventures. Although there are a variety of types of ownership, state enterprises are still dominant in the industrial sector in terms of total annual output of the nation, making up 78 percent of the total national output in 1992 (The State Statistic Bureau of China, 1993).

As retirement emerged with industrialization in developed countries, China's pension systems were established in the 1950s when industry started to develop in some parts of the country on a relatively large scale. The pension system was implemented by the "Rules of Labor Insurance of the People's Republic of China" issued by the State Council in February 1951. Revised and amended in 1953, 1978, and 1986, these rules were intended to guarantee employees a basic standard of living when they are old. Under the law, there are basically two types of programs for the elderly. Both are supervised by central and local governments, specifically the Ministry of Labor and city/county social insurance agencies. One type is mandatory with employer-provided benefits for permanent workers in state enterprises. The other type is a city/county-based social insurance program for contract workers in the state enterprises. In addition to all the permanent and contract workers in the state enterprises, these two
types of programs also cover the employees of government and party organizations, and cultural, educational, and scientific institutions in the government-funded, employer-administered system (China Ministry of Labor, 1987).

Sources of funding for the programs comes primarily from the employer. The employer pays into the program an average of 18 percent of the total wage of the permanent worker and an average 15 percent of the standard wage of the contract worker in those organizations participating in the city/county retirement pension pools administered by local insurance agencies. For those employees who do not participate in the local pension pools, the employer is required to pay the total cost of the pension. Permanent employees are not required to contribute. Contract employees, on the other hand, must contribute 3 percent of the standard wage (USDHHS, 1990). The government is supposed to subsidize employees as needed, and local governments are allowed to adjust the base rate according to local conditions.

The age requirement to qualify for a retirement pension varies according to gender and occupation. This requirement is usually set at age 60 for men, 55 for female professionals, and 50 for female manual workers. Those who have been proven unable to work because of a medical condition are qualified for a pension. The age requirement for this type of disability pension is age 50 for men and 45 for women. In addition to the age requirement, a continuous working period of at least ten years is also required to qualify a person for a retirement pension (China Ministry of Labor, 1987).

Cash benefits for the old age pensioners are at a national norm of 60 to 90
percent of a worker's last month's standard wage according to length of service. Those whose employment predated 1949 and 1945 are qualified for a pension of 100 percent of their last month's salary plus an additional retroactive one or two months salary annually. Retirees are also qualified for free or cooperative medical care after leaving the work force (China Ministry of Labor, 1987; USDHHS, 1990). According to a 1984 State Statistical Bureau Report (Tien, et al., 1991), about three quarters of the urban work force are covered by the pension systems.

Thus, as China industrializes, the "Western" pattern of support for the elderly is beginning to emerge. It is a pattern in which formal support is increasingly used as supplement and sometimes, a substitute for the traditional support by the family.

5. Organization of the Dissertation

This study of well-being of the elderly and old age support in China starts with a review of the current literature on informal and formal supports for the aged in both developed and the developing societies. The review of literature in the second chapter is expected to set up the theoretical basis for the issues to be addressed in this study. Following the literature review, The third chapter is devoted to the establishment of the theoretical framework. Within the theoretical framework, research hypotheses are to be formed and the research model for analysis is to be presented. The fourth chapter discusses the methodology for the study. It includes a description of the data set, a description of the variables, the statistical methods to be used, and the limitations of the study.

Chapter Five is a descriptive analysis of the characteristics of the life of the
elderly Chinese. Three dimensions of life of the elderly Chinese are to be addressed: social network, economic well-being, and health status. Chapter Six is devoted to the multivariate analyses of the effects of the support system on the sense of well-being of the elderly. The relationships between the informal and formal support systems and the well-being of the rural and urban elderly are expected to be examined through multiple regression analyses respectively.

The seventh chapter is to summarize and interpret the findings from the statistical analyses. Patterns and trends of old age support are expected to be identified from the summary. The interpretation of the findings are to be conducted within the social context so that a better understanding of the issue of old age support is achieved through a revelation of the impact of various social forces on the practice of family and state supports. In addition, implications of the findings for future policies are to be sought.

The concluding chapter will be a summary of the overall study in which the major findings and the conclusions are highlighted.
CHAPTER 2

LITERATURE REVIEW

Discussions about the well-being of old people in Western countries generally take into consideration several dimensions of an old person's life. These dimensions, as Gelfand (1994) noted, include financial, health, and personal security. Specifically, an old person needs enough income to live without worry, to feel prepared to respond to health problems as they arise, a sense of stability about his or her life, and a sense of certainty about status and roles.

Elderly persons in industrialized societies are at high risk for not being in the labor force and for experiencing a substantial drop in income at the time of retirement. Even if their retirement income is high, they are still vulnerable to inflation that can accompany the rapid growth of the economy. Furthermore, women as survivors, following the death of their spouse, are often penalized by social security and private pension systems. Consequently, older persons, particularly old women, are usually disproportionately represented among people who are considered to have low and inadequate incomes (Gordon, 1960; Maddox & Wiley, 1976).

Although old age is not a period of marked physical decline for all old people, the elderly are overall not as healthy as young and the middle-aged people. Moreover, if a person lives long enough, chronic conditions begin to affect his or her ability to
function effectively (Shanas, 1986). Kiefer (1990) found that all old people share, to various degrees, an insecurity of values and lack of assurance about the quality of life in case of a long, severe chronic illness.

Besides the economic and health aspects of old age security, social aspects of feelings of security have attracted considerable attention by researchers in the field. Gelfand (1994), for example, has noted that among the components of personal security are a stable set of social relationships that include a social network for basic interaction and a social support system that can be called upon for assistance. Role changes, such as withdrawal from the labor force or becoming widowed, involve a major loss of roles and status and can change the older person's social relationships, thus reducing his or her sense of personal security.

A comparative study (Wedderburn, 1968) of the status of the old people in three Western societies, the United Kingdom, Denmark, and the United States concluded that basic determinants of old age security for the elderly in these countries included the degree of support the elderly can get from family, the amount of social services available to them, and the level of benefits provided by government support systems. Numerous studies of the status of the aged in the Western societies since then seem to confirm these observations.

A problem in examining the impact of support systems on the well-being of old people in less developed societies is that because of the low level of development, public programs for income maintenance and medical care and social services for the elderly are usually kept at a minimum level. The majority of the aged population may
have no access to any public programs and services. Therefore, understanding the status of the aged in these countries must largely rely on the understanding their informal support systems.

1. Informal Support and Old Age Security

In his examination of the role of the aged in the non-industrial societies, Simmons (1945) observed that the family has been the safest place for the aged throughout human history because the aged can rely on the ties of the family for greatest security. Later researchers (Cowgill, 1972; Press & McKool, 1972; Sokolovsky, 1982), while noting the importance of the family to the security of the aged, identified interrelated sets of cultural phenomena that accounted for higher status of the elderly in pre-industrial societies. As Sokolovsky (1982) summarizes, first, there is an available role-set emphasizing continuity and important responsibilities in a community organization. Second, there is integration into a viable residential extended family organization. Third, the aged are in control of some important material and informational resources. Finally, there exists a value system that deemphasizes the concept of individual ego development. These observations have led to the formation of a theoretical perspective which holds that the status of the aged had been high until the beginning of the process of modernization during which the status of the aged has been gradually reduced. As Cowgill (1986) points out: "Modernization often sets in motion a chain reaction which tends to undermine the status of the aged. The major factors contributing to this decline in status are the decreased importance of land as a resource of status, the decreased importance of the extended family, increased geographical
mobility and rapidly changing technology, social structure and cultural values.” (Cited in Sen, 1994, pp. 25).

There is growing evidence that family systems do not always work to ensure the well-being of the aged relatives in the pre-industrial societies. Silverman and Maxwell (1983) found that it is common in societies with non-agricultural subsistence patterns, bilateral descent, and low levels of social stratification for younger adults to complain about the physical deterioration of older individuals. In these situations, the old person’s limited economic marginal utility set off a sequence of events involving complaints, devaluation, and in some cases, geronticide. In a study of Hindu households in Kathmandu, Nepal, Goldstein, Schuler and Ross (1983) found that, while the ideal form of the family persists, the material and psychological foundations of filial support are rapidly disintegrating. The same study also found that given the Hindu ideal value of depending on a male child in old age, the truly miserable elderly parents are the ones completely dependent on a son.

A study on the traditional family treatment of the aged shows that 84 percent of the societies in a world-wide sample treat their elderly in some non-supportive way, ranging from insults to murder (Glascock & Feinman, 1981). Such a contrast to the rosy views of the traditional situation of old people is believed to be caused by the failure to distinguish whether people practice what they preach, or between their behaviors and their attitude (Keith, 1982). It is found that the same cultures that permit lack of support for the old also prescribe respect and deference (Glascock & Feinman, 1980). There is still much to learn about the relationship between family support and
the status of the aged in the traditional societies. Nevertheless, one thing is quite clear. There is great variability in the position of the old people and the practice of family support for them in the pre-industrialized societies.

While modernization theory has been widely used to explain the deprived state of some elderly in industrialized societies, it has been constantly challenged in many respects by a series of later studies. Not only is the theory inaccurate in describing the status of the elderly in the pre-industrial societies in general, but also it is inadequate in explaining the general status of the aged in the industrial societies. Although the status of the elderly is affected by social and economic development, there are not always negative effects. A comparison of the position of old people in a wide range of societies suggests that the relationship between modernization and the status of old people is curvilinear: at first increased modernization means lower status, but at a certain point, the direction shifts as levels of modernization continue to increase giving the old a higher status (Cowgill, 1974; Palmore and Manton, 1974). The frequently cited examples of this view include pension programs. Keith (1982) and Olson (1990) note that pension programs have made old people desirable members of households where the elderly have achieved a high status by being able to possess relatively guaranteed public resources and contribute these resources to the households, a consequence of being able to support the other members of the family instead of being supported.

The impact of economic independence of the elderly on their status in the family is increasingly recognized. A study by Chow (1983) on Chinese elderly in Hong Kong indicates that children are more prepared to live with elderly parents who are
economically independent, and elderly people who are able to support themselves financially are also more likely to maintain a harmonious relationship with their children. Garrett (1996), in his study of capital transfer within Southeast and Eastern Asian families, further argues that lack of opportunity to accumulate capital will jeopardize the existing intergenerational buffer for the future elderly.

In spite of the diversity of views on the relationship between family and elderly support, these views are usually expressed under a common assumption that security in later life has been closely associated with the family. As a matter of fact, in most of human history and for the vast majority of old people, family has been the only place to turn for support in their later years. This is still the case in many developing nations today. Even in the urban areas, a majority of old people live together with their adult children or relatives and rely exclusively on familial resources for survival (Sokolovsky, 1982).

According to Giele (1982), family capacity for care of the aged is usually shaped by values, family structures, and demographic conditions. A study of Chinese society in both Taiwan and Singapore found that the Chinese assume that income is family income, not individual income, and elderly in the family are entitled to share in family income. Filial piety and the mutual obligations of family members to care for each other means that children are to provide for their parents financially if their parents cannot provide for themselves (Jernigan and Jernigan, 1992), but the social value must be supported by concrete social structure. The institution of the extended family in many societies serves as one of the concrete structures that helps promote the
value of family support. The extensive tangibles and intangibles exchanged between generations in families of many societies also promote the capacity of the family in taking care of the older members (Rubinstein & Johnsen, 1982). In addition to values and family structure, demographic conditions also contribute to the family's capacity for care of its old members. The greater prevalence of family support for the elderly in developing countries is believed to result in part from having more potential caregivers in comparison with the developed countries. For example, the mean number of persons aged 45 to 49 per hundred individuals aged 65 to 74 was 163 in the developing countries compared with 92 in the industrial countries (Giele, 1982).

Given the above criteria for the capacity of the family to care for older relatives, it is not difficult to find that there are actual differences between the developed societies and the developing societies. The cultural, demographic, and structural characteristics discussed above are more prevalent in the developing countries than in the developed countries. When placing families in the context of rapid social changes in many developing countries, the existence of traditional values often serves as an excuse to delay or minimize urgently required action on elderly people in those countries (Phillips, 1992). The social and economic transformation in developing countries raises fundamental questions about the role of the family and whether it can effectively maintain its role as primary supporter. However, empirical evidence suggests that despite fundamental changes in the socio-economic and political structures of developing countries, the family remains the dominant form of social organization even in the urban areas (Sen, 1994). Moreover, in the absence or inadequacy of public
programs, security in later life in these countries has to rely on the intergenerational support within the family. The effectiveness of the support is often associated with the socio-economic status of the family (United Nations, 1979; Goldstein, Schuler, & Ross, 1983; Ramos, 1992; Sokolovsky, 1991; De Lehr, 1992).

Studies on China’s old age security usually accept the general perception of the Chinese family as the key source of social support for the elderly (Hayward & Wang, 1993; Davis-Friedmann, 1991; Chow, 1991; Liang, Tu, & Chen, 1986; Tu, Liang, Li, 1989; Banister, 1992). These studies reveal the close relationship between the elderly Chinese and their families through living arrangements, caregiving behavior, and the relationship between caregivers and the care receivers. The majority of the elderly are still living in the extended family, in which they receive nursing care, housework, emotional comfort, and financial support. Among those who assume the responsibility for the elderly care, over one-third are children and grandchildren, those who have a lineal blood connection with the elderly person. Moreover, the responsibility for care for the aged is no longer solely patrilineal. There is an increase in the percentage of daughters who are responsible for the care for their aged parents (Yang, 1993). It seems that the extended family structure is still advantageous for the elderly persons in China in the sense that the majority of them have family members to rely on although the quality of care provided by the family needs further investigation.

Family support for the elderly is deeply rooted in the Chinese tradition. Studies on the Chinese family often find that the relation between parents and the children in the Chinese family is a relationship of feedback (Fei, 1985; Yang, 1993). The term
refers to the fact that children are obliged to serve their parents when their parents grow old because they originate from their parents and will continue their family. Thus, filial piety is of primary importance among all values. This traditional value has been reenforced by the law of the contemporary state. The current constitution of the People’s Republic of China clearly stipulates that adult children have the obligation to take care of their parents, and grandchildren are obliged to take care of grandparents who have lost their sons and daughters (Gan, 1989).

Nevertheless, recent research has noted the impact of demographic and economic development on the family support for the elderly. In assessing the changes in China’s population structure and their socioeconomic consequencies, some studies (Tu, et al., 1989; Liang et al., 1986; Banister, 1992) find that the sharp decline in fertility and mortality rates is greatly changing the family structure. They discover a trend toward the nuclear family which leads to the question of the capacity of the Chinese family to provide support for their aged members in the future. Implications of these studies can be seen in the call for complementing and reenforcing public programs.

2. Pension, Welfare, and Old-Age Security

Aging is no longer a source of "private troubles," as C. Wright Mills (1959) calls it, in modern times. As the proportion of the aged increases in a population, aging becomes one of the social issues subject to bureaucratic treatment. As old age acquired the status of a public issue, it became a major factor in the establishment of the welfare state. The experience of the modern industrial societies indicates that the economic
dependency of old age is usually the first type of dependency to be recognized as requiring government provision and pension legislation is usually the first income maintenance legislation to find its way into law (Guillemard, 1983).

Following public policies on economic protection, housing, health care, and other social services have also become the targets of government policy in these countries. Recognizing the vulnerability of the aged to physical and mental health deterioration, these states provide their aged population with various health care programs. Some of these programs can be so comprehensive as to include a series of services ranging from home to hospital care and from prevention to rehabilitation. Moreover, in some Western societies, access to health care is regarded by the state as the right of older citizens. In these countries, health care is usually comprehensive and offered at virtually no cost to the older individuals (Peterson, 1960). In addition to health care, most of these industrialized societies have developed systems of interrelated and coordinated services to prolong the period of independent living for old people as a public response to the nuclearization of the family structure in modern times. These systems usually provide various types of community services such as domestic aid, home health services, food services, adult day care, social activities, education and work activities (Donahue, 1960). Family members in Sweden and Norway even receive government pay for helping aging relatives at home (Barrow, 1992).

Comparative studies of aging in the Western societies since the 1950s have provided extensive evidence of public concern for the problems of the elderly and of
the similar actions by these countries for the welfare of the aged. Priority measures taken by the public sector include a minimum of income insurance for the aged population followed by public concern and action in the areas of housing and health care (Burgess, 1960; Shanas & Strieb, 1965; Havighurst, 1959; Shanas, 1968; Wedderburn, 1968). Consequently, public expenditures on the elderly are usually the single largest item in the budgets of the existing welfare states (Guillemard, 1983; Myles, 1984).

Social scientists have offered various explanations for the emergence and development of the welfare states in the West. Among these explanations, two perspectives on the social conditions leading to programs of old-age security appear to be most influential. The functionalist perspective, presented by Wilensky (1975), explains the conditions in terms of changing needs. First, demographic change has led to the increase in the proportion of the elderly in the population who need to be supported. Second, socioeconomic changes typically resulting from urbanization have led to a change in the family structure from extended to nuclear, which weakens the family's capacity to support its elderly members. Third, industrialization leads to increasing resources of the society to meet the new needs produced by economic growth.

Political economy offers another perspective on the development of public support programs for the elderly. As a recently developed theory, it emphasizes the broad implications of economic life and society's treatment of different classes of the aged. According to Estes (1991), political economy is the study of the interrelationships
between the polity, economy, and society, or more specifically, the reciprocal influences among government, the economy, social classes, strata, and status groups. The perspective provides a valuable framework for understanding how polity, economy, and society shape the conditions, experiences, treatment, and health of older people (Minkler & Cole, 1991).

Walker (1984) noted the consequence of the political economy perspective of aging for social policy. As a structural view of aging, it starts with the proposition that the status and resources of the elderly, and even the trajectory of the aging process itself, are conditioned by one's location in the social structure and the economic and political factors that affect it. The dependency of the elderly is to be understood in the labor force market and the social relations that it produces. Policy interventions from this perspective are directed toward various institutionalized structures of society, particularly the labor market.

In this view, the establishment of the institution of retirement and pension systems must be understood in terms of the political economy of modern industrialized nations. Primarily, pensions should be seen as the agreement between capital and labor to restrict the field of conflict in wage issues. As a consequence, companies are enabled to rationalize job processes and control the composition of the labor force. The establishment of retirement pensions is also a result of the reorganization of labor processes in which older workers become redundant because of the introduction of scientific management and the assembly-line. By virtue of losing control over the way work is done, workers also lose control over who is eligible for work (Myles, 1984). A
further argument from this perspective is that social services for the elderly are created more to meet the needs of the market economy, which is protected by the political structure of the society, than to meet the needs of the elderly (Olson, 1982; Estes, 1989).

These perspectives on the social conditions necessary for the establishment of pensions are based upon the experience of the developed countries. Limitations are often found when applying the functionalist perspective to the explanation of the developing nations. A number of developing countries, including Brazil, India, and China, have had long government provisions for their aged populations. While the functionalist perspective is applicable in the sense of growing needs along with the growth of the aged population, it fails to take account for the fact that the initiation of government provision is not really based upon resource accumulation resulting from high level of economic activities.

The political economy perspective has emerged from studies of the Western experience only within a couple of decades and research that has been conducted on the situation of developing countries from this perspective is included in the work of Philip Olson (1988, 1990, 1994). His analysis of the development of social policies on aging in China seems to confirm the belief that public attention to the problem of aging is affected by the interplay of a series of political, economic, and social factors.

