

## Research on the Influence of the Local Pension Financial Support under the Shared Development

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**Abstract.** The government's financial support for the residents' needs for the elderly has an important impact on the improvement of the level of public service. Through the related data from 2006 to 2016, the article analyzes the situation of pension insurance participation and pension financial expenditure and so on. And using the monotone regression model, the correlation results of the related proxy variables are verified and analyzed. It is concluded that the number of pension fund insured and coordination organization for the elderly have a certain influence on the financial expenditure of the local government.

### 1. Introduction

In the study of urban and rural old-age care, "Hospice cost", "public education expenditure and intergenerational conflict", "immediate mortality model" and "overlapping generation" are related issues that scholars of aging population are concerned about[1]. But the system still needs to be perfected, the support of funds is not in place, and the consciousness of pension insurance is lagging behind[2]. And the new urban and rural endowment insurance has not yet played a significant role in improving social security capabilities[3,4]. So the role of the government in the new urban and rural old-age insurance is count a great deal [5].

Set up the corresponding proxy variables in the aspects of economic support, living care and spiritual comfort. A general equilibrium model of the relationship between local fiscal support and relevant agency variables is established, which is used to