Despite various explanations for the development of the welfare states in the West, the aged in these countries on the whole are better off than their counterparts in societies where either there is no welfare state or the public support system for the
elderly is less developed. Benefiting from the relatively comprehensive formal support systems, the elderly in the Western industrialized countries are increasingly dependent on formal organizations rather than their families for satisfaction of their needs. The fact that the majority of the elderly in these countries enjoy a relatively secure life seems to prove the positive impact of the welfare state on the aged populations. As Hurd (1990) noted, Social Security in the U. S. has been a major factor in the improved economic status of the elderly; the generation now retired has received substantial windfall gains from the start-up and expansion of the Social Security system, and now social security benefits are the most important source of income for more than half of the elderly. Cherlin (1981) also concluded from his review of the literature on the status of the elderly in the U. S. that dramatic improvement in the economic conditions and health of the elderly in this century is closely related to the increasing coverage of the aged under Social Security programs and the rising level of security benefits.

Studies of the more collectively oriented welfare states lend further support to the observation that public policies and programs play an important role in old age security. Barrow (1992) observed that in Scandinavian countries, where very large aged populations can be found and where the welfare state is more comprehensively developed than in other parts of the world, the elderly as a whole do not suffer economic deprivation and the majority report their incomes to be adequate. Adequate income, easy access to quality medical care, and appropriate housing availability seem to make the lives of the aged relatively secure and worthwhile. As Szulc (1988) noted,
there are fewer old people in Scadinavia who stare vacantly into space as they await death; there are more elderly who walk, talk, and smile. Life expectancy is one of the statistical indicators that is often used to prove the importance of the welfare state to the aged. The highest life expectancies are found in countries that provide the most comprehensive support for their aged populations.

Compared to the developed countries, where the majority of the elderly are covered by the formal support systems that considerably reduce the risks of aging, the formal support systems for the elderly in the developing countries are far less comprehensive and generous. According to Agree and Clark (1991), social security systems in many developing countries have a relatively short history and persons can receive retirement payments at relatively young ages. However, in general, these systems provide lower retirement benefits and cover a smaller proportion of the labor force than the social security programs in the developed countries. China shares this currently prevalent situation of the developing world.

The state's intervention in old age support in China concentrates on pension schemes that cover employees in the modern industrial sector and on the welfare programs for the childless elderly. The existence of the public pension programs in the urban areas, as Davis-Friedmann (1989) noted, represents a significant intergenerational transfer from young to old. Consequently, the elderly who are covered by these programs have benefited directly as recipients of state funds. Moreover, welfare provisions both in the urban and rural areas protect the childless aged from destitution.

The reviews of social policy for the elderly in China reveal great inequities in
the distribution of resources through the pension programs. While the urban elderly benefit from the state schemes, the majority of the aged in rural areas are almost totally excluded. The state has concentrated most of its resources so far on protecting the interests of the urban elderly, leaving nothing for those living in the villages (Chow, 1991). The elderly in China are treated differently in accordance with where they live (Davis-Friedmann, 1988).

Another concern about the public support programs for the elderly is the problem of funding. Demographically, the number of state employees who have reached mandatory retirement ages has increased rapidly. As noted above, the state enterprises and organizations have the responsibility for the retirement costs of their former workers and for the administration of the retirement program. Thus, the cost of the pension programs in the state organizations with many retirees has ballooned to the extent that pension costs exceed half of the total wage bill (Barkan, 1993, Hayward & Wang, 1993). This makes it very difficult for state enterprises to compete with new enterprises that have a young workforce and no retirees in the market economy. In the rural areas, the decollectivization also ramifies into a fundamental dismantling of the already meager welfare system, previously funded by the collective funds (Chang, 1993). Consequently, aged individuals are affected by economic reform. The high annual inflation rates, along with the high annual economic growth rates, make it hard to maintain the original generous pension income and to meet the average expenditure of the retirees. Since the early 1980s, the government has raised the level of supplement several times to maintain the living standard of the retirees (Barken, 1993;
So far, all available evidence shows that the existing public support programs play an important role only in the lives of a small proportion of the elderly in the urban areas. One the one hand, economic reform has opened up a prospect for a nationwide comprehensive welfare state. On the other hand, it has also brought about some problems to the existing public support programs.

3. General Conditions for Old-Age Security

Besides the functions of the formal and informal support systems, the degree of security in later life usually varies according to several socio-demographic conditions. For the purpose of this study, I will review the following three conditions: gender, marital status, educational attainment, and geographic location.

Gender Effect: Females live longer than males except parts of South Asia where there is an excess of female mortality due to child bearing (World Bank, 1992; Feachem et al., 1991), differential access to medical facilities, and poor nutrition resulting from women's low status (Sen, 1994). The gap between male and female life expectancy is expected to widen in developing countries in the next few decades. In addition, women experience longer periods of debilitating disease and incapacity than men (Heikken, et al., 1983; Kinsella, 1988; Heisel, 1988). Thus, their need for long-term care will increase substantially in the near future.

The American experience indicates that while the percentage of employed women may be increasing, there are still substantial proportions who will be nonemployed housewives throughout their adult lives (Atchley, 1988). Such a fact
substantially affects their well-being during the later years of life since pensions and other public provisions are usually tied to previous employment. There is also a gap in income between the male elderly and the female elderly, even if females have been employed as much as males, with females earning lower wages in comparison to their male fellow workers (Atchley, 1988).

The impoverishment of women has been a concern of feminist theory. A life-cycle approach suggests that ingrained and structural inequalities in early life are contributory factors to the low self-esteem of women in old age (Estes, et al., 1984). Using this approach to assess the status of women in developing countries, it has been found that a general deterioration of social economic conditions has led to a restructuring in the gender composition of families (Agree & Clark, 1991; Estes, et al., 1984; Buvinic, 1990). A conference (United Nations Social Development and Humanitarian Affairs Unit, 1990) on the extent of female heads of households in the developing countries provides evidence for increasing numbers of female heads of households in Asia, Latin America, and Africa, as well as the evidence of feminization of poverty (Agree & Clark, 1991).

The difference between the sexes in terms of economic status in China can be observed from the official retirement age, which for men is 60 and for women is 50 or 55 depending on whether they work in "heavy industry" or "light industry." In addition, Davis-Friedmann (1991) has observed that women usually fail to achieve economic parity with men prior to retirement due to factors such as educational restrictions and traditional expectations. It seems that women pensioners who have
achieved educational and occupational parity with their male peers can also achieve a relatively equal status with men pensioners.

Marital Status: Marital status is a critical variable in assessing the situation of the aged. Sheppard (1976) found that married men were least likely to be early retirees. This suggests that persons with few or no family responsibilities are more likely to opt for retirement status (Irelan & Bond, 1974). The same study also found that the proportion with pension coverage in their present job was greatest among the married men, lower for nonmarried men and the least among nonmarried women. The status of the latter group is further aggravated by the fact that their median annual income is far below that of all other marital status categories.

Variations in marital status may also be an indicator of differences in the support people require through informal and formal services. Research has demonstrated that in addition to providing continuity with earlier life and economic support, spouses can be an important source of help to each other in times of failing health by providing nursing care and psychological support (Shanas, 1968; Stehouwer, 1965; Wan, et al., 1982). Women in most countries tend to live longer and to marry older men. The result is that they are more likely to be living alone without a spouse in old age (United Nations, 1985). Both in developed and developing countries, a high proportion of women over 65 years are widowed (UN, 1991). In comparison with men, who are more likely to have wives to care for them and have greater possibilities of marrying younger women if widowed (UN, 1991; AARP Network News, 1990; Atchley, 1988), widowed women are particularly vulnerable in old age. They generally
age without a spouse and with reduced social-economic support (Sen, 1994).

Therefore, marital status can be a useful indicator in predicting the status of the elderly.

Socioeconomic Status: Information on socioeconomic status is used to indicate a standard of living. Education is one of the two most important components of socioeconomic status. According to Streib (1976), education is a significant measurable attribute that can be used as a precise indicator of rank in the society. A person with higher educational attainments retains certain objective advantages which can seldom be removed. Higher educated people, in particular, are better off than less educated people, in retaining attributes which help them to maintain and even increase their social standing in the community. Educational level has also been related to the need for support. Those with less education have less knowledge of available resources and, consequently, have more unmet needs (Wan, et al., 1982).

Geographic Location: A striking difference between the developed societies and the developing societies lies in levels of urbanization. While the majority of the population live in the rural areas in the developing countries, only a very small percentage of the population remains rural in the developed countries. The difference in geographic location often means the difference in emphasis on forms of support for old age. It is not surprising to find that there is not much literature on urban-rural issues as a factor affecting the status of the elderly. The history of the Social Security system gives some indications about the issue. The original system covered only about 60 percent of the working population, and excluded farmers at that time (Berstein & Bernstein, 1988). Even at the time the law was enacted, the proportion of elderly in
rural areas was small. One simply cannot neglect the difference between urban and rural in discussing the economic security of the elderly in the developing countries, however, because a substantial proportion of the population is rural.

A study by Williamson & Pampel (1993) provides three cases of old-age security in developing nations. The findings indicate a variety of government provisions to the aged population between urban and rural areas. Among the three cases, Brazil is the one that has found a way to extend public pension coverage to the rural population. Since 1988, the Brazilian Constitution has required an old-age pension of 50 percent of the rural minimum wage to be paid to all rural residents over age 65.

In India, about 10 percent of the population age 60 and over, primarily urban employees, have received some form of social security assistance from state or central government programs. About 76 percent of Indians live in rural areas and 70 percent are employed in the agricultural sector. A national scheme for very low income rural workers was introduced in 1988 that provides a death benefit of Rs 3,000 paid by the central government.

The strength of family support and the rural nature of Nigeria, with 80 percent of the population in rural areas, have freed the government from the pressure to make any efforts at social provisions for the rural elderly.

So far, no research on China's old-age support systems has failed to note the disparities between rural and urban areas in government provisions for the elderly. This is due to the drastic difference in the employment opportunity structures for the rural and urban Chinese. While most urban workers are eligible for pensions, medical care,
and disability pay, most rural labor, who constitute 80 percent of the total work force in China, are usually not eligible for these programs (Davis-Friedmann, 1991; Hayward & Wang, 1993).
1. Shared Functions of The Family and the State: A Framework for Analysis

As Dowd (1975) noted, the problems of aging are essentially problems of decreasing power resources. Esteem, as one of the most frequently used credits in exchange relationships among the aged, becomes a short-lived commodity and decreases in value in the face of group needs. Compliance, a resource under normal conditions of social exchange, becomes a unidirectional process for the elderly person because there are few options and still fewer resources. Social norms exert pressures on the elderly person to comply. Such pressures are reflected in the superordinate postures of institutions and organizations and in the increasing dependency of the elderly person on the family (Sussman, 1976) and the state. Thus, a general assumption about the relationship between old age security and social support systems in the modern complex society is that the aged are in a dependent position and in need of support from family and the state to maintain a certain level of security in later life.

The literature reviewed thus far clearly indicates that the support for the aged has been one of the functions of the family for most of human history. Moreover, in the industrial society, support for the aged is no longer confined only to the area of the family. It has also become the function of bureaucratic institutions. Thus, lives of the
aged are not only connected to the family but also to the bureaucracy. Despite the blame on the state in contemporary society for the weakening of family structures, the extent to which the bureaucratic institutions are involved in the area of old-age support usually serves as an indicator for the level of the society’s development, with less in agriculture and more in retirement of the aged (Palmore & Manton, 1974). The state, especially the Western industrialized states, through its massive structure of institutions and bureaucratic agencies, has created multitudinous support programs for its dependent citizens. The major task of these formal organizations is seen as insuring the maintenance of publicly agreed social standards (Litwak, 1965).

As Shanas and Hauser (1974) have observed, the zero population growth in the near future may shear the older person of surviving relations and make the elderly member dependent upon a welfare bureaucracy. Such a demographic trend may well go along with the Weberian prediction that the informal systems will decrease in importance because increasing specialized technicians will solve problems more efficiently and effectively through bureaucratic organization. However, Litwak (1985) found, in his study of the functional dynamics of primary groups and the formal organizations, that “the very structure of the formal organization, which produces technical experts and task simplification, is ineffective when dealing with tasks that are unpredictable, have many contingencies for the given state of technology, and cannot be easily subdivided— that is, nonuniform tasks. By contrast, the primary-group structures, which are ineffectual for developing technical knowledge, are very effective for such nonuniform tasks” (pp. 13-14).

Litwak (1965, 1985) calls for family-bureaucratic integration for achievement of
the social goals. He proposes a theory of shared functions, which argues that while the family plays an important role in the tasks that are relatively nonuniform and have private values, the bureaucracy is in a better position for dealing with the problems that are standardized and have been given social values. The types of tasks the formal and informal organizations can manage are both necessary for the achievement of social goals.

Management of different tasks requires them to be structured differently. The linkage mechanisms between the two types of organizations are to be developed in a way that the two are kept at a midpoint of social distance, close enough to coordinate their effort, but not so close that their conflicting structures will lead to warfare. The fundamental question is not that of choosing between the formal and informal organizations in achieving social goals, but rather how to manage organizations with different structures.

The basic assumption of the theory of shared functions is that if modern society seeks to maximize its goal achievement, it must employ both formal and informal organizations. The complementary role of the family and the formal bureaucratic organization is critical. In the case of aging, the assumption can be transferred into the statement that if the modern society seeks to provide maximum security for its aged population, it must rely on both the family and the bureaucratic organization.

Although the increase in bureaucracy and the change in family structures are well recognized in the modern world, many studies (Litwak, 1985; Sussman, 1965; Shanas & Striebe, 1965, Shanas, 1968) indicate that families naturally select and maintain functions that differentially assist the frail elderly. The formal bureaucratic organizations, characterized by professionalization and expertise, are more effective in uniform situations
with minimal standards established by the society for the care of the aged (e.g., publicly agreed level of income). On the other hand, the family is in a much better position when dealing with idiosyncratic and private values, such as emotion and socialization. In addition, the structural differentiation of the modern family system from the traditional family system means that the family no longer provides the same set of services for the elderly. Besides, it is not just a matter of separate support. Families are very often the intervenor, interpreter, and liaison between older persons and the formal system. Thus, instead of questioning whether the family or the bureaucracy is responsible for the security of the aged person, the focus should be on the relative importance of the family and the bureaucracy in terms of providing for the well-being of the elderly.

To sum up, the problems of aging are reflected in the increasing dependency of the aged person on both the family and the bureaucracy for support due to the older person’s decreasing resources for exchange in interactions with members of the family and the society. Although the family plays a primary role in providing a secure live for the aged person, the changes in family structures in modern times, as a result of demographic transition and industrialization, have led to the state’s involvement in the area of old age security. Now in many societies, especially in the Western developed societies, the family and the bureaucratic organizations share the role of supporting the elderly. The degree of security for an aged person is affected by the effectiveness and efficiency of the formal and informal support systems.

2. **Research Questions: The Roles of the Family and State in Old Age Support**

Within the theoretical framework discussed above and assuming that the family
and the bureaucratic organization share the function of supporting the elderly, the following two issues are relevant: a) how the informal support system, as defined by support from adult children, contributes to the well being of the elderly, and b) what is the role of the formal support system, as defined by state pension schemes, in the old age security for the Chinese elderly.

Neugarten and Hagestad (1976) define the concept of well-being as implying an older person's position in a particular interaction pattern. They believe that the term "status" serves as the basis for assigning value resources and differentiating social behavior in the sociological sense. Amoss and Harrell (1981) propose three universal goals in defining the status of old people that include physical and emotional security, the respect of other members of the community, and assurance that they are playing a useful part in the life of the family and society. When these goals are met, the status of the aged is high. When these goals are not met, the status of the aged is low. By this definition, the status of the aged should be assessed by examining the relative success old people have in achieving their goals. The key factors should be the balance between the cost old people represent to the group and the contributions they make, plus the degree of control old people maintain over resources necessary for the fulfilment of needs of the younger members of the group.

The above discussions of age status imply that subjective perceptions of well-being of older people are as important as the objective variables such as social status and current income in assessing the status of the aged. Moreover, according to Liang and Fairchild (1979), people evaluate themselves and orient their behavior by reference to values or
standards of other individuals and groups. In this sense an attitude of satisfaction or
dissatisfaction about one’s position may be induced by a comparison with others or with
one’s previous circumstances.

Well-being as a concept in this study will be examined from three dimensions of
life: economic situation, functional status, and overall life satisfaction in comparison with
peers. An index of self-reported subjective perceptions of well-being will be the measure
of the concept.

In searching for factors that affect the well being of old people, the importance of
support from family and the state has been well documented. In most of human history,
family has served as a safety net for people in their later years of life. Despite the debate
about the adequacy of this safety net to the majority of old people throughout history, the
supportive function of the family to the elderly remains theoretically unchallenged.

Based upon the assumption that commitment, attachment and emotional exchange,
and reinforcement are basic processes or needs for individual and group survival, Ball
(1972) defines family as having two components. First, family is a living together group of
individuals. In this sense, family may be defined as any cohabitating domestic relationship
which is sexually consequential, (i.e., gratification for members, or the production of
offspring). These are the relationships most often associated with the emotions of love and
the home. Secondly, when the individual of a living together family is linked with other
persons some distance away by societal legitimization and the religious sanction of
marriage, laws defining rights and responsibilities of those entering this status, and kinship
ties, the boundary of this nuclear family is extended. Some researchers (Rosenmayr, 1976;
Sussman, 1965) have found that within this extended boundary there can be intimate emotional support along generational lines and assistance in domestic functions.

Many studies of demographic transition note that children in traditional societies are used as sources of security in old age. Cain (1981), in his study of risk and insurance in certain South Asian societies, found that in the places where institutional sources of social security for the elderly do not exist, there remains a positive economic incentive for having at least one son to take care of parents in their late lives. Caldwell’s Wealth Flow Theory (9182) provides a further theoretical explanation of the relationship between number of children and old age security from this utility perspective. He believes that people have a large number of children when they are better off with children. Families are organized in a way that the net wealth flow is in favor of the elderly. It pays to be prolific. Cherlin (1983), in his review of literature on aging and family, observed that the number of living children an older person has is one of the most important determinants of that person’s tie with his or her kin. Furthermore, long term decline in fertility in many societies has often been cited as an indicator of the decreasing ability of the aged to rely on their children for support.

In societies with strong patrilineal tradition, the preference of sons to daughters in consideration of old age support is prevalent (Burgess, 1960; Peng, 1991). As Le Play describes, in the patrilineal extended family, the authority and decision-making tends to be exercised by the oldest male member (Zimmerman & Frampton, 1935). Along with the right to inherit the family estate by law, the son has the obligation to support his aged parents. Studies of many Asian societies also indicate that people wish to have sons to
ensure financial support for old age. Thus, the relationship between sons and old age security is important.

Besides number of living adult children and the traditional values about sons, family composition also serves as an indicator to the relationship between old people and their kin networks. Binstock and Shanas (1976) believe that the functionality of family network should be first understood in terms of specific family structural properties. Kerckhoff (1965) suggests a set of categories in mapping family structures in relation to old age support. These categories of family structure include the isolated nuclear family, where member units are in close proximity but have no or very few contacts; the modified extended family, where families are spatially dispersed but have frequent contacts, interactions, and exchanges; and the extended family, where units are residentially propinquitous and high in functionality. Several studies (Cumming & Henry, 1961; Kerckhoff, 1966; Shanas, 1967, 1968; Sussman, 1960; Youmans, 1963) provide data to support high levels of intergenerational activities among family members. In these studies, generational ties are the primary means by which old people are integrated into social lives. Despite the decline in material significance of family relations in the West, such relations are still perceived to be more important now than in the past as a way for the elderly to reaffirm the purpose and meaning of their lives.

Children's duty to support parents has not only been a traditional custom but also the legal code in many societies (Rheinstein, 1960). However, in terms of type of support by children, variation can be found in different societies. Contemporary studies of the economic status of the aged in Western industrialized societies tend to exclude the
financial contribution of the family due to the existence of relatively comprehensive public
and private pension schemes in these societies. In the less developed societies, where such
schemes are less developed or nonexistent, the majority of the aged have to rely on the
family for financial support when they no longer participate in paid work. As Jernigan &
Jernigan (1992) noted, filial piety and mutual obligation of the family members to care for
each other in some Asian societies necessitate children to provide for their parents
financially if parents cannot provide for themselves. In this sense, financial support from
children may very well serve as a factor to the well being of the elderly in these societies.

Thus, in examining how the informal support systems affect the lives of the
Chinese elderly, four hypotheses have been identified. They are:

Hypothesis 1. The number of children positively affects the sense of well-being of
the elderly. The more children an elderly person has, the higher the sense of well-being
he/she will have. The rural elderly generally have a higher sense of well being than the
urban elderly since they tend to have more children to depend upon than the urban elderly.

Hypothesis 2. The elderly's sense of well-being is positively associated with having
sons in the household. Old people who live with sons have a higher sense of well-being
than those who do not live with sons. Rural elderly generally have a higher sense of well-
being than the urban elderly since they tend to live with sons.

Hypothesis 3. The elderly's sense of well-being is positively related to the number
of generations in the household. Old people who live in multigenerational households have
a higher sense of well-being than those who live in a single generational household. Rural
elderly tend to have a higher sense of well-being than urban elderly since their households
tend to be multigenerational.

Hypothesis 4. Financial assistance from children has a positive effect on the sense of well-being of the elderly. The more money the elderly get from their children, the higher the sense of well-being they have.

Atchley (1988) noted that relationships of the elderly with adult children are greatly influenced by social class. Social inequalities are passed on from one generation to the next and the experience of aging is also, to a great extent, mediated by various sources of inequality. To examine the impact of social class on old age security of the elderly in this study, I chose the total income of the household as the variable. This variable includes the value of individual income as the common property of the family. The hypothesis referring to the relationship between socio-economic status of the family and the well-being of the elderly is as follows:

Hypothesis 5. Household economic status has a positive impact on the sense of well-being of the elderly. The more resources the family has, the higher the sense of well-being the elderly will have. Urban elderly generally have a higher sense of well-being as a result of more family resources than rural elderly.

Numerous studies on the economics of aging in Western societies confirm the significant role of the government in promoting old age security (Wedderbrun, 1968; Schulz, 1976, 1994; Bernstein & Bernstein, 1988). These studies have established the basic importance in almost all developed societies of income derived from the government, either through social security schemes or public assistance. The availability, level, and form of government benefits that are provided when working life begins to decline serves
as one of the basic determinants of the standard of living of the aged. In some oriental societies, where family support remains the primary form of income, the responsibilities of the government for destitute elders without families are recognized (Jernigan & Jernigan, 1992). There are limited government pension or welfare schemes in some developing countries. Although China's social welfare system is not well developed, a majority of the labor force in non-agricultural sectors tend to be covered by certain labor insurance. Employees of the state or locally owned enterprises may retire with pensions to support themselves through their remaining years when they reach the limits of the working ages (varying from age 50 to 60 depending upon occupation and gender). Moreover, all retired people continue to receive free medical care and other social benefits (Davis-Friedman, 1991; Peng, 1994). Thus presumably, while aging reduces the prevalence of employment and accompanying earnings, old people who have access to retirement income and to financially valuable services and facilities specifically reserved for them (Atchley, 1988), could expect to live a secure life.

Hypothesis 6. The employment pension schemes play a positive role in the well-being of the elderly. The more income from pension, the higher the sense of well-being the elderly generally have. Urban elderly have a higher sense of well being partially due to the fact that they have more income from pension schemes than the rural elderly.

Hypothesis 7. The financial support from the government contributes to a sense of well-being of the aged. The more support they get, the higher the sense of well-being the elderly usually have. Urban elderly have a higher sense of well-being than rural elderly because they have greater access to financial support from the government.
Hypothesis 8. Medical care services have an impact on the well-being of old people. The easier access old people have to these services, the higher the sense of well-being they usually have. Urban elderly have a higher sense of well-being than rural elderly because they have easier access to medical care services.

3. The Research Model

I have developed a model that examines the effects of the formal and informal support systems on the sense of well-being of the elderly in China (Figure 1). This model is made up of two parts. The first part is the examination of the relationship between family support and sense of well-being of the elderly. It is expressed by the factors that are proposed to affect the well-being of the elderly, as stated in the hypotheses, including number of living adult children, number of generations living in the household, sons in the household, household income, and the amount of financial aid from children. The second part is the examination of the relationship between the state support system and the well-being of the elderly. It is expressed by the proposed factors of the formal support systems including pension income, financial aid from the government, and access to medical services.

The relations between these independent variables and the dependent variable (well-being of the elderly) in the model will be examined under the control of the variables for gender, education, and marital status. Since old age security is a multidimensional issue, the relationships between various support systems and old age security cannot avoid the influences of social inequality as reflected in gender, education, and marital status. These three factors will act as controlling variables in the
model. Moreover, this model will be applied to examining the situations both in urban and rural areas to assess the disparity of lives for the elderly between the two different geographic locations, an important issue that this study will address.

A more detailed analysis of the model will be discussed in Chapter Six.
Figure 1. Model of Factors Influencing Sense of Well-Being

- Number of Living Children
- Number of Generations in Household
- Living with Son(s)
- Household Income
- Financial Support from Children
- Pension
- Financial Support from Government
- Access to Health Services
- Gender
- Education
- Marital Status

Factors Influencing Sense of Well-Being:
- Informal Support
- Formal Support
- Controlling
CHAPTER 4

METHODOLOGY

The objective of this research is to examine the factors that are believed to affect the well-being of the elderly and to assess the extent and degree to which family and public support systems contribute to the well-being of old people in modern China. The study utilizes secondary data from the Survey on China's Support Systems for the Elderly (CRCA, 1994), which was based on a nationally representative sample. The primary statistical techniques to be used are descriptive analysis and multivariate analysis.

Quality research must always consider the research setting. This is especially crucial for research on aging in the developing countries where the background of the problems has not yet been well documented. Sher (1984) and Che (1979) noted that beyond baseline research and data analysis, there is a need for qualitative assessment of Chinese life, both the ideal and the actual structures, to adequately interpret findings from quantitative data analysis. Therefore, this research will not merely present the data analysis, but rather, an in-depth assessment of the influence of the social forces on the old age support systems based on research studies.

1. Description of the Data Set

The data set used for the study is the product of the Survey on China's Support
Systems for the Elderly, a project conducted by the China Research Center on Aging (CRCA), which is an organization engaged in research on aging issues in China. As it is described by CRCA (1994), from 1980 to 1990, efforts were made to collect data related to support of the aged from all provinces and cities throughout the country. This survey of 1992 is a selected area of study based on the previous efforts. The survey scheme and questionnaires were pre-tested in the 10 units selected from 10 provinces in either rural or urban areas in 1991. The survey began in January 1992 following evaluation and modification of the questionnaires based on the pre-test. After a training program for the enumerators at provincial level, it was conducted in 12 provinces, autonomous regions, and municipalities including Beijing, Tianjin, Shanghai, Zhejiang, Jiangsu, Heilongjiang, Shanxi, Shaanxi, Sichuan, Guangxi, Guizhou, and Hubei. The final sample size was 20,083 persons, aged 60 and above. Among the respondents, 13,475 were aged 65 and above, comprising 67.9 percent of the total sample size.

In attempting to meet the needs for research on China's support systems for the elderly, the survey covered four major topics: basic demographic characteristics, economic status, activities of daily living, and psychological health. In addition, the survey includes observations recorded by the interviewers.

According to China Research Center on Aging (1994), the Survey on the Support System of Elderly employed the methods of empirical, stratified, and cluster sampling. First, to secure the representativeness of survey outcomes, the target population was divided into people living in urban and rural areas based on area codes of the country. Secondly, the sample was further stratified according to age, economic
development and geographic areas. Given the large population of China, residents' committees in urban areas and villagers' committees in rural areas were identified as the sampling units. The survey was undertaken on persons aged 60 and above living in the households of the members of the committees. Overall, the sample was composed of 95 sampling units, with 48 in urban areas and 47 in rural areas. Of the 22,405 questionnaires distributed, 20,142 were collected, giving a response rate of 89.9 percent. There were 20,083 valid questionnaires out of the total responses, making a valid response rate of 99.7 percent. Among the valid returned questionnaires, 9,889 were from urban areas and 10,194 were from rural areas, representing 49.2 percent and 50.8 percent respectively of the total responses.

The estimates based on a sample of old people may differ from what would be found in the entire population of the aged in China. To deal with the difference between the parameter value and the sample estimate of the parameter value, which occurs when sampling from a population, the sample estimate and the standard error will be used to determine confidence intervals that would include the results of surveying the entire population. This research project will take the 95 percent confidence interval as acceptable.

The possibility of non-sampling errors exists. Non-sampling errors include observation, response, non-response and processing errors. A problem with these types of errors is the difficulty in determining the effect of them on the results of the data collection and subsequent analysis. The possibility exists for the results of this survey to be subject to non-response errors when either a respondent could not be interviewed or
when a part of the questionnaire was incomplete since all surveys are subject to a certain percentage of non-response error. As the total response rate for this survey is 99.7 percent, the effect of non-response error should be minimal.

With regard to the degree to which an operation results in a measure that accurately reflects the concept it is intended to measure, the questions are developed from the previous surveys of the kind (CRCA, 1994). In terms of scale, this survey is the largest of its kind in China. Since most of the questions employed had been used in previous surveys of the same kind and had been found in similar research on the aged populations of other countries, the instrument is assumed valid.

The project will employ indexes constructed from existing variables. To ensure reliability, or the degree to which different operations of the same concept yield the same results (Bohrnstedt & Knoke, 1988), two statistical techniques are adopted. First, factor analysis using a VARIMAX rotation will be used along with the subjective assignment of factors to scales in order to create reliable scales from variables in the data. Second, Cronbach’s alpha coefficient will be used to test the reliability of the created scales.

2. Operationalization of Variables

As it is stated earlier that the concept of well being of elderly persons is to be measured by an index of variables deriving from the survey questions that investigate the level of satisfaction of the elderly to their status. This index includes four variables. The first one is drawn from the survey question that asks the respondents if they feel their monthly income is enough to meet their expense. The question requires one of
four answers: "enough, with money left," "just enough, no difficulty," "some difficulty," and "much difficulty." The variable is recoded with value 0 standing for "much difficulty," 1 for "some difficulty," 2 for "just enough," 3 for "with money left."
The second variable measures the general feelings of these elderly about their current economic condition. The answer to the question can be "satisfied," "unclear," or "unsatisfied." The variable is recoded with value 0 indicating "unsatisfied," value 1 for "unclear," and value 2 for "satisfied." The third variable included in the index is drawn from the question about the respondents' sense of happiness in comparison with their peers. The answer to the question can be either "yes," "no," or "unclear." The values are 0 for "no," 1 for "unclear," and 2 for "yes." The fourth variable is derived from the question about the respondents' satisfaction with their daily activities. The answer to the question can be "yes," "no," or "unclear." The values for these answers are 0 for "no," 1 for "unclear," and 2 for "yes." The index of well being of the elderly in China is the dependent variable for the study and is measured on an interval level.

Five variables are drawn from the survey to examine the impact of the family support system on the well being of elderly persons. The first variable, family size, is chosen from the question that asks about the number of living adult children the respondent has. Answers to this question vary from "0" to "13." The second variable is having son(s) in the same household. This is derived from the question about with whom the respondent is living. A choice of potential persons was given and multiple answers could be expected. Those who live with son(s) are distinguished from those who do not. The answer to this question can either be "yes," which is coded as 1, or
"no," which is coded as 0. The third variable is the measure of family composition. It is selected from the question about the number of generations living in the same household with the respondent. The answers vary from "1" to "5". The fourth variable refers to the amount of financial support from children. The survey question from which this variable is drawn asks the total estimated amount of cash and in-kind support the respondent gets from their children each year. The answers to the question range from 0 to over 1,000 Yuan. The fifth variable is an indicator of the socioeconomic status of the household. It is indicated by the total income of the household (monthly income for urban households and yearly income for rural households). The answers vary from 0 to over 10,000 Yuan. Except for the variable, "living with son(s)," which is treated as a dummy variable, the other four variables are measured at the interval level.

Variables that are chosen to indicate the impact of the formal support system on the well-being of the elderly include pension income, government supplement and access to medical care services. Monthly income reported in the survey varies from 0 to 450 Yuan. The government supplement has a range of 0 to 300 Yuan. Access to medical care is drawn from the question about the perception of convenience to see the doctor. Answers to the question can be "0" for not convenient, "1" for fair, and "2" for very convenient.

Gender, marital status, and education are the controlling variables for assessing

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1Unit of Renminbi, the currency in China.
the relationship between the dependent variable and the independent variables in this study. These controlling variables are measured with one question each. The variable for gender is coded as "0" or "1", with 0 representing female and 1 representing male. The variable marital status is labeled with the value "0" for unmarried, divorced, separated, or widowed, and the value "1" referring to married. Respondents are asked to indicate the number of years they had been at school, based on seven educational levels: "illiterate," "primary," "junior secondary," "senior secondary," "special secondary," "college (3 yrs.)," or "university." For the purpose of this study, this variable is coded as a dummy variable, with 0 being totally uneducated and 1 being educated at the primary level or above.

Geographic location is another factor which is considered to be crucial in assessing the well-being of the elderly in China. Geographic location is an important factor in this project since 80 percent of the population are rural. There is great disparity in living standards and forms of support between urban and rural areas. Taking this into consideration, two subsets of data, one for urban areas, the other for rural areas, were collected. For this project, I will make a comparison of the situations between the rural and urban elderly by applying the discussed model to both data sets.

3. Data Analysis

SPSS statistic data analysis techniques will be employed to conduct the data analysis for this project. Description of the characteristics of the lives of the sampled elderly will be conducted through frequency analysis of the relevant variables in the chosen areas. The effects of the support systems on the well-being of the elderly will be
performed through regression analyses. All analyses will be performed with the weighted estimates for the data. Some indexes will be created from the existing variables for the purpose of this project.

To test the hypotheses mentioned previously, more than one independent variable is involved and they are measured at the interval level. In order to draw inferences about population values based on sample results, the regression analysis must be made based on the following assumptions: 1) all the variables are drawn from a random sampling; 2) they are measured at the interval level; 3) each variable has a normal distribution within itself and around each other; variables taken together are normally distributed around each other, a multivariate normality; 4) the distribution of the dependent variable is statistically independent of other variables; 5) the mean values all lie on a straight line, the population regression line. Social scientific research seldom completely satisfies these assumptions (Babbie, 1989). For this particular project, the variables are drawn from stratified and cluster sampling as unweighted random sampling. Cautions must be exercised in interpreting the results of the regression analysis.

4. Limitations of the Study

This study will add to the body of literature on old age support with a partial picture of the well being of the elderly and a analysis of its relationship with the support systems in contemporary China. There are several limitations that should not be neglected.

First, the use of secondary data causes concerns about validity and specification
error. In addition, although it is preferable to ask several questions about any one concept being studied, in order to test the reliability of the respondent's answer (Babbie, 1989), I have to rely on one single question to measure some factors in this study because there is only one question for the concept.

Second, there are some factors that might be important to the well being of the elderly in China but not included in the study. Therefore, interpretations of the results should be done with caution.

The third limitation of the study lies in the sampling method of the survey. Despite the large sample size, the cases are not randomly selected. As it is mentioned previously, the sample covers only twelve of thirty administrative regions of the country. Therefore, it is hard to make generalizations based on the findings. There is diversity among the elderly in terms of life styles, living arrangement, culture and customs. The result is that not only is there a difference in patterns of old age support between rural and urban areas, within rural or urban areas, there are also differences. In the rural areas, life of the elderly in the wealthy areas can be different from that of the elderly in the poor areas.

In addition, the life of the elderly in the big cities is quite different from the life of the elderly in the medium or small cities. Some studies conducted by researchers inside China tend to separate the geographic location of the elderly into three categories: city, town, and county, with city representing the urban areas, county referring to the rural areas, and town representing the areas under transition from rural and urban. Unfortunately, this data set does not reflect these differentiations in
geographic location. The importance of the issue in understanding the lives of the elderly in China lies in that the country is under the process of urbanization and the changes in the lives of the elderly caused by this process can not simply be explained by the differentiation between rurality and urbanism. Thus, the simplicity in categorizing the geographic location, as reflected by the data, limits the representativeness of the sample.

Finally, studies of the aged population in China in recent years have produced much literature on the issue of old age support from the demographic perspective. In comparison, literature from sociological perspectives appear to be less adequate. With limited literature available about the situation of the elderly in China, this study, in its effort to contribute to the sociological research on aging, is limited to providing a baseline study of the aged population in China.
Before testing the hypotheses, it is necessary to describe the current status of the elderly of the sample through an investigation of three dimensions of later life. These dimensions include social network, economic status, and health condition. The selection of these areas is based on their theoretical significance in elderly studies and their empirical values on which elderly support systems are built. The analysis will be conducted based on the descriptive statistics of the related variables of the data set and will provide necessary background knowledge for understanding the relationship between the well-being of the elderly and informal and formal support systems in China.

1. Social Network

The first studies of social relationships of the elderly in the United States led to the formation of two theoretical perspectives on the process of aging for individuals. Disengagement theory (Cumming & Henry, 1961) examines the aging process in terms of the needs and requisites of society and concludes that old people withdraw from roles and activities and reduce their activity level or sense of involvement while the society withdraws from the elderly. The turning inward of aging people produces a natural and normal withdrawal from social roles and activities, increasing
preoccupation with self and decreasing involvement with others. In this sense, disengagement refers to the universal, mutual, and inevitable withdrawal of older people from the configuration of roles characteristic of middle age (Passuth & Bengtson, 1991). The success of social relationships of the elderly depends on how well they manage the withdrawal from some of their previous social roles.

Activity theory (Havighurst & Abrecht, 1953; Cavan, 1962; Lemon et al. 1972) argues that one's self-concept is related to the roles one holds. With old age comes a loss of roles. When roles are lost, as in retirement and widowhood, the older person is expected to find substitutes. Well-being in late life results from increased activity in newly acquired roles. Similar to disengagement theory, activity theory holds that society withdraws from the aging person. In contrast to disengagement theory, activity theory suggests that it is against the will and the desire of the aged person. To minimize this withdrawal, the older person must remain as active as possible for as long as possible, keeping busy and staying young.

Whether the elderly withdraws from previous social relationships or continues an active involvement in social interaction with others has sparked the debate over ways of successful aging. The underlying assumption of such a debate is that increasing age leads to the experience of certain life events that may require a role change in the individual. Changes in situations, such as widowhood, inevitably make the elderly person vulnerable to isolation from various social networks. It is the isolation of the elderly that these theories address.

Despite the risk of being isolated, increase in age does not necessarily mean
increase in the degree of isolation. The relationship between old age and social relationship is normally reciprocal (Law, 1996). Advancing age may influence an individual's frequency, intensity, and types of social contacts. For example, the elderly may feel lonely after the death of a spouse or after the marriage or departure of their children. On the other hand, the loss of a spouse or the departure of adult children may also lead to a shift in the relationship style or pattern of social contact, such as strengthening the relationship with friends or beginning networks with extra-family members.

Although the quality rather than the quantity of the interaction is more important for the social relationship of the elderly in achieving successful aging, the frequency of interaction often serves as the primary measure for the effect of social networks on the well-being of the elderly.

<table>
<thead>
<tr>
<th>Marital Status</th>
<th>Urban Male</th>
<th>Urban Female</th>
<th>Rural Male</th>
<th>Rural Female</th>
</tr>
</thead>
<tbody>
<tr>
<td>Married</td>
<td>85.23</td>
<td>54.19</td>
<td>72.69</td>
<td>48.42</td>
</tr>
<tr>
<td>Widowed</td>
<td>11.64</td>
<td>43.31</td>
<td>21.05</td>
<td>49.11</td>
</tr>
<tr>
<td>Never Married, Separated, or Divorced</td>
<td>3.12</td>
<td>2.50</td>
<td>6.26</td>
<td>2.47</td>
</tr>
</tbody>
</table>

N=20,083

Social network includes relationships with family, friends, and extra-family associations. Family network is by far the most important network for the majority of
the elderly Chinese. This can be seen in the relatively high degree of companionship in marriage and living in modified extended families among them. Based upon the sample studied, Table 5.1 shows that in the urban areas, 85 percent of the males and 54 percent of the females are married and living with a spouse. The proportion for the rural elderly is, respectively, 72 percent for male elderly and 48 percent for the female elderly.

Besides the relatively high percentage of elderly being married and living with a spouse, it has also been found that 56 percent of the urban elderly and 58 percent of the rural elderly have adult children living within the same household. For those whose children do not live in the same household, most of them have children living nearby. Table 5.2 indicates that 44 percent of the urban elderly and 92 percent of the rural elderly whose children do not live in the same household have children living on the same street or in the same village. Slightly over 3 percent of the urban elderly and less than 2 percent of the rural elderly who do not have children living within the same household have children living far away from them. Given the fact that only less than 3 percent of the elderly are childless in this sample, we can assume that the respondents, in general, maintain a close relationship with their families.

Table 5.2 reveals a difference between urban and rural elderly whose children do not live within the same household in terms of distance from their children. The proportion of the rural elderly who have children living in the same village is much larger than the elderly who have children living on the same street. This may imply that rural elderly have a closer contact with their children who do not live under the same
Nevertheless, given the better means of transportation inside the city, living in the same district or city can be regarded as being within an easy visiting distance. In fact it is possible for the children living in the same district or city to visit their parents on a daily basis in case it is necessary. Therefore, the larger percentages of the urban elderly with children living in the same district or city than that of rural elderly does not necessarily mean less frequent contact of the urban elderly with their children.

Table 5.2 Proportion of the Elderly from Non Co-Living Children by Distance, Sex, and Location

<table>
<thead>
<tr>
<th></th>
<th>Urban Male</th>
<th>Urban Female</th>
<th>Rural Male</th>
<th>Rural Female</th>
</tr>
</thead>
<tbody>
<tr>
<td>Same street or village</td>
<td>44.05</td>
<td>44.04</td>
<td>92.10</td>
<td>92.77</td>
</tr>
<tr>
<td>Same district or township</td>
<td>28.30</td>
<td>27.71</td>
<td>3.03</td>
<td>2.58</td>
</tr>
<tr>
<td>Same city or county</td>
<td>24.27</td>
<td>24.66</td>
<td>3.15</td>
<td>2.78</td>
</tr>
<tr>
<td>Outside the city or county</td>
<td>3.38</td>
<td>3.60</td>
<td>1.72</td>
<td>1.87</td>
</tr>
</tbody>
</table>

N=20,083

Relatively high rates of marriage, high rates of co-living with children, and high rates of having children living nearby provide the evidence for high frequencies of contact between the elderly and their families. To examine the intensity of such contact, I turn to the daily activities of the elderly at home and find evidence of exchange of support between the elderly and other family members in daily life. As
described in Chapter Two, the exchange of support between parents and children in the Chinese family lasts throughout the life cycle of the family members. Throughout the life cycle, an individual moves from a receiver of support to a provider of support, and finally returns to being a receiver. Such a traditional norm is internalized as well as enforced by community pressures. Moreover, as an intergenerational contract, it has a legal foundation (Shi, 1993).

Data for this study indicate that over 95 percent of the elderly, both in the rural and urban areas, are independent of any assistance in terms of functional capacity. The contact with their children is more likely to involve care giving to the children rather than caretaking from the children. Specific care giving to the children by the elderly ranges from housekeeping, preparation of meals, laundry, housework, and baby sitting. Table 5.3 summarizes the involvement of the elderly in care giving to the children.

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Urban Male</th>
<th>Urban Female</th>
<th>Rural Male</th>
<th>Rural Female</th>
</tr>
</thead>
<tbody>
<tr>
<td>60-64</td>
<td>56.14</td>
<td>66.22</td>
<td>54.63</td>
<td>70.32</td>
</tr>
<tr>
<td>65-69</td>
<td>49.96</td>
<td>60.45</td>
<td>52.75</td>
<td>69.48</td>
</tr>
<tr>
<td>70-74</td>
<td>46.26</td>
<td>54.29</td>
<td>52.80</td>
<td>64.55</td>
</tr>
<tr>
<td>75-79</td>
<td>49.37</td>
<td>47.27</td>
<td>49.46</td>
<td>65.00</td>
</tr>
<tr>
<td>80-84</td>
<td>31.70</td>
<td>37.55</td>
<td>47.23</td>
<td>56.32</td>
</tr>
<tr>
<td>85+</td>
<td>24.36</td>
<td>30.30</td>
<td>34.12</td>
<td>37.71</td>
</tr>
</tbody>
</table>

N=20,083
In urban areas, over 48 percent of the male elderly and over 57 percent of the female elderly provide various types of housework for their children. In the rural areas, the percentage of male and female elderly providing housework is 53.38 and 63.23 respectively. Over half of the elderly are contributing materially to the family. Although there is a decrease in the proportion of the elderly who are involved in household chores, the percentage of the elderly in the age group of 80 and over who are involved in care giving to the children, both for the rural sample and the urban sample, are still quite significant. The exchange of support characteristic of the Chinese family network provides a relatively solid basis on which a meaningful relationship between the elderly and the other members is built. Their contribution to the family as a necessary part of household division of labor pulls them close to the other family members as partners, rather than dependents.

As expected, there are disparities between males and females in rural and urban areas in terms of care giving by the elderly for children. First, in all age groups, there is a higher percentage of female elderly than that of the male elderly who are involved in household chores for both rural and urban elderly in this sample. Gender-role socialization theory (Riley, Foner, Hess, & Tobby, 1969) argues that socialization factors, such as nurturing and domestic work in earlier years, results in women needing more emotional support than men in later years. In this sense, relatively more involvement in care giving to the children in the household can be viewed as an exchange for more emotional interaction. In addition, such an exchange between the elderly women and their adult children in the household may go beyond emotional
need. The majority of the female elderly in the sample spent most of their earlier years in unpaid housework. Financial support from children is their major source of income in the later years. The active involvement in domestic work contributes to the family economy and helps the older woman maintain autonomy.

The same argument can be applied to the explanation of the difference between the rural and urban elderly in terms of care giving to their adult children. It is found in this sample that a larger proportion of the rural elderly, as compared to urban elderly, are providing care for their children. This gap widens as age increases. For example, in the age group of 60-64, only a 4.1 percent difference exists between urban and rural female elderly involved in care giving to children. Among those in the age group of 80-84, the difference is 18.77 percent. The difference in percentage of those giving care to their children between urban and rural elderly seems to indicate a more intensive interaction of the rural elderly with their children than urban elderly. It may also reflect the reality that their autonomy is protected by contributing to the household, given the fact that the extremely high proportion of the rural elderly are not covered by any public social security program and have to rely on children for financial support.

Family is not the only social network in which an old person can be integrated. Companionship and care can also be sought from extra-familial networks such as neighborhood, friends, and other forms of association. A high level of well-being can be expected through integration into the broader community.

Chinese have the characteristic of being family centered. In its long history as an agricultural economy, the Chinese family functioned as a unit of production and
consumption. In addition, certain elements of the traditional Chinese culture, such as the emphasis on ancestor worship, limited extra-familial activities such as church-going in the West. As a result, there was a lack of extra-familial networks among many Chinese that allowed them to seek social interaction. The development in modern times, especially in the urban areas, make networks beyond the family possible and necessary. These networks can be seen in the workplaces among colleagues and co-workers and in the community among residents. In recent years, a large number of people retiring at relatively young ages poses the question of successful ways for spending their leisure time during retirement. Some public places particularly for the elderly in the community have begun to emerge.

The typical public places for the elderly in China include the recreation homes, the elderly universities, the elderly Associations, and the old cadre recreation centers. Recreation homes are usually public places in the community for the elderly. Similar to the senior centers in the U.S., recreation homes provide a series of entertaining and educational activities, such as craft work, painting and calligraphy practice, local opera performance. The elderly university is usually a place where elderly can increase their knowledge on a subject of interest but had no time for prior to retirement. Many of these universities rent the facility from nearby colleges and schools. Courses include writing, calligraphy, painting, gardening skills, and others. Elderly associations are usually found among professionals and those elderly who have certain skills. One of the intended purposes of such associations is to exchange information on services and employment opportunities among professionals who would like to seek chances for
work (Wu, 1988). Old cadre recreation centers are designed only for those who enjoy certain privileged status as a result of joining the revolutionary labor forces before 1949.

For the Chinese elderly, the availability of extra-familial networks and their utilization depend upon a range of factors including place of residence, health status, mobility, living arrangements, financial standing, and family contact. First of all, not all the elderly live in the areas where public facilities for the elderly are available. Table 5.4 presents a profile of the availability of public places for the sampled elderly.

Table 5.4 The Availability of Public Facilities for the Elderly by Sex and Region

<table>
<thead>
<tr>
<th></th>
<th>Urban Male (N=4,766)</th>
<th>Urban Female (N=5,123)</th>
<th>Rural Male (N=4,822)</th>
<th>Rural Female (N=5,372)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recreation Home</td>
<td>68.3%</td>
<td>68.4%</td>
<td>46.2%</td>
<td>44.9%</td>
</tr>
<tr>
<td>Elderly University</td>
<td>28.0</td>
<td>25.9</td>
<td>4.9</td>
<td>5.9</td>
</tr>
<tr>
<td>Elderly Association</td>
<td>50.4</td>
<td>51.3</td>
<td>52.7</td>
<td>52.8</td>
</tr>
<tr>
<td>Old Cadre Recreation</td>
<td>19.6</td>
<td>14.0</td>
<td>10.5</td>
<td>11.2</td>
</tr>
<tr>
<td>Others</td>
<td>9.8</td>
<td>8.3</td>
<td>2.3</td>
<td>1.4</td>
</tr>
</tbody>
</table>

About two-thirds of the urban elderly and less than half of the rural elderly have access to recreation homes. A quarter of the urban elderly have access to elderly universities. The percentage of elderly in the rural areas who have access to elderly universities is only around 5 percent. Half of the elderly in both rural and urban areas have access to elderly associations. The percentage of the elderly who have access to
old cadre recreation centers is relatively low. Given the nature of the centers as a privilege to only a small proportion of the elderly, between 14 and 19 percent for the urban elderly and around 10 percent of the rural elderly use these centers. The total population who have this privilege is believed to be much less than this sample represents.

A considerable proportion of the elderly in this sample do not have access to public recreational places. However, the lack of appropriate public places for social interaction does not seem to challenge the social well-being of these elderly. The utilization of available public facilities by the sampled elderly is very low.

Table 5.5  Utilization of the Available Public Places by the Elderly by Sex and Region

<table>
<thead>
<tr>
<th></th>
<th>Urban Male (N=4766)</th>
<th>Urban Female (N=5123)</th>
<th>Rural Male (N=4822)</th>
<th>Rural Female (N=5372)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recreation Home</td>
<td>13.3</td>
<td>9.5</td>
<td>25.4</td>
<td>14.3</td>
</tr>
<tr>
<td>Elderly University</td>
<td>1.7</td>
<td>1.6</td>
<td>0.4</td>
<td>0.1</td>
</tr>
<tr>
<td>Elderly Association</td>
<td>9.1</td>
<td>9.2</td>
<td>33.8</td>
<td>29.0</td>
</tr>
<tr>
<td>Old Cadre Recreation</td>
<td>6.0</td>
<td>2.3</td>
<td>0.7</td>
<td>0.0</td>
</tr>
<tr>
<td>Others</td>
<td>3.0</td>
<td>2.1</td>
<td>1.6</td>
<td>0.5</td>
</tr>
</tbody>
</table>

Among the urban male elderly, while 68 percent claimed to have access to recreation homes, only 13.3 percent participate in the activities. With a similar percentage having access to recreation homes, the participation rate for the female elderly in the urban areas is only 9.5. The rate for participation in public activities for
the sampled rural elderly is relatively higher than that of the urban elderly. This makes a significant difference between rural and urban elderly in terms of social interaction with people outside the family, given the fact that the rate for access to public social places is much lower for the rural elderly. Among rural male elderly, 25.4 percent participate in the activities of recreation homes. For rural females, the percentage is 14.3.

Another striking difference between the urban and rural elderly in the sample can be seen in the proportion of those involved in elderly associations. For both urban and rural elderly, the rate for access to elderly associations is about 50 percent. Among the urban elderly, about 9 percent are involved in the elderly associations. Among the rural elderly, the percentages are 33.8 and 29.0, respectively for male and female. It is not clear why the rural elderly seem to be more active than the urban elderly in publicly organized activities, but awareness and access are possible reasons. In rural areas, it may be easier to see and get to the activities than in a large urban area. At least more frequent and intensive interaction of the rural elderly with family members, as it was indicated in Tables 5.5, 5.6, and 5.7, does not necessarily mean less need of them for social interaction outside the family. The problem may lie in the values of these publicly organized activities. The relatively active involvement in elderly associations by the rural elderly suggests that these associations provide a sense of fulfillment, similar to the fulfillment experienced when the elderly provide caregiving in the family.

In summary, the elderly in China, as reflected by the sample, generally
maintain social well-being primarily through close contact with family members. The majority of the sampled elderly maintain interaction with their children since they live with adult children or have adult children living nearby. A considerable proportion of the elderly, both in rural and urban areas, participate in various household chores while living with their adult children. By performing certain self-preserving and socially valuable functions, the elderly keep a considerable degree of autonomy in their later years.

In contrast to the frequency and intensity of interaction among family members, the elderly are less involved in social interactions with non-family members. Lack of access to appropriate public places is obviously a reason. The value of these activities to the self-fulfilment of the elderly may be a more persuasive explanation. When the elderly perform certain household chores, they obtain certain autonomy through it. The same thing may happen to the utilization of the public place. The participation in the activities may be related to the perception of the practical values of the activities.

The low participation rate for publicly organized activities only partially presents the extra-familial network of the elderly. Those who do not participate in publicly organized activities are by no means excluded from social interaction with friends in the neighborhood. The lack of data about friendship networks, a flaw of the data set, prevents us to make a conclusion about the extra-familial interaction of these elderly.

2. Economic Well-Being

According to Hess and Markson (1980), the economics of aging can be reduced
to the consideration of work, retirement, and income. Work, as defined by Sheppard (1976), is an activity performed for others for which the individual is rewarded monetarily. The link between individual and work is important because of the relationship between the individual's income and his or her work status. The importance of work to the elderly person lies in the fact that income is closely related to previous or current work status. Because of previous work status in the labor force, retirees are eligible for certain amounts of income without being currently employed. Thus, income during old age is primarily work related. It is earned either through current employment or attachment to the labor force in prior years.

Table 5.6  Work Status of the Elderly by Sex and Location (%)

<table>
<thead>
<tr>
<th></th>
<th>Urban</th>
<th>Rural</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Male (N=4,766)</td>
<td>Male (N=4,822)</td>
</tr>
<tr>
<td>Work</td>
<td>21.3</td>
<td>64.0</td>
</tr>
<tr>
<td>Not Work</td>
<td>78.7</td>
<td>36.0</td>
</tr>
<tr>
<td>Total</td>
<td>100.0</td>
<td>100.0</td>
</tr>
<tr>
<td></td>
<td>Female (N=5,123)</td>
<td>Female (N=5,372)</td>
</tr>
<tr>
<td>Work</td>
<td>5.8</td>
<td>31.8</td>
</tr>
<tr>
<td>Not Work</td>
<td>94.2</td>
<td>68.2</td>
</tr>
<tr>
<td>Total</td>
<td>100.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>

The economic status of the elderly in China is examined from these aspects of the economics of aging. In the first place, the sample indicates a relatively low rate of employment for the urban elderly (See Table 5.6). Among this group of elderly, only 21.3 percent of the males and 5.8 percent of the females are currently employed. About 86 percent of the urban elderly are completely out of work force. There is a different
picture for the rural elderly: 64 percent of the males and 31.8 percent of the females are still involved in paid work.

Table 5.7  Pension Status of the Elderly by sex and Location

<table>
<thead>
<tr>
<th></th>
<th>Urban Male (N=4766)</th>
<th>Urban Female (N=5123)</th>
<th>Rural Male (N=4822)</th>
<th>Rural Female (N=5372)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Have Pension</td>
<td>92.61</td>
<td>54.54</td>
<td>11.34</td>
<td>0.69</td>
</tr>
<tr>
<td>Not Retired</td>
<td>1.49</td>
<td>0.23</td>
<td>0.25</td>
<td>0.06</td>
</tr>
<tr>
<td>Have No Pension</td>
<td>5.90</td>
<td>45.23</td>
<td>88.41</td>
<td>99.26</td>
</tr>
<tr>
<td>Total</td>
<td>100.00</td>
<td>100.00</td>
<td>100.00</td>
<td>100.00</td>
</tr>
</tbody>
</table>

Factors that are believed to affect the participation by Chinese elderly in paid work are the availability of stable income, such as pension and financial support from children, and the actual income level after withdrawal from work (Tien, et al., 1991). Table 5.7 presents the pensionary status of the sampled elderly as an indicator of stable income for them. Special attention should be paid to the disparity between rural and urban elderly with regard to pension status. Among the urban elderly, 92.6 percent of the males and 54.54 percent of the females have pensions, (i.e., 5.90 percent of the males and 45.23 percent of the females claim that they have no pensions). Among the rural elderly, only 11.34 percent of the males and 0.69 percent of females have pensions (i.e., those who have no pension make up 88.41 percent of the male elderly and 99.26 percent of the female elderly). In addition, among the urban elderly, women are more likely than men to be excluded from the pension schemes as a result of their
previously unfavorable employment status.

In China, pension is linked to retirement that applies only to employees of the state, collectively owned enterprises, or government institutions and agencies. As an underdeveloped country, the proportion of the total population that work for such employers has only been around 20 percent. The other 80 percent of the population have been engaged in agricultural production and are not covered by any pensions. The very small percentage of those rural elderly who have pensions are likely to be former employees of the state enterprises in the urban areas who choose to live in their home villages in retirement.

As described in Chapter Two, the majority of the urban elderly are retirees of the state or collectively owned enterprises, cultural and educational institutions, and government agencies. According to the state’s mandatory retirement regulations, individuals must leave their primary career at certain specified ages. With an average pension income of 70 percent of the last month’s salary before retirement, plus free medical care, the retirees are still in relatively good financial shape, considering they tend to have less dependents by the time they retire. The pension income is quite stable. Moreover, the government subsidizes the pension schemes in an effort to catch up with inflation.

In addition, the service industry in China is still backward. Since housework requires considerable time and energy, the devotion by elderly family members to housework often provides younger family members with the opportunity to earn more from employment. Therefore, concentrating on housework instead of seeking re-
employment is often more beneficial to the household’s overall financial situation. By the same token, the majority of the female elderly in rural areas are involved in housework rather than paid work outside the home. The difference is that female rural elderly have financial support from their children as their stable income and the line between housework and paid work is less distinctive than the case in the urban areas. For example, raising one or two pigs at home can be viewed both as domestic work and paid work. More often, the pigs are sold to supplement household income rather than consumed by the family.

The most stable income for the rural elderly is the income earned from their current employment. The relatively large proportion of elders participating in paid work, especially among the males, seems to indicate that the lack of pension as a stable source of income does affect the work status of the elderly in China.

Besides pensions, financial support from children may serve as another factor that affects the employment status of the elderly. In this sample, 47 percent of the urban elderly and 73 percent of the rural elderly received financial support from their children. The difference in the percentage of the elderly receiving financial support from children is inversely correlated with the difference in the percentage of the elderly participating in the labor force.

Table 5.8 indicates that in urban areas, pension is the most important source of income for the elderly. It is responsible for 42.7 percent of the share of the total income of the urban elderly. Government assistance is next to pension in importance for the income of the urban elderly. Government assistance to city residents was
originally designed to sustain residents who are unable to earn enough to make a basic living. Those who receive government assistance were childless elderly, orphans, and a very small number of persons in households with an income level below certain government recognized standards. Since the 1980s, government assistance has been expanded to the extent that all the registered urban residents are more or less covered. It is now seen as a complement for the average individual income to catch up with inflation. The amount of assistance from the government has also been increased several times since then. It makes up 27.4 percent of the total income for the sampled urban elderly.

Table 5.8 Composition of Sources of Income for the Elderly by Location

<table>
<thead>
<tr>
<th>Source</th>
<th>Urban</th>
<th>Rural</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>100.0%</td>
<td>100.0%</td>
</tr>
<tr>
<td>Pension</td>
<td>42.7</td>
<td>7.8</td>
</tr>
<tr>
<td>PostRetirement Employment</td>
<td>9.4</td>
<td>2.0</td>
</tr>
<tr>
<td>Self Earning</td>
<td>N/A</td>
<td>37.6</td>
</tr>
<tr>
<td>Children</td>
<td>13.0</td>
<td>34.8</td>
</tr>
<tr>
<td>Relatives</td>
<td>0.9</td>
<td>2.5</td>
</tr>
<tr>
<td>Local Assistance</td>
<td>0.1</td>
<td>6.9</td>
</tr>
<tr>
<td>Government Assistance</td>
<td>27.4</td>
<td>5.5</td>
</tr>
<tr>
<td>Interest from Saving</td>
<td>1.7</td>
<td>1.2</td>
</tr>
<tr>
<td>Rental</td>
<td>2.3</td>
<td>0.5</td>
</tr>
<tr>
<td>Others</td>
<td>2.5</td>
<td>1.2</td>
</tr>
</tbody>
</table>

Besides pensions and government assistance, financial assistance from adult children plays a considerable role in the economic well-being of the elderly in urban
areas. Of the total income of the elderly, 13 percent comes from their children. It is likely that among urban elderly, women tend to rely more on children than men do for financial support because 45 percent of them have no pension, while less than 10 percent of the men have no pension.

In rural areas, the most important source of income for the elderly is earnings from current employment. Financial assistance from children ranks close to current earnings in importance while government assistance is almost absent.

Table 5.8, shows that sources of income such as savings and rent contribute very little to the total income of the elderly in either rural or urban areas. Decades of low salaries for employees in urban areas and a low level of production in rural areas make significant life time savings unlikely for the elderly of the current generation. Moreover, although rental as a profit earning business has become part of the economic life for the Chinese since the economic reform, it is sharply restricted by lack of rental property owned by the elderly.

According to the State Statistic Bureau of China (1993), the average individual income in 1992 was 784 Yuan for rural residents and 1,826 Yuan for urban residents. At the same time, the average individual expenditure for consumption was 659 Yuan for rural residents and 1,671 Yuan for urban residents. The average individual income for the sample is 771 Yuan for rural elderly and 1,941 Yuan for urban elderly. The average amount of expenditure for rural elderly is 976 Yuan and for urban elderly is 1,744 Yuan.
Table 5.9  Average Income and Expenditure of the Elderly by Location in Comparison with the Total Population (in Yuan)

<table>
<thead>
<tr>
<th></th>
<th>Average Yearly Income</th>
<th>Average Yearly Expense</th>
</tr>
</thead>
<tbody>
<tr>
<td>Urban Population</td>
<td>1,826*</td>
<td>1,671*</td>
</tr>
<tr>
<td>Sampled Urban Elderly</td>
<td>1,941</td>
<td>1,744</td>
</tr>
<tr>
<td>Rural Population</td>
<td>784*</td>
<td>659*</td>
</tr>
<tr>
<td>Sampled Rural Elderly</td>
<td>771</td>
<td>976</td>
</tr>
</tbody>
</table>


Compared to average income and living expense for the total population, the financial situation for the sampled urban elderly is fairly good. While the average income is in excess of 155 Yuan over the average expense for the average urban citizens, the difference is 197 Yuan among the urban elderly. For the rural elderly, there is quite a different situation. While the average income of the rural elderly is less than the average income of the rural residents overall, the average expense of the rural elderly is higher than the average expense of the rural residents as a group. The result is that the average expense of the elderly is in excess of 205 Yuan over the average income. The fact that the expenses do not balance the income indicates that the rural elderly are likely to have financial needs that are not met. Nevertheless, the interpretation of the statistical results must take into consideration the great variation among the aged population in terms of income status. Not all the elderly in the rural areas are under financial stress. This partly explains why 3 percent of the urban elderly and 13 percent of the rural elderly in this sample are able to provide financial assistance.
to their children.

3. Health Status

The present discussion of the health status of the elderly in China, as it is reflected by the sampled elderly, focuses on three topics: the ability of the elderly to maintain themselves and their physical mobility, the distribution of epidemic diseases among the aged population, and the access of the elderly to medical care. The following arguments help put these topics in perspective. First, there is a gradual slowing down of the body with age (Hess & Markson, 1980). As a consequence, the elderly are likely to suffer from functional limits of various degrees. Second, although being aged is by no means being sick, most people who survive to old age do not die of old age, but die from diseases (Peterson & Peterson, 1960). This implies that the elderly tend to suffer from certain diseases, which reduces the level of well-being. Finally, the vulnerability of the elderly to diseases is also related to the availability of medical care. Easy access to necessary medical care reduces the suffering from the disease.

In this study, the ability of the elderly to maintain themselves is first measured with four indicators of basic functions which are widely used as measures of "activities of daily living" in U.S. studies. As shown in Table 5.10, the proportions of the urban elderly who function in dressing, eating, bathing, and toileting are, respectively, 96.3, 98.1, 93.4, and 96.2. For rural elderly, the percentages are, respectively, 96.9, 98.1, 95.7, and 97.2. It is clear that these elderly, in general, function well in their later years.
The measures of the above functional capacity do not provide a complete satisfactory description of the functional status of the elderly. Further investigation is needed with regard to their physical mobility and activities of daily living. In order to be mobile, the elderly person must be able to move around and to go outdoors without difficulty. It is found that 91.5 percent of males and 88.1 percent of females in urban areas, and 92.8 percent of males and 88.3 percent of females among rural elderly are capable of going out alone without any difficulty. These statistics indicate that the elderly are overall in a good condition in terms of physical mobility. It appears that men tend to maintain a higher capacity of going out than women.

To maintain a complete independent living, the elderly need to have the ability to perform more than the above mentioned functions. Cooking, washing, housework, and shopping are activities necessary for the elderly to maintain functional independence. Table 5.11 shows that about 20 percent of the men and over 50 percent of the women claim to do cooking, washing, housework, and shopping all by
themselves.

Table 5.11 Proportion of the Elderly Independent in Daily Maintenance by Sex and Location

<table>
<thead>
<tr>
<th></th>
<th>Urban Male</th>
<th>Urban Female</th>
<th>Rural Male</th>
<th>Rural Female</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cooking</td>
<td>21.59</td>
<td>61.43</td>
<td>20.07</td>
<td>51.55</td>
</tr>
<tr>
<td>Washing</td>
<td>21.11</td>
<td>57.31</td>
<td>18.89</td>
<td>55.88</td>
</tr>
<tr>
<td>Housework</td>
<td>19.43</td>
<td>60.65</td>
<td>21.42</td>
<td>47.65</td>
</tr>
<tr>
<td>Shopping</td>
<td>33.13</td>
<td>48.94</td>
<td>41.04</td>
<td>31.12</td>
</tr>
</tbody>
</table>

A marked difference appears between men and women with regard to involvement in cooking, washing, housework, and shopping. From the life cycle perspective, this may also be seen as the result of gender differentiation in earlier life stages (Riley et al., 1969). In the Chinese tradition, as it is in those of many other cultures, women tend to assume all the domestic responsibilities while men are involved in earning a living outside the house. When this tradition is in effect as a factor to the involvement of the elderly in activities of daily living, it is not surprising to see that fewer men are doing cooking, washing, housework than women. What is important is that an old man who does not do these jobs does not necessarily mean that he does not have the ability to do them. It is likely that he has a spouse or child to do the job for him, given the facts that men tend to be married and that elderly tend to live with children.

The relatively low proportion of elderly that do shopping by themselves seems
to indicate a low level of independence in functional capacity because shopping requires certain level of physical mobility and the ability to manage money. Again it is hard to distinguish those who are functionally limited to shopping from those who do not do it by themselves because of other reasons only based upon the statistics. For example, shopping may also serve as an indicator of financial position of the elderly in the family. Elderly who live with children often shift their financial responsibility to their children and consider shopping a job of the children. This may also be the case for a difference between rural male and female in involvement in shopping. In this sense, it is the traditional role rather than the functional ability that affects the shopping activity of the elderly.

While measures of functional ability are useful indicators of broad categories of health among elderly, more precise measures of how well old people function should include pathological conditions in understanding the health status of the elderly. As Shanas and her colleagues (1968) observed, most old people exhibit signs of pathology upon physical examination. Therefore, the prevalence and distribution of diseases can be an useful indicator of the health status of the an old population.

In this study a large proportion of the elderly are found to have certain pathological conditions. 75.6 percent of males and 80.3 percent of females in the urban areas, 57.3 percent of males and 63.6 percent of females in the rural areas claim to suffer from various disease. Table 5.12 summarizes the distribution of some typical diseases among the elderly. Overall, digestive system conditions and respiratory conditions are most prevalent among these elderly. An average of 20.7 percent of these
elderly suffer from respiratory conditions and 19.9 percent have high blood pressure or coronary heart diseases.

Table 5.12 Distribution of Diseases among the Elderly by Sex and Location

<table>
<thead>
<tr>
<th>Condition</th>
<th>Male (N=4766)</th>
<th>Female (N=5123)</th>
<th>Male (N=4822)</th>
<th>Female (N=5372)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cerebral haemorrhage/thrombus</td>
<td>6.2%</td>
<td>3.5%</td>
<td>3.0%</td>
<td>2.7%</td>
</tr>
<tr>
<td>High blood pressure or/and coronary heart disease</td>
<td>26.6</td>
<td>30.4</td>
<td>9.3</td>
<td>13.6</td>
</tr>
<tr>
<td>Tracheitis, pulmonary abscess or osteitis</td>
<td>25.2</td>
<td>18.5</td>
<td>21.4</td>
<td>17.9</td>
</tr>
<tr>
<td>Intestines, stomach, liver or/and gallbladder</td>
<td>16.6</td>
<td>20.8</td>
<td>11.0</td>
<td>13.6</td>
</tr>
<tr>
<td>Diabetes</td>
<td>2.1</td>
<td>2.8</td>
<td>0.5</td>
<td>0.5</td>
</tr>
<tr>
<td>Prostatomegaly</td>
<td>4.0</td>
<td>0.0</td>
<td>0.7</td>
<td>0.0</td>
</tr>
<tr>
<td>Arthritis</td>
<td>14.4</td>
<td>25.3</td>
<td>15.2</td>
<td>19.7</td>
</tr>
<tr>
<td>Bone hyperplasia</td>
<td>5.1</td>
<td>6.8</td>
<td>1.6</td>
<td>2.0</td>
</tr>
<tr>
<td>Cataract or/and glaucoma</td>
<td>8.6</td>
<td>13.0</td>
<td>3.1</td>
<td>4.7</td>
</tr>
<tr>
<td>Malignant tumour</td>
<td>0.8</td>
<td>0.9</td>
<td>0.2</td>
<td>0.4</td>
</tr>
<tr>
<td>Others</td>
<td>12.3</td>
<td>15.5</td>
<td>6.0</td>
<td>7.7</td>
</tr>
<tr>
<td>Having no illness</td>
<td>24.4</td>
<td>19.7</td>
<td>42.7</td>
<td>36.4</td>
</tr>
</tbody>
</table>

There are significant differences between males and females with regard to specific pathological conditions. For example, men tend to suffer from respiratory conditions. Women tend to be more vulnerable to high blood pressure or coronary heart conditions and arthritis. Nevertheless, more women than men tend to have pathological conditions. The proportion for males who claim to have no diseases are 24.4 percent among urban elderly and 42.7 percent among the rural elderly. For females, it is,
respectively, 19.7 percent among the urban elderly and 36.4 percent among the rural elderly.

The table also shows a disparity of health condition between rural and urban elderly. For example, 28.5 percent of urban elderly suffer from heart conditions, while the percentage for rural elderly is 11.5. This may be due to fresher air and better diet in rural areas. The relatively larger proportion of the rural elderly, both male and female, who claim to have no disease may serve as evidence that rural elderly are generally healthier than urban elderly.

It is always necessary to be cautious when making generalizations of the health conditions of the elderly based upon their reports on pathological conditions because such reports are linked to the availability of medical services. In rural places where people have less access to medical services, complaints that at one time would have been considered important enough to be called to a doctor’s attention, are often believed to be inevitable in old age and thus remain unremarked and untreated (Shanas, et al., 1968).

As expected, there is a disparity in access to medical care between rural and urban elderly. Among the urban elderly, about 13 percent claim to have financial difficulties in obtaining medical treatment, while among rural elderly, the percentage is about 30. Moreover, about 11.5 percent of rural elderly claim that hospitals cannot diagnose their disease but very few (0.75 percent) claims of this kind are heard from urban elderly, which may indicate that medical institutions in rural areas are less well facilitated and medical professionals are less well trained.
Another disparity between urban and rural is that while there exists a close relationship between difficulty in access to health care and income among urban elderly, there is no obvious relationship between the two indicators among rural elderly. Among urban elderly, the higher the income, the less difficult in access to medical care. However, among rural elderly, no matter how much they earn, they generally find it is inconvenient to see doctors.

4. Summary

The examination of this sample of old people reveals that these elderly maintain close contact with their families through living arrangements and contribution to the household economy. However, lack of appropriate public places prevent them from meaningfully extending their social interactions beyond the family. While availability of pension income results in relatively low rates of employment for urban elderly, lack of stable income such as pension forces the majority of the rural elderly to continue to work until they are physically incapable. On the whole, urban elderly are in a better shape financially than rural elderly. Moreover, women are found to have lower rates of participation in the labor force than men, which leads to a higher rate of them relying only on family for financial support.

The sampled elderly, in general, have maintained their functional capacity. While men tend to maintain higher capacity of outgoing than women, women seem to function better than men in activities of daily living inside the house. A large proportion of elderly have certain pathological conditions. High blood pressure and coronary heart disease, respiratory conditions, and arthritis are most prevalent among
these elderly. It is found that more rural elderly than urban elderly claim to have no
disease. Access to medical care is a more serious problem in rural areas than in urban
areas.
CHAPTER 6

THE EFFECT OF SUPPORT SYSTEMS:
MULTIVARIATE ANALYSES

Following the basic background information given in the previous chapter, this chapter will go further to the statistical analyses of relationships between the current formal and informal support systems and the well-being of these elderly. Multiple regression using a stepwise method is employed to determine the effect of the family and state factors on sense of well-being of the elderly. I will examine the descriptive statistics of the variables to be measured in the model and analyze the results of the multiple regressions for both the rural and the urban sample.

1. The Result of the Descriptive Statistics

The research model used for the multiple regressions includes twelve variables:

1. sense of well-being
2. number of adult living children
3. number of generations living in the household
4. having son(s) in the household
5. household income
6. financial support from children
7. pension
8. financial support from the government
9. access to medical care
10. gender
11. education
12. marital status

I will examine the quantitative and the qualitative aspects of these variables through
frequency distributions in this section.

1) Descriptive Statistics of the Variables for the Rural Sample

Perception of the respondents about their well-being is used as a dependent variable in the regression analysis model. The dependent variable "sense of well-being" is a scale created through factor analysis using VARIMAX rotation, a procedure which is commonly used to create scales for use in the multivariate analysis. The creation of the scale is followed by reliability testing using Cronbach’s Alpha Coefficient. The result of the procedure is presented in Table 6.1.

Table 6.1 Factor Loadings for the Index of Sense of Well-Being of the Rural Elderly

<table>
<thead>
<tr>
<th>Variable</th>
<th>Factor Loading</th>
</tr>
</thead>
<tbody>
<tr>
<td>Feeling of Income Adequacy</td>
<td>.80024</td>
</tr>
<tr>
<td>Satisfaction with One's Economic Condition</td>
<td>.85729</td>
</tr>
<tr>
<td>Satisfaction with One's Daily Activities</td>
<td>.77788</td>
</tr>
<tr>
<td>Perception of Happiness</td>
<td>.83953</td>
</tr>
</tbody>
</table>

Cronbach’s Alpha = .8275 Standardized Item Alpha = .8362

The variable “sense of well-being” is a scale measured at the interval level. The measures of the items included in the index are in Likert format. The frequency result shows a median value of 0.63. Standard deviation has a value of 1.00. Within a range of values from -2.98 to 0.99, observations are normally distributed.

The variable “number of adult living children” is measured at the interval level. The mean is 4.09, which indicates that the average number of adult living children for
rural elderly is four. Among these rural elderly, 76.7 percent of them have one to five children. Within a range of 13 in value, about 65.7 percent of the observations are distributed between 2 to 6.

The frequency of the variable "number of generations living in the household" has a mean of 1.97, which indicates that the average number of the generations living in the household is two. The frequency counts reveal that 43 percent have one generation and 35.5 percent have three generations in the household. Those who have two generations in the household only make up 19 percent of the sampled rural elderly. It implies that the children who live with their elderly parents are either unmarried or married without children. It is likely that when they get married, especially when they get married and have children themselves, they tend to move out.

"Having son(s) living in the household" is a dummy variable. The frequency distribution of this variable shows that 63.2 percent of the rural elderly do not have sons living in the household and those who have sons in the household make up 36.8 percent.

A mean value of 2,391 Yuan for variable "household income" shows the average household yearly income. The standard deviation is 2,631. Great variance has been found in distribution of the variable with the amount ranging from 0 to 50,000. While 7.4% claim zero income for the household, 5 percent get a household income of 7,000 Yuan a year.

"Financial support from children" is measured at the ratio level. A mean value of 268.12 Yuan shows the average yearly amount of support from children. Again
great variation has been found in the distribution of cases with values ranging from 0 to 9,600 Yuan. While 27.3 percent do not receive any financial support from children, 72.7 percent of them do. Only less than 3 percent receive amount of over 1,000 Yuan from their children. About 46 percent receive amount of 100 to 500 each year from children.

"Pension income" is measured at the ratio level. A mean value of 59.796 indicates that the average pension of rural elderly is about 60 Yuan a year. In fact, 94 percent of these rural elderly have no pension income and only 6 percent have pension. Great variation occurs in pension income. The values of the variable range from 0 to 3,600 Yuan a year.

"Financial support from the government" is again measured at the ratio level. 84.7 percent of the rural elderly do not get any financial support from the government. Among those 15.3 percent who get financial support from the government, the amount of support ranges from 2 to 2,000 Yuan. A mean value of 42.12 indicates that the average support from the government is 42.12 Yuan a year for these rural elderly.

"Access to medical care" is measured at the ordinal level. While 42.4 percent think it is convenient for them to get medical services, 11.9 percent think it is fair to get medical services, 7.5 percent think it is inconvenient. In addition 38.2 percent of the respondents are not the users of any medical services for at least a year and give no opinion about access to medical care. The majority either think their access to medical services as being convenient or give no opinion on it at all. The central tendency of the distribution of the variable is expressed by a mean value of 1.89. The average rural
elderly think that it is fair (between convenient and inconvenient) to get medical services.

Demographic variables "gender," "education," and "marital status" are dummy variables. Frequency distributions of these variables show that 52.7 percent are females and 47.3 percent are males in this group of the rural elderly. The average rural elderly are illiterate. Only 25.6 percent of them have obtained an education at all. With regard to marital status, 59.9 percent of them are currently married while 40.1 percent are not.

The result of the regression of each variable indicates that the research model meets with the assumptions of the multiple regression analysis. First, 72 outliers are found in this sample of 10,194 cases. Second, the residual is normally distributed. Each scatterplot shows a comfortable level at which we can assume that the residual variance is relatively constant for all values of the independent variable and there is no existence of heteroscedasticity. Third, the Durbin-Watson Test has a value of 1.45, which is close to 2. Based upon such a value, I can assume that there are no autocorrelations between members of series of observations ordered in time or space. Besides normal distribution, homoscedasticity, and no autocorrelation of the residuals, the statistic results from pairwise correlations (Table 6.2) presents no existence of any values of Pearson coefficients that are larger than 0.8, which indicates the nonexistence of multicollinearity among the explanatory variables.
Table 6.2  Correlation Coefficients of the Variables in the Model for Relationship between Family and State Support and Well-being of the Rural Elderly

<table>
<thead>
<tr>
<th></th>
<th>swb</th>
<th>A7</th>
<th>A9</th>
<th>A13</th>
<th>B14</th>
<th>B17</th>
<th>B2</th>
<th>B24</th>
<th>C207</th>
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<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>A7</td>
<td>.11**</td>
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<td>A9</td>
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<tr>
<td>A13</td>
<td>.09**</td>
<td>-.06**</td>
<td>.79**</td>
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</tr>
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<td>B14</td>
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<tr>
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<td>.14**</td>
<td>.19**</td>
<td>-.00</td>
<td>.02*</td>
<td>.04**</td>
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</tbody>
</table>

* Significant at .05 level
** Significant at .01 level

swb = Sense of Well-Being  
A7 = Number of Children  
A9 = Number of Generations  
A13 = Living with Sons  
B14 = Household Income  
B17 = Financial Support from Children  
B2 = Pension  
B24 = Financial Support from Government  
C207 = Access to Medical Services  
A1 = Gender  
A5 = Education  
A6 = Marital Status
2) Descriptive Statistics of the Variables for the Urban Sample

As the research model will apply to both rural and urban samples, the same variables used in the rural sample will also be applied to the urban sample. The dependent variable "sense of well-being," as an index, is created through the same statistical procedure as what is used for the rural sample. The result of factor analysis for the index is presented in the following table.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Factor Loading</th>
</tr>
</thead>
<tbody>
<tr>
<td>Feeling of Income Adequacy</td>
<td>.72244</td>
</tr>
<tr>
<td>Satisfaction with One's Economic Condition</td>
<td>.82205</td>
</tr>
<tr>
<td>Satisfaction with One's Daily Activities</td>
<td>.73669</td>
</tr>
<tr>
<td>Perception of Happiness</td>
<td>.82188</td>
</tr>
</tbody>
</table>

Cronbach's Alpha = .7664  
Standardized Item Alpha = .7799

As in the rural sample, all the items included in the composition of the scale for "sense of well-being" are in Likert format. The scale is treated at the interval level. The frequency distribution of the variable shows a median of 0.49 on the scale. The standard deviation is 1.00. The values on the scale range from -4.15 to 0.91.

The variable "number of adult living children" is also measured at the interval level. A mean of 3.762 indicates that the urban elderly have an average of four living adult children. Within a range of values from 0 to 13, 80 percent of them have one to five children.
"Number of generations living in the household" is also measured at the interval level. The mean value of 1.955 indicates that the average number of generations in the household for the urban elderly is two. The frequency counts reveal that 41.1 percent of the urban elderly have just one generation in the household, 23.5 percent have two generations in the household, and 35.4 percent have three generations or more living together. Again, like the rural sample, the children who live with their elderly parents are usually either unmarried or married without children. There is the tendency for children to move out when they get married, especially when they have children of their own. In urban areas, housing shortages may limit the children’s choice to move out and there is a slightly higher percentage of households with two generations in comparison with rural areas.

The frequency distribution of the dummy variable "having sons in the household" shows that 71.3 percent of the urban elderly do not live with sons while 28.7 percent have sons living with them. A relatively higher percentage of urban elderly do not live with sons compared with rural elderly.

Values for variable “household income" for the urban elderly range from 0 to 72,000 Yuan. The mean value indicates that the average household income for these urban elderly is 4,607.5 Yuan per year. Households with incomes of 3,600 Yuan comprise the largest group of the sample. Over 80 percent of the cases have values between 1,200 and 8,000 Yuan.

The frequency result for the variable "financial support from children" shows that the average urban elderly do not rely on children for financial support. The
frequency counts show that 53.6 percent receive no financial support from children and 46.4 percent elderly do. The amount of support the elderly receive varies from 0 to 7,700 Yuan a year, with an average amount of 253 Yuan.

Variable "pension income" has a range of values from 0 to 5,400 Yuan. More than 27 percent of the urban elderly have no pension income. The mean value indicates an average of 828.83 Yuan as pension income among the urban elderly. The distribution of pensions varies from 108 Yuan to 5,400 Yuan.

"Financial support from government," a ratio variable, displays frequency values ranging from 0 to 3,252 Yuan. Great variation exists among these urban elderly in terms of receiving government support. The average amount of support the urban elderly receive from the government is 531 Yuan yearly. There are 17.5 percent of the urban elderly who do not receive any government support. Among the 82.5 percent who receive financial support from the government, the amount of money they receive varies from 2 Yuan to 3,252 Yuan a year.

"Access to medical services" is an ordinal variable. The frequency values range from 0 to 3. No response was given to the question by 18.7 percent of the urban elderly since they have been nonusers of any medical services for at least a year. Among the respondents, 13.2 percent think it is inconvenient, 9.9 percent think it is fair, and 58 percent think it is convenient. A median value of 3.000 indicates that the average urban elderly think they have fair access to medical services.

The frequency distributions of the three dummy variables "gender," "education," and "marital status" reveal that this sample of the urban elderly is 51.8 percent females
Table 6.4  Correlation Coefficients of the Variables in the Model for Relationship between Family and State Support and Well-being of the Urban Elderly

<table>
<thead>
<tr>
<th></th>
<th>swb</th>
<th>A7</th>
<th>A9</th>
<th>A13</th>
<th>B12</th>
<th>B15</th>
<th>B2</th>
<th>B23</th>
<th>C207</th>
<th>A1</th>
<th>A5</th>
<th>A6</th>
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<tr>
<td>B23</td>
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<td>-.05**</td>
<td>-.02**</td>
<td>-.05**</td>
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<tr>
<td>A1</td>
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<td>-.02*</td>
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<td>-.15**</td>
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<td></td>
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<tr>
<td>A5</td>
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<td>-.01</td>
<td>-.04**</td>
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<td>-.07**</td>
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<td>.14**</td>
<td>.08**</td>
<td>.33**</td>
<td>.25**</td>
<td>1.00</td>
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</tbody>
</table>

* Significant at .05 level  
** Significant at .01 level

swb = Sense of Well-Being  
A7 = Number of Children  
A9 = Number of Generations  
A13 = Living with Sons  
B12 = Household Income  
B15 = Financial Support from Children  
B2 = Pension  
B23 = Financial Support from Government  
C207 = Access to Medical Services  
A1 = Gender  
A5 = Education  
A6 = Marital Status
and 48.2 percent males. While 58.8 percent of them have an education at primary level or above, 41.2 percent are illiterate. As for marital status, 69.1 percent are currently married and 30.9 percent are unmarried.

The pairwise correlations of the above variables (Table 6.4) present no existence of any Pearson coefficients values larger than 0.8. The regression of each variable also indicates the existence of 197 outliers out of a total of 9,889 cases. In addition, the scatterplots shows that the residual variance is relatively constant for all values of the independent variables. Moreover, the Durbin-Watson test has a value of 1.62. Thus we can assume that the research model meets the basic assumptions of normal distribution, homoscedasticity, no autocorrelation of the residuals, and no multicollinearity among the explanatory variables.

2. Findings of the Multiple Regressions

1) Results of the Multiple Regression of the Support Factors on Sense of Well-Being of the Rural Elderly

The multiple regression of the family support factors on the rural elderly’s sense of well-being (Table 6.5) produced an adjusted R squared of .11, which means that the model explains 11 percent of the variance in sense of well-being among rural elderly. All the independent variables are significantly related to the dependent variable in the multiple regression. Of these independent variables, “household income” has the highest beta value, which suggests that sense of well-being of the rural elderly is mostly affected by the income of the household. Less influential than “household income” are “financial support from children,” “education,” and “number of generations in the
household." Other factors such as "number of adult living children," "living with sons," and "marital status" also have some effect on the elderly's sense of well being. The effect of the variable "gender" is the weakest of all. In addition, the effects of "number of generations in the household" and "gender" are in a negative direction.

Table 6.5 Multiple Regression of the Informal Support Factors on Sense of Well-Being of the Rural Elderly

<table>
<thead>
<tr>
<th>Variable</th>
<th>B</th>
<th>SEB</th>
<th>Beta</th>
<th>Sig T</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Adult Children</td>
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<td>.07</td>
<td>.0000</td>
</tr>
<tr>
<td>Number of Generations</td>
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<td>.01</td>
<td>-.08</td>
<td>.0000</td>
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<tr>
<td>Living with Son(s)</td>
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<td>.03</td>
<td>.06</td>
<td>.0000</td>
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<td>Household Income</td>
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<td>Education</td>
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<tr>
<td>Marital Status</td>
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<td>.02</td>
<td>.06</td>
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</tbody>
</table>

Adjusted R Squared .11

N = 10,194

Table 6.5 indicates that household income is most influential among the informal factors that are expected to affect life satisfaction of the rural elderly. With the increase in household income, a significant increase in sense of well-being of the rural elderly is expected. We can also expect that increases in education and the amount of financial support from children lead to significant increases in the sense of well-being of the rural elderly, although the effects of education and financial support from
children are not as strong as the effect of household income. Basically, the more money these elderly get from children, the higher the sense of well-being they possess. A similar statement can be made about education. Although number of children, having sons in the household, and marital status are all significantly related to the sense of well-being of these elderly in a positive way, the effects tend to be weaker than the above mentioned variables. Moreover, it appears that the more generations living in the household, the lower the sense of well-being of the rural elderly. Finally, there is a significant difference between men and women in terms of sense of well-being. Women tend to have a higher sense of well-being than men.

The formal support factors obviously have less influence on the sense of well-being of the rural elderly than the informal support factors (Table 6.6). The regression has a value of .5 for the adjusted R Squared, which means only 5 percent of the variance is explained by the independent variables. However, all the independent variables are found to be significantly related to the dependent variables. Among them, access to medical care appears to be the most influential. The increase in convenience in accessing medical care leads to an increase in sense of well-being for rural elderly. Pension has less effect in comparison with access to medical care. Government support exerts the weakest influence among all the explanatory factors. Finally, among the three controlling factors, education is more effective than gender and marital status in explaining the sense of well-being of the rural elderly. Obviously, those who are educated tend to have a higher sense of well-being than those who are illiterate. Women are likely to have a higher sense of well-being than men. Married elderly have
a higher sense of well-being than unmarried elderly.

Table 6.6  Multiple Regression of the Formal Support Factors on Sense of Well-Being of the Rural Elderly

<table>
<thead>
<tr>
<th>Variable</th>
<th>B</th>
<th>SE B</th>
<th>Beta</th>
<th>Sig. T</th>
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</thead>
<tbody>
<tr>
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<td>Government Support</td>
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<td>.0052</td>
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<td>Access to Medical Care</td>
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<td>.15</td>
<td>.0000</td>
</tr>
<tr>
<td>Gender</td>
<td>-.12</td>
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<td>Education</td>
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<td>.01</td>
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<td>Marital Status</td>
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</tbody>
</table>

Adjusted R Squared  .05

N=10,194

The combined effect of the formal and informal support factors on the sense of well-being of rural elderly produced an adjusted R squared of .14, a better fitting model than either the informal or formal support factors on the sense of well-being of rural elderly (Table 6.7). Clearly, all the factors are significantly related to the independent variable. Among them, the variable “household income” is the most influential factor. A positive relationship is noted between household income and sense of well-being in that the higher one’s household income the greater the sense of well-being of that person. Less influential factors include “access to medical care” and “financial support from children.” The weakest factor is “financial support from the government.” Moreover, the factor “number of generations in the household” is
negatively associated with sense of well-being. The more generations in the household, the less sense of well-being among rural elderly.

Table 6.7 Multiple Regression of the Informal and Formal Support Factors on Sense of Well-Being of the Rural Elderly

<table>
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<th>Variable</th>
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<th>SE B</th>
<th>Beta</th>
<th>Sig T</th>
</tr>
</thead>
<tbody>
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<td>.0000</td>
</tr>
<tr>
<td>Number of Generation</td>
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<td>.01</td>
<td>-.08</td>
<td>.0000</td>
</tr>
<tr>
<td>Living with Son(s)</td>
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<td>.03</td>
<td>.06</td>
<td>.0000</td>
</tr>
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<td>Household Income</td>
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</tr>
<tr>
<td>Income from Children</td>
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<td>.0000</td>
</tr>
<tr>
<td>Pension</td>
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<td>3.84</td>
<td>.06</td>
<td>.0000</td>
</tr>
<tr>
<td>Government Support</td>
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<td>.0170</td>
</tr>
<tr>
<td>Access to Medical Care</td>
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<td>.13</td>
<td>.0000</td>
</tr>
<tr>
<td>Gender</td>
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</tbody>
</table>

Adjusted R Squared .13

N = 10,194

A crucial aspect of the examination of the direct effects on the sense of well-being of the rural elderly involves categorizing the determinants into formal and informal variables. The additional impact of the formal variables on the sense of well-being net of the informal determinants may be assessed by examining the significance of the increments in the adjusted R Squared values of the two nested models. The first model (Table 6.5) contains only informal variables and the second model (Table 6.7) contains formal variables in addition to the informal variables. The significance of the
increments in R Squared is examined.

The comparison of the coefficients of determination in Table 6.7 and Table 6.5 using the $F$ test yields the following result:

$$F(11-8), \frac{(10,194-11-1)}{(1-0.13)/(10,194-11-1)} = \frac{(0.13-0.11)/(11-8)}{78.02}$$

For $a = .01$ with 3 and 10,182 degrees of freedom, the critical value is 3.78. It can be concluded that the formal support factors significantly influence the sense of well-being of the rural elderly.

The findings about the relationships between the support factors and the perception of the rural elderly about their lives enable us to draw the following inferences with regard to the hypotheses in this study. First, household income has a positive effect on the sense of well-being of the rural elderly. Those who live in households with higher income are likely to have a higher sense of well-being. Second, the rural elderly's perception of well-being is positively related to their access to medical care. Those who have relatively easy access to medical care tend to have a higher sense of well-being. Third, the rural elderly who can rely on children for financial support are more likely to be satisfied with their lives. Fourth, the number of living adult children, having sons in the household, pension, and financial support from the government are also significantly related to their general feeling about their lives. Fifth, the sense of well-being is negatively affected by the number of generations in the household. The more generations living together, the less the sense of well-being of the rural elderly. Sixth, education significantly affects the well-being of the rural elderly.
There is a difference between the educated and the uneducated elderly in sense of well-being. The educated tend to have a greater sense of well-being than those who are not educated. Seventh, women are more likely than men to have a higher sense of well-being. Finally, married elderly tend to have a greater sense of well-being than those who are unmarried.

2) Results of the Multiple Regression of the Support Factors on Sense of Well-being of the Urban Elderly

The multiple regression of the informal support factors on the sense of well-being of the urban elderly has a value of .07 for adjusted R squared (Table 6.8), which means only 7 percent of the variance in the sense of well-being of the urban elderly has been explained by the combined informal support factors in the model. A comparison of the amount of influence by the factors reveals that household income is the most influential one. This suggests a positive relationship between household income and the sense of well-being of the urban elderly. “Education,” “number of adult living children,” and “marital status,” all exert a positive effect on the well-being of the urban elderly. Basically, among these urban elderly, the educated are better off than the uneducated; the married tend to have a greater sense of well-being than the unmarried; and those who have more adult living children tend to feel better about their lives. In addition, “number of generations in the household” is negatively related to sense of well-being of the urban elderly. The more generations living together, the lower the sense of well-being among them.

The regression also indicates that informal support factors such as “living with
sons," and "income from children," have no significant effect on the well-being of the urban elderly. Moreover, sense of well-being of the urban elderly is not significantly related to gender. Men do not show a higher sense of well-being than women or conversely.

Table 6.8  Multiple Regression of the Informal Support Factors on Sense of Well-Being of the Urban Elderly

<table>
<thead>
<tr>
<th>Variable</th>
<th>B</th>
<th>SE B</th>
<th>Beta</th>
<th>Sig T</th>
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</thead>
<tbody>
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<td>.0000</td>
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<td>-.06</td>
<td>.0000</td>
</tr>
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<td>.0000</td>
</tr>
<tr>
<td>Income from Children</td>
<td>1.77</td>
<td>2.03</td>
<td>.00</td>
<td>.3817</td>
</tr>
<tr>
<td>Gender</td>
<td>-.01</td>
<td>.02</td>
<td>-.00</td>
<td>.5552</td>
</tr>
<tr>
<td>Education</td>
<td>.18</td>
<td>.02</td>
<td>.09</td>
<td>.0000</td>
</tr>
<tr>
<td>Marital Status</td>
<td>.17</td>
<td>.02</td>
<td>.08</td>
<td>.0000</td>
</tr>
</tbody>
</table>

Adjusted R Squared  .07

N=9,889

While the informal support factors are more influential than the formal support factors on sense of well-being of the rural elderly, formal support plays a more important role than informal support in the life of the urban elderly. This can been seen in Table 6.9. An adjusted R squared of .09 indicates that 9 percent of the variance in perception of well-being of the urban elderly is explained by this model. The formal support factors in this model have a significant effect on the dependent variable and
explain more variance than the informal support factors in the urban sample. Among the formal support factors, "pension income" is obviously the most influential one. The higher the level of pension income, the higher the sense of well-being reported by the person. The sense of well-being of the urban elderly is also positively associated with the factors such as "financial support from government" and "access to medical care." Increasing the amount of financial support from the government will lead to an increase in the sense of well-being. The more convenient the access to medical care, the higher the sense of well-being. Moreover, "education" and "marital status" also positively affect the well-being of the urban elderly. The effect of "gender" is negative, which means that women generally have a higher sense of well-being than men.

Table 6.9  Multiple Regression of the Formal Support Factors on Sense of Well-Being of the Urban Elderly

<table>
<thead>
<tr>
<th>Variable</th>
<th>B</th>
<th>SE B</th>
<th>Beta</th>
<th>Sig. T</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pension</td>
<td>2.08</td>
<td>1.81</td>
<td>.14</td>
<td>.0000</td>
</tr>
<tr>
<td>Government Support</td>
<td>2.84</td>
<td>2.40</td>
<td>.12</td>
<td>.0000</td>
</tr>
<tr>
<td>Access to Medical Care</td>
<td>.12</td>
<td>.00</td>
<td>.13</td>
<td>.0000</td>
</tr>
<tr>
<td>Gender</td>
<td>-.18</td>
<td>.02</td>
<td>-.09</td>
<td>.0000</td>
</tr>
<tr>
<td>Education</td>
<td>.08</td>
<td>.02</td>
<td>.04</td>
<td>.0002</td>
</tr>
<tr>
<td>Marital Status</td>
<td>.21</td>
<td>.02</td>
<td>.10</td>
<td>.0000</td>
</tr>
</tbody>
</table>

Adjusted R Squared .09

N=9,889

The regressions of the informal and formal support factors on the sense of well-
being of the urban elderly reveal that the perception of well-being of the urban elderly is more related to formal support than informal support, which is quite different from the rural elderly. While household income and pension have the strongest effect on well-being, financial support from the government and access to medical services are effective as well. While the sense of well-being of these urban elderly is positively affected by how many adult living children they have, more generations living together tend to lead to a lower sense of well-being. For predicting levels of well-being, although all factors are relatively weak predictors of a sense of well-being, none of them reach a Beta of .20.

Table 6.10 Multiple Regression of the Informal and Formal Support Factors on Sense of Well-Being of the Urban Elderly

<table>
<thead>
<tr>
<th>Variable</th>
<th>B</th>
<th>SE B</th>
<th>Beta</th>
<th>Sig T</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Children</td>
<td>.05</td>
<td>.00</td>
<td>.10</td>
<td>.0000</td>
</tr>
<tr>
<td>Number of Generation</td>
<td>-.05</td>
<td>.01</td>
<td>-.05</td>
<td>.0000</td>
</tr>
<tr>
<td>Living with Son(s)</td>
<td>.03</td>
<td>.02</td>
<td>.01</td>
<td>.2049</td>
</tr>
<tr>
<td>Household Income</td>
<td>3.87</td>
<td>3.27</td>
<td>.13</td>
<td>.0000</td>
</tr>
<tr>
<td>Income from Children</td>
<td>8.61</td>
<td>2.00</td>
<td>.04</td>
<td>.0000</td>
</tr>
<tr>
<td>Pension</td>
<td>1.87</td>
<td>1.83</td>
<td>.12</td>
<td>.0000</td>
</tr>
<tr>
<td>Government Support</td>
<td>2.71</td>
<td>2.40</td>
<td>.12</td>
<td>.0000</td>
</tr>
<tr>
<td>Access to Medical Care</td>
<td>.11</td>
<td>.00</td>
<td>.13</td>
<td>.0000</td>
</tr>
<tr>
<td>Gender</td>
<td>-.15</td>
<td>.02</td>
<td>-.07</td>
<td>.0000</td>
</tr>
<tr>
<td>Education</td>
<td>.07</td>
<td>.02</td>
<td>.03</td>
<td>.0017</td>
</tr>
<tr>
<td>Marital Status</td>
<td>.15</td>
<td>.02</td>
<td>.07</td>
<td>.0000</td>
</tr>
</tbody>
</table>

Adjusted R Squared .12

N=9,889
The regression of the total support factors on the sense of well-being of the urban elderly (Table 6.10) confirms the above observation. It also indicates that the informal support factor, "sons in the household," is not significantly related to the dependent variable. "Financial support from children" significantly affects the sense of well-being of the urban elderly in a positive direction, though the effect is relatively weak in comparison with other factors. Finally, demographic factors including gender, marital status, and education are also significantly related to the sense of well-being of the urban elderly. These relations can be seen in that women gave a higher sense of well-being than men; the educated have a greater sense of well-being than the uneducated; and the married persons tend to have a higher sense of well-being than the unmarried people.

The examination of the direct effects on the sense of well-being of the urban elderly again involves the categorizations of the determinants into formal and informal variables. The additional impact of the formal variables on the sense of well-being net of the formal determinants is assessed by examining the significance of the increments in the adjusted R Squared values of the model that contains only formal variables (Table 6.8) and the model that contains formal variables in addition to the informal variables (Table 6.10). The significance of the increments in R Squared is seen through the following $F$ test.

$$F(11-8), (9,889-11-1) = \frac{(0.12-0.07)/(11-8)}{(1-0.12)/(9,889-11-1)} = 187.07$$

For $a = .01$ with 3 and 9,877 degrees of freedom, the critical value is 3.78. The
The conclusion is that formal support factors significantly influence the sense of well-being of the urban elderly.

The statistical results of the multiple regression of the influence of informal and formal support factors on the sense of well-being of the urban elderly have the following implications for the hypotheses. First, household income, pension, financial support from the government, and access to medical care have a greater effect on the sense of well-being of the urban elderly in comparison to other factors in the model. These factors produce a more or less similar effect on the dependent variable. Based on the findings, we can accept the hypotheses about the relationships of these factors with the urban elderly's perception about their lives. Urban elderly who live in the households with higher income, or have higher pension income, or receive more financial support from the government, or have convenient access to medical care are likely to have a higher sense of well-being. Second, those urban elderly who have more adult living children tend to have a higher sense of well-being. Third, the urban elderly who have more generations in the household tend to have a lower sense of well-being. Fourth, there is no significant relationship between the factors of "having sons in the household" and "sense of well-being" of the urban elderly. Finally, there are significant differences between men and women, the educated and the uneducated, and the married and unmarried with regard to perception about their lives. Educated and married women are more likely to have a higher sense of well-being than men or women who are uneducated or unmarried.

Thus, the multiple regression analyses of informal and formal support for rural
and urban elderly reveal that all but one of the factors included in the model possess significant effect on the well-being of the elderly in general. Comparing Table 6.7 with Table 6.10 indicates that "household income" has the strongest effect, especially on the rural elderly. The factors "access to medical care" and "pension income" have somewhat less of an effect than "household income."

The regressions have identified some differences between rural and urban areas in terms of the effect of the support factors. While the sense of well-being of the rural elderly is strongly related to "financial support from their children," "income from children" has much less effect on the urban elderly. Moreover, the sense of well-being of the rural elderly is significantly related to the living arrangement with sons. However, no significant relationship is found between the sense of well-being and the factor "living with sons." Finally, although "financial support from government" has a significant effect on both the rural and urban elderly, such an effect is much stronger on the urban elderly than on the rural elderly.
CHAPTER 7

FINDINGS AND IMPLICATIONS

The statistical analyses of the last chapter provides us with some information on the function of the old age support systems in China. In this chapter, I will place these findings into perspectives. I will begin by summarizing the findings in terms of patterns and trends. The summary will be followed by a discussion of the implications of the findings for current theories on family and state support for the elderly.

1. Patterns and Trends of Old Age Support

This project started with the question about the way in which the family and the state contribute to the well-being of the elderly in China. Hypotheses about the relationship between family and state support and the well-being of the elderly based upon the current theories of old age security have been formed and tested to answer the question. The findings have revealed some patterns and trends in support for the elderly in China at present.

The role of the family in old age support in both rural and urban China is reflected mainly in the social economic conditions of the household rather than in the family structure. In general, older persons who live in the households with a higher level of income tend to feel more secure about their lives than those in lower income households. The effect of the socioeconomic status of the household on later life has
been proven by empirical studies. This study provides additional evidence to the claim that social inequalities, mediated by various sources of inequality, are not only passed on from one generation to the next, but are also experienced as people age (Atchley, 1988).

The importance of household income on the life of the elderly in China may also imply that the economic security of the aged population is related to the economic well-being of the whole population. As a less developed country, China needs to create a safety net for its aged population by raising the level of economic well-being for the entire population.

The distinctive effect of household income on the sense of well-being of the elderly does not exclude the effect of children. Children are important sources of support for the elderly in China. In rural areas, the importance of children is noted in the positive relationship between income from children and sense of well-being of the elderly. Consequently, the positive effect of financial support from children reflects the lack of institutional sources of social security for the rural elderly.

Unlike the general belief that proliferation benefits the elderly in less developed areas, the less effect of having more children on life satisfaction is found among rural elderly than that among urban elderly. The ability of children to provide financial support, rather than the number of children, is of greater importance. Rural areas in China are generally less developed than urban areas and average income and living standards are lower. For most families, no matter how many children they have, they are likely to remain poor due to the lack of social mobility. Having more children does
not necessarily mean a larger pool of resources for the elderly. From an economic perspective, which is often the main perspective held by people in rural areas, it is the amount of support the children provide to their needy aged parents that really matters. In urban areas, the elderly are more satisfied by having more adult living children. The fact that the majority of them do not rely on children to meet their financial needs leads to the recognition of the importance of emotional support from the family. When the elderly have sources of support other than what their children provide, the family offers social and emotional support for the elderly. Such a pattern is similar to the pattern in many developed societies where the public sector has the responsibility for income maintenance and the family takes care of the social and emotional needs of the elderly.

With regard to the importance of the relationship between sons and old age security, this study found that living with sons makes a significant difference in the sense of well-being among rural elderly. However, there is no significant relationship among urban elderly. As a result of a long patrilineal tradition, the preference of sons to daughters in old age support is still prevalent. Nevertheless, recent industrialization and changes in the law that has led to the equal rights of both sons and daughters to inherit family property have greatly undermined this patrilineal tradition. In practice, daughters often contribute to the life of the aged parents in one way or another, including financial support. Therefore, there is a need to distinguish the claim that sons are preferred by elders and the actual role sons play in old age security.

The examination of the relationship between multigenerational households and
the elderly’s sense of the well-being does not confirm the hypotheses that old people living in multigenerational households have a higher sense of well-being than those who live in single generational households. There is no evidence that the rural elderly tend to live in multigenerational households. Moreover, multigenerational households seem to have a negative effect on the sense of well-being for both rural and urban elderly. This finding challenges the prevalent image of an ideal Chinese household and the position of the elderly in such a household. Further studies are needed to clarify characteristics of the multigenerational family in the life of the aged.

The finding of the negative effect of multigenerational households on life satisfaction does not necessarily reduce the importance of generational ties for the elderly to be integrated into the social life of the family. Very often it is a way to maintain the generational linkage that is in effect. While the elderly enjoy frequent interactions with their offspring, they may also be affected by the invasion to their autonomy by too many people close around. In a sense, “intimacy at a distance” (Shanas, 1973) may be what they really prefer.

This study supports the thesis that the state has a significant role in promoting old age security. The function of formal support is evident primarily in access to medical services. Older persons who have easy access to medical services are likely to have a better feeling about their lives. In addition, the role of the state is seen in public income maintenance schemes for the urban elderly. In urban areas, pensions and government subsidies form the major sources of income for the elderly, these social security schemes tend to effectively take the place of the family in providing economic
security for the elderly.

Economic adequacy and availability of health care are two primary concerns of the elderly Chinese. While the financial needs of the elderly are currently addressed primarily by the financial situation of the household, the medical needs of these elderly is addressed mainly by formal public services.

The statistical analyses indicate the effect of some informal and formal support factors on the lives of the elderly in general. At the same time, they also reveal the disparities between rural and urban areas in patterns of support. Figures 2 and 3 depict the effect of current support patterns on the well-being of rural and urban elderly. Both formal and informal support patterns have specific roles in meeting the needs of the elderly. As reflected in Figure 3, formal support systems are designed to address some common demands of the elderly including income maintenance and availability of health care. The uniformity of the demands and the social value of formal support systems are well recognized. The need for professionalization in dealing with the demands on health care is irreplaceable by informal support systems. But, the informal support systems are important as well, as reflected in the relationship between urban elderly and their adult living children. Since human beings have needs in addition to material and physical sustenance, they are more likely to receive emotional support from family members than from the formal support system. To deal with the elderly’s individual emotional needs, adult living children are most accessible and effective, and often irreplaceable by the formal support systems. Therefore, the functions of both informal and formal support systems are necessary.
Figure 2. The Pattern of Support for the Rural Elderly

- **Informal Support**
  - Household Resources
  - Financial Aid from Children

- **Formal Support**
  - Medical Services

- The Elderly
Figure 3. The Pattern of Support for the Urban Elderly
A shift of the support patterns from rural to urban areas is also noted. In rural areas, support for the elderly comes mainly from the informal systems. In urban areas, the support for the elderly comes from both informal and formal systems. The formal support systems address the economic and physical needs of the elderly while the informal support systems focus on meeting emotional needs. There seems to be a convergence of the Chinese experience with that of the West: along with the process of modernization is the increasing professionalization and bureaucratization in the area of old age support through formal support systems.

Literature on aging has frequently reminded us of the effects of gender inequality, marital status, and education attainment in later life. The common observation about gender is that women are more likely to be in a dependent position than men in later life as a result of their usually unfavorable employment status in earlier stages of life. This study has identified gender inequality in terms of pensionary status. However, the significant evidence for the difference between men and women in perception of well-being is that women are more likely than men to be satisfied with their current situation despite their disadvantaged economic status. This finding coincides with a recent study of elderly in Hong Kong in which the author found no significant evidence for less well-being among elderly women in comparison with elderly men (Law, 1996). It is unclear if this phenomenon has anything to do with the Chinese culture. Further studies are needed before conclusions can be determined.

The significance of marital status as a factor affecting the well-being of the elderly can be explained by two demographic characteristics in China. First, the
marriage rate among the Chinese has been relatively high and stable, especially among
the current elderly who, in many aspects, maintain a strong traditional value of family.
Second, there is an increase of widows along with an increase in age among the
elderly. Marital status creates distinctive differences in the lives of the old as they grow
older.

As a result of the overall low level of education among the elderly, those who
have some education, in some sense, distinguish themselves from those who are not
educated in terms of well-being. Such an effect is relatively obvious among the rural
elderly where the vast majority of them are illiterate. The problem that only a very
small percentage of the elderly are educated beyond primary level makes it difficult to
examine the variation of the factor on the lives of the elderly.

I have summarized the findings of this study. The underlying thesis has been
that both family and state are important for people in their later years. The increase in
importance of the formal support systems has not led to the decrease in importance of
the informal support systems. On the contrary, the formal support systems in many
ways strengthen family relationships in the lives of the elderly. To achieve the social
goal of providing an increasingly aged population with a secure life, we need the
cooperation of the family and the state. The findings about the patterns of support for
the elderly in China from this study provide evidence to support this thesis.

To better understand the patterns and the trends of support revealed by this
study for the elderly in China, the findings should be considered in relevant
perspectives on family and state old age support.
2. The Context: Perspectives on Family and Later Life

In the discussion of old age security, family support is a concept of many facets because of the complexity of the definition of family (McCallum, 1993). Structurally, there are multiple types of family such as "extended families," "nuclear families," and "modified extended families." Economically, the family is a unit of both production and consumption, and a unit in which resources flow from parents to children or conversely. Ideologically, the family can be seen as a place where traditional values are preserved and liberal ideas are nurtured. Politically, the family is viewed either as the creator of social problems requiring public intervention, or as the excuse for lack of public response and public programs for social problems.

The reality of family support for the elderly is as complex as the family itself. Family support is affected not only by the structure of the family's economic condition, but also by the political, economic, and ideological structures of the society. This study revealed that the patterns of support for the elderly in China reflect the complexity of family support for the elderly in general, and for the elderly in societies under socio-economic transition in particular.

What we see from this study is that most families in China are neither extended, nor nuclear. Even in rural areas where the traditional family structure is expected to be preserved as a consequence of less influence by industrialization and urbanization, few extended families in the traditional sense are found. The traditional image of the Chinese family as being extended with several generations living under the same roof is put into question. It is reasonable to doubt that the extended form of family has ever
been the dominant type of family in China. Given the fact that the life expectancy of the Chinese was short until the 1960s, older parents in the household might very well be a short-term occurrence. The multigeneration family might very well be a fleeting phenomenon (Demos, 1977). The typical Confucian family, which is based on the premise of ancestor worship, has always been considered an ideal situation for the aged. However, many researchers have found that Confucianism is not as wide spread among the Chinese as popularly believed (Freedman, 1961; Ikel, 1975; Leslie, 1979, Olson, 1994). For the majority of Chinese, the Confucian practice of venerating the elderly has been an ideal rather than a daily practice (Yin & Lai, 1983). The popular image of the extended Chinese family is usually depicted based on the experience of very few wealthy families whose members are well-educated. It is naive to believe that such an image represents the majority of families throughout Chinese history.

Similar myths exist about the position of the elderly in the family. In this study, rural elderly, who depend on family for support, are not any better off than urban elderly who depend primarily on the state. This circumstance raises the question about the prevalent belief that the elderly were more respected by the family in the past than at present, or in the agrarian society as opposed to the industrial society. The urban elderly are obviously more independent and autonomous as a consequence of having more choices, despite limits, than the rural elderly who have no choices other than the family.

We see from this study the effects of socio-economic status on the family and the individual. Considering the exchange perspective, the position of the elderly in the
family is related to the resources they possess. If the elderly have adequate resources to support themselves and to exchange for their needs, they can expect a relatively high position in the family. Such cases are found in wealthy families where the elderly have the opportunity to accumulate enough resources for use in their later years. In less wealthy families, a lack of opportunity to accumulate resources very often forces the elderly into a totally dependent situation and jeopardizes their position in relation to their offspring.

This study clearly indicates that the family's capacity for care of the aged is shaped mainly by the socio-economic status of the family. When dealing with a wealthy family, the nature of family support may very well differ from that of poorer families. Nevertheless, children are still important for security in one's old age. The dominant pattern of support in rural China, as well as in many parts of the world, is still the reciprocal support between parents and children within the family. The strong resistance to the state's family planning policy partially explains the importance of children in later years. Even in urban China, where most adult children are free from providing financial support for their aged parents, adult children are most likely to be the only caregivers when their parents are ill. Moreover, not all urban elderly are covered by pensions. Those who do not have pensions can expect only their children to provide them with financial support.

This study poses the question about the role of sons in old age support. China has been a patrilineal society, and son preference, in consideration of old age support, is prevalent. A frequently used indicator for the role of sons in the lives of the old
people is co-residence with sons. It is generally assumed that the elderly receive care by those with whom they live. This assumption is ambiguous since, although the elderly can receive care from children who live with them, they can also be neglected or even abused by these children. Furthermore, the traditional arrangement in many societies that elderly live with at least one son in later years is closely related to inheritance by sons of family property. Treatment of the elderly is always sensitive to the timing of the transition of the property from parents to son (Shanas, Townsend, Wedderburn, Friis, Milhoj, & Stehouwer, 1968) and the amount of property that is expected to be inherited. Basically, it is the economic conditions of the family that are in effect.

Living with sons often tells little about the lives of elderly in modern societies. This study indicates that the percentage of the elderly living with sons, married or unmarried, is much higher than those who live with daughters. However, it also indicates that the urban elderly who have sons living with them do not necessarily have a higher sense of well-being than those who do not have sons living with them. The finding provides additional evidence for the role of sons in later life, which is less significant than what is generally believed.

Generational ties are generally considered important for the elderly to maintain social integration. In many societies where the elderly live independently, the frequent contact with children and grandchildren is a way for these elderly to reaffirm the purpose and meaning of their lives (Hess and Markson, 1980). However, in societies where the old people have no alternative other than living in multigenerational households, the intergenerational relationship can turn into an interference in the
autonomy of the life of the elderly instead of a means of social integration. Basically, the elderly can benefit from frequent contact with their families. They can also be abused by their families through frequent contact. In the investigation of the intergenerational relationship among the elderly in less developed societies, the issue is not how often contact among generations occurs, but in what manner the intergenerational relations are maintained. Instead of asking about the frequency of contact between the elderly and their families, we should ask how much autonomy the elderly have in the relationships with their families.

The role of the family in elderly support changes as social structures change. First of all, the role of the family varies according to the level of economic development. The difference in the pattern of support between rural and urban areas is a reflection of the differences in the level of economic development. Industrialization and urbanization undermine the role of the family. This can be seen in the fact that the function of the family in the lives of the urban elderly tends to be reduced to no more than emotional support. Basically, increasing industrialization is accompanied by a general trend of decline in family functions. Many of the functions of the family are replaced by state bureaucracy. Such is the characteristic of the modern society. Industrialization makes it possible for the state to effectively take the place of the family in supporting the elderly in many ways through the accumulation of resources of the society.

Based on the experiences of Western developed societies, we should expect to see the development of welfare states as public intervention in less developed societies.
However, China, as well as many other developing societies, is forced to meet the challenge of population aging without sufficient social resources. That the rural elderly have to depend on their families for support is a reflection of such a dilemma. The fundamental way of dealing with this dilemma lies in the general improvement in the economic situation of the whole society. Unfortunately, industrialization is the only way we know to achieve a general improvement in the economic situation of a country and it takes time. Therefore, it is unlikely that societies like China have sufficient resources at their disposal to build a comprehensive welfare state that will meet the needs of their aged populations. The traditional pattern of family support for old age in these societies is expected to continue in the foreseeable future.

Political development of the society often affects the role of family in providing support for the elderly. In China, public attention to the problem of population aging started with major political reform by the ruling party, aimed at abolishing life tenure for bureaucrats who held high and middle level positions in the party or government agencies (An, 1982; Olson, 1988, 1994). The result of the reform is seen directly in the retirement of a large number of the officials. Partly due to the political influence of these people, the issue of old age support gradually appeared on the country’s political agenda. It has led to some improvement in public support systems and further reduction in the functions of the family in urban areas. In contrast, there is lack of advocacy for public support in rural areas.

The pattern of elderly support in rural China is also a reflection of the political decision on how the issue of the aged population is defined. Publicly, the elderly are
defined as resources in the overall social development. In reality, the elderly are a low priority in the allocation of public resources (Olson, 1994). Cautious about large welfare agencies that drain the capacity of richer governments in the West, the current government expects the family to provide as much as it can for the elderly. The traditional role of the family in old age support is unlikely to change in the rural areas in the near future unless some radical reform occurs. The question in a society that is under tremendous social change relates to how effective the function of the family will be without social policies that supplement the family.

Finally, the effect of the prevalent ideology on the elderly should also be recognized. In China, the role of the family in old age security stems from Confucian ideology (Chang, 1993). An extended family with generations living harmoniously under the same roof is the ideal type of Confucian family. Regardless of variations in practices of support for the elderly by family members, it is considered shameful if the family does not take good care of its older members. Before it became a publicly recognized issue, it was a taboo to question the capacity of the family regarding elderly support. The sense of obligation by the family to care for the elderly is so strong that those who are found to abuse their elderly are condemned by public opinions and are often punished in one way or another.

Although Confucianism is contradictory in many way to the communist ideology, its influence has been maintained among ordinary Chinese. It provides the rationale for the lack of public intervention in the area of old age support. The changes in social economic structures may ultimately lead to a change in ideology. However,
such a change is not expected to happen soon.

All in all, the theoretical examination of the role of the family in the lives of the Chinese elderly contributes to the clarification of the myth about the effectiveness of the traditional pattern of family support. The practice of family support has never been as effective as is believed for the majority of the elderly. Therefore, we cannot expect it to be sufficient for old age security in the future. In actuality, old age security in the family can be obtained only through the overall improvement of the family’s economic condition and the gradual implementation of social policies that assist the family in its function. Changes in political structure and societal ideology also affect the role of the family in the support of the elderly.

3. The Context: Perspectives on State and Later Life

The examination of old age support in China indicates that a shift of responsibility from the family to the government is underway in urban areas. More people than ever survive to old age and more people than ever require support. This support is no longer fully provided by traditional sources, in part because of the increased scale of the problem, but also because of the complex changes in social structure and social attitudes. The result is the increasing role of state bureaucratic welfare systems.

The role of the state in the lives of the elderly in China lies mainly in its constitutional effort to establish and expand the welfare and retirement benefits for the elderly. Retirement pensions and institutionalization of medical care for the elderly are important ways in which the state shows support for its elderly. It must be recognized
that uniform problems such as income maintenance or health care are somewhat
effectively addressed by the state in urban areas. Benefiting from retirement pensions
and state subsidies, the income position for elderly in urban areas is much more secure
than for elderly in rural areas. Based on the experiences of Western developed societies
and urban China, it seems reasonable to assume that family function will decline while
the function of the state in economic support for the elderly will increase.

As previously mentioned, professionalization and bureaucratization are
characteristics of modern society. With the progress in modernization we can expect an
expansion of state welfare programs and replacement of many functions of the family
in old age support. However, as a developing society, China is caught in the dilemma
between rapid population aging and insufficient accumulation of social resources. The
extent to which the state can intervene in the welfare of the elderly in the future will
largely depend on how well China can manage to get rid of this dilemma. Moreover,
being a socialist state, China also distinguishes itself from many developing countries in
planning public programs for the aged population. With these characteristics, the state
intervention in the lives of the elderly in China becomes a complex issue that calls for
investigation. The understanding of the issue requires a full consideration of the
combined effects of demographic transition, economic development, and political
ideology.

First, the implementation of the state pension systems in China in the 1950s is a
product of communist ideology rather than merely a public response to the
demographic transition. At the time the system was developed, the average Chinese life
expectancy was only 35 years. Obviously, there was little pressure on the state based on demographic demands. The rationale for the establishment of pension systems was that the state was a workers' state; the workers, especially those in the modern industrial sectors, were supposed to be cared for by the state. Such an ideology not only allowed the state to allocate resources for the care of the urban elderly, but also enabled the state to avoid the responsibility of taking care of the rural elderly.

The pressure of population aging did not become prevalent until thirty years after the establishment of the state's pension systems. The need for support from the government is never greater than a substantial proportion of its population reach old age. Nevertheless, the social need produced by the demographic transition is by far more significant than public resources can meet. It is under this constraint that public resources are channeled only to urban areas and limited only to income maintenance and health care programs.

The economic reform aimed at transforming the central planned economy into a market economy also has its impact on the government in its effort to build a welfare state for the elderly. There is increasing pressure on state owned enterprises for pension funds. The result is an increase in government subsidies for pensions and in extra state programs for the elderly to cope with inflation. The role of the government increases in such a situation.

Along with the transformation of the economy, there is also a change in the public view of social policies. Retirement is no longer viewed as a cessation of productive activities, nor is life in retirement viewed as the responsibility of the state.
Because of the emergence of private enterprises and businesses, people have begun to realize the importance of nongovernmental and individual efforts in planning for later years.

The institutionalization of support for the elderly in China cannot avoid the influence of the state's political development. Apart from the effect of the communist ideology, retirement pensions started primarily as an exchange for trust by the newly established communist regime. By granting the right to public resources in later life, the regime intended to win support from the working class in achieving social stability.

In the previous section, I described how party reform affected the role of the family in supporting the elderly. The political influence of retired cadres from the party promoted the official recognition of the population problem. A representative institutional change under such political influence was the establishment of the China National Committee on Aging under the directive of the State Council in 1983. Since then, local committees on aging have been formed in all provinces, large cities, and thousands of counties. These committees work with local governments to find ways to promote the general welfare of the elderly and to ensure that programs for the elderly are implemented (Wu, 1983; Olson, 1988).

The review of state intervention in the area of elderly support in China illustrates the importance of the state as a variable in understanding the lives of the elderly. Because of the state's intervention, elderly Chinese, especially those in urban areas, have fared quite well in the process of modernization. In this view, modernization theory, that assumes a decline in status of the elderly during the process
of modernization, seems inadequate for the situation in China. The situation in China implies an interplay of many factors in the development of social security systems, and the effect of a unique feature of its political structure.

The case of China in developing its social security systems for the aged population indicates the crucial effect of the politicalization of the social and economic conditions of the elderly. China is a state socialist country with a centralized, one-party political system. The party controls all government agencies at all levels (Lieberthal, 1983; Liu, 1986; Wang, 1985). There is evidence that the party’s agenda for modernization has positive outcomes for the elderly. Basically, the state as an institutional structure influences the lives of the elderly through a political process.

Compared to developed countries, China’s social security system for the elderly is far from comprehensive. Many needs of the elderly are not met. There is no doubt that the current welfare system needs to be expanded. The past experience tells us that the accumulation of resources as a consequence of economic growth and the maintenance of the issue of population aging on the political agenda will be the most important factors affecting the future expansion of state programs for the elderly.

4. Implications for the Future Policies on the Elderly

The patterns and trends of elderly support found in this study have some significant implications for the evolution of social policies in the future. First of all, the continuation of traditional family support roles in the process of modernization will require some outside assistance. The family in today’s China is still the major supporter of the elderly. There is no doubt that the family will continue to play a major role in
the lives of the elderly in the foreseeable future. However, because of unavoidable pressures of internal and external migration, urbanization, and modernization, the role of the family will not effectively continue unless some outside support becomes a reality.

The capacity of the family to provide support for the elderly is limited. Its role in elderly support in modern times can be realized only through assistance from outside. In searching for viable social policies for the elderly, policy makers should pay attention to the lack of social services to the elderly and their family. Social services have for many years been included as an obligation by state enterprises and institutions. As described in the introductory chapter, it is the job of each enterprise or institution to provide a series of services ranging from housing to child care for their employees. The extent and level of services are likely to depend on the willingness of the administration of each work unit. There is no coherent public policy on the kinds of services that should be delivered or their method of delivery. Moreover, there is an absence of public policy on the delivery of social services outside these enterprises and institutions. As a result, social services are not adequately provided and not available to the majority of the citizens. The neglect in current policies of social services for families, especially at the community level, has already jeopardized many families in taking care of the elderly.

A viable social policy should encourage government and local efforts to provide a variety of services to the family, not only because the resources channeled to family support may be more effectively used in the support for the elderly, but also because
the building of community services will ultimately lead to the promotion of a more sustainable social environment for the elderly.

Another policy implication relating to the findings is the need to expand the state's role in the area of old age security. The findings of this study have pointed to the importance of the state in the lives of the urban elderly. In comparison, there is an urgent need for involvement by the state in the support of rural elderly. In recent years, there has been a great deal of discussion about a national social insurance that provides retirement income to all older persons, both in urban and rural areas. In fact, some government agencies have made great efforts to study the feasibility of such a program. Meanwhile, the plan is being withheld due to the lack of funds. The problem of insufficiency in resources to fund massive programs for the elderly will not be solved in the near future. On the other hand, the state must exert its role under the constraint from the lack of resources. In this view, the state's effort to institutionalize a permanent support system for the aged population should be directed toward policy-making that encourages the development of local programs.

Local efforts to initiate social security programs have already begun in some relatively developed areas, including some wealthy rural areas in China. In many respects, the local programs are by-products of successful economic reform environments. The factors that have made these programs viable, such as a youthful labor force, a large number of newly established private enterprises, and joint ventures with foreign investments, are generally absent in the other parts of the country (Liu, 1993). Even so, the contribution of these programs to the security of the elderly should
be recognized. China’s aged population is large. The territory of the country is vast. Great variations in the level of development can be found not only between rural and urban areas, but also among provinces and regions. Therefore, if certain areas have gained the capacity to establish certain programs for local elderly, there is no reason these areas should have to wait for the implementation of a national program.

There is the argument about the effects of divergent contribution rates and benefit levels of the local programs on the process of integrating these programs toward a national program (Liu, 1993). It must be made clear that the local programs are not necessarily in conflict with a national program. They can serve as a supplement to the future national program. Since there has not yet been a national program and the national program under design cannot yet be realized, the issue at hand is not the possible conflict between the local and national programs, but the need to make policies to encourage the development of these local programs while ensuring the benefit of these programs to the elderly. It is the responsibility of the state to make specific laws that constitutionally protect the benefits of the elderly covered by the local programs.

In theory, the state is able to channel its limited resources to the most needy areas by encouraging local contribution in wealthy areas. The reality is that there are too many needy areas that require the attention of the state. The current retrenchment of the welfare state in many developed countries provides the evidence for the limited role of the state. China can learn something valuable from the experience of Western societies in designing its national programs. It must be recognized that there has been and will always be problems in the distribution of social resources for elderly. The state
should make efforts to create a social environment in which individual and local responsibilities for old age security can be enhanced. For example, opportunities and encouragements should be provided, through public policies, to individuals in order to accumulate resources for use in their later years.

As the aged population grows, there will be an increase in needs for support. The magnitude of the demand for support is such that it can only be effectively addressed by national programs. The method of establishing a national program that effectively address the needs of the aged while avoiding generational conflicts over resources is still a question that is empirically unanswered. Much study needs to be done to deal with this issue. Nevertheless, as previously observed by Olson (1990) and confirmed by this study, until the national economy is able to institutionalize a permanent support system for the aged population, the life of the elderly will remain vulnerable.
Population aging has made old age support an issue that can no longer be avoided by many developing societies. The traditional form of support, characterized by the extended family structure and the reciprocal relationships among generations, is being gradually replaced by the modern form of support, characterized by the welfare state. China, as a developing society with a large and rapidly growing aged population, is caught in the middle. The process of modernization in China began only recently and the effects of this process have already been seen in the area of old age support.

Overall, the traditional form of family support is increasingly undermined by various forces of industrialization. At the same time, the existing welfare state has difficulties in meeting the increasing needs of an increasing aged population. It is under these circumstances that the questions of how well the Chinese elderly are doing and how the family and the state are functioning in the support for the elderly become meaningful.

This study, as a contribution to the answers of these questions, uses a large national representative data set, examines some common aspects of the life of the elderly, and determines effects of the existing support systems on the well-being of the aged in China.

China has the largest aged population in the world. Although the current aged
population is still relatively young in comparison to those in the Western societies, the process of demographic transition, caused by the combined effects of reduction in birth and death rates, is expected to continue at a faster speed than most aged countries have ever experienced.

The vulnerability of life in later years has been well recognized in modern societies. Based on some negative experiences in the West and the illusion of care for the aged in pre-industrialized societies, some people view the problems with life in later years as being caused by modernization, characterized by the development of economic technology, health technology, urbanization, and mass education. This perspective postulates a negative association between modernization and the status of the elderly. In short, modernization, to a great extent, strips the elderly of skills and employment opportunities, and separates them from their family members, causing the elderly to suffer from poverty and isolation.

Comparative studies of the experiences of aging worldwide have found much evidence for the mistreatment of the elderly in agrarian societies and the evidence for a relatively high degree of autonomy of elderly in industrialized societies. These findings have posed challenges to the validity and applicability of the modernization theory. A review of the current status of the elderly in this study indicates that the life of the elderly in China is, to various degrees, affected by the modernization process of the country. However, these effects are not necessarily negative.

First of all, urbanization in many parts of the country has not led to the separation of the elderly from their family members. The majority of urban and rural
elderly maintain close interactions with their adult living children by living together with them or nearby. There is no obvious difference between rural and urban areas in living arrangements in later life. In addition, the interactions between the elderly and their families are often intensified by the active involvement of the elderly in various household chores or even by their financial contribution to the household. On the whole, urban elderly are no more isolated than rural elderly.

Second, the institutionalization of retirement led by the industrialization in urban areas provides the majority of the urban elderly with a relatively stable pension income. With the pension income, the urban elderly are overall better off financially than the rural elderly. It is also found that the average urban elderly have a higher income than the average urban residents. There is no sign of decline in the economic status of urban elderly. Modernization clearly provides the elderly with certain economic security and economic security is recognized as one of the basic needs in later life.

Finally, one of the characteristics of modernization is the delivery of advanced health care. Urban elderly obviously benefit more than rural elderly from the advance of medical services. The free medical care usually included in retirement benefits and the concentration of medical services in urban areas make health care available to the majority of urban elderly. In contrast, health services are poorly delivered to rural elderly. Rural elderly sometimes find it difficult to have their diseases diagnosed. Moreover, there are many more rural elderly than urban elderly with financial barriers to accessing medical services.
Generally speaking, this study has not found any evidence for the negative effects of modernization in China on the status of its aged population. On the contrary, there is indication that urban elderly are generally better off than rural elderly in respect to economic conditions and access to health care. The improvement in the life of certain segments of the elderly in China is obviously associated with the modernization of the country. It must be recognized that many needs of the elderly are unmet and the level of security in later life in China remains very low in comparison with Western societies. However, most of the problems with life in later years have existed for a long time and they are not necessarily the product of modernization.

The support of a considerable proportion of the aged has always been a complex task. In modern society, the task has to be shared by the family and the state. The elderly need support in various aspects of life that neither of the institutions have the capacity to provide independently. The distinction between the two institutions in the function of elderly support lies in the structural characteristics. While the family, with its flexibility, is in a better position to deal with the individual and private problems, the state institution, with its professionalization and expertise, is more effective in dealing with uniform situations relating to social values. Thus, the shared functions of the family and the state are necessary and feasible for the modern society to address the issue of old age support.

This investigation on the effect of support systems on the elderly in China provides evidence for the necessary cooperation of the family and the state in caring for the elderly. Several important factors affecting the life of the elderly have been
identified including household income, pension income, access to medical care, and financial support from the government. The identification of these factors supports the theoretical thesis of the shared functions of the informal and formal support systems in helping the elderly.

In rural China, the support for the elderly is mainly the responsibility of the family. The economic needs of the elderly are addressed by the elderly person's continuous involvement in paid labor outside the house or the financial help from the children. Financial support from children is often provided through the contribution of the children to household income. The economic status of the rural elderly is so closely associated with household resources that it is almost predictable that the elderly from those households with relatively high income have a more secure life in later years.

The role of the state in support for the rural elderly has been kept at a minimum level. The only public intervention in the area of old age support is found in the delivery of medical services. Despite the limited services, they are found to be important in the life of the rural elderly.

In urban China, there is a combined effort by the family and the state in support for the elderly. The economic needs of the elderly are commonly addressed by public pension programs and state subsidies for inflation. Health needs are usually met by free medical care included in the pension programs and medical services of a certain quality. The family in urban areas has changed its function from caring for every aspect of the elderly person's life to selecting particular aspects of care. Emotional needs and the need for socialization have traditionally been provided through interactions among
family members. In a sense, the family picks up the responsibilities that the state finds difficult to bear.

The examination of the effect of support systems on the life of the elderly reveals that there is a shift in responsibility from the family to the state in conjunction with the process of modernization. This change in patterns of support indicates the convergence of Chinese experiences with that of Western societies. We can expect the state to have an increasing role in the area of elderly support if China continues its modernization development.

In addition to providing an increased understanding of the respective roles of the family and the state in later life, this study also identifies significant social forces that affect the functions of the family and state in support for the elderly. The roles of the family and the state are very often limited by changes in the social, economic, political, and ideological structures of the society. Therefore, an overall understanding of the function of the support systems for the elderly requires the consideration of all social forces.

First, the functions of the support systems for the elderly are limited by economic development. Limited resources of the household prevents the family from effectively supporting its elderly members. Lack of accumulation of public resources prevents the state from institutionalizing a welfare state that takes care of all the elderly in the country. Although the traditional role of family support is unlikely to change in rural areas in the near future, the emphasis on the role of the family is by no means a recognition of the effectiveness of such a role.
Second, the functions of both the family and the state are limited by the political development of the nation. Political decisions on how the elderly are defined often affect the role of the family and the state in providing support for the elderly. When the elderly are considered a low priority in the allocation of public resources, as is the case in rural China, the role of the family is usually emphasized. When the elderly form a relatively strong force of advocacy and affect the political agenda of the nation, as is the case in urban China, it is likely that the role of the state is expanded.

Third, the functions of the formal and informal support systems in China are also limited to the ideological influence of the country. The role of the family is deeply grounded in traditional Confucianism with emphasis on social order and respect of the elderly. One of the reasons that the family, especially the family in rural areas, can maintain its role of support for the elderly under resource constraints for is the work of Confucian ideology.

As a state socialist country, the development of state programs in urban areas, at least in its early stage, was affected by the communist ideology of the new regime, which emphasized the right of the working class to public resources for life in later years. The ideology worked so effectively that the inception of state programs was accomplished with minimal demographic pressures.

All in all, the function of the family and the state in support for the elderly in China is the consequence of the interplay of various social forces. Among these forces, the effect of the politicalization of the social and economic conditions of the elderly is found to be crucial.
The findings of this study have implications for future policy on aging. A recognition of the limitations of the role of the family in providing support for the elderly in modern societies should lead to policy considerations for public assistance to families. As a result of the limitation of the role of the state, local efforts in developing programs for the elderly should be encouraged, and national legislation for regulating local programs should be considered.

This study is limited to a baseline description of select features of the aged population and their support systems in China. The issue of old age support is a complex one. To understand the issue in the context of China, further investigations are definitely needed.
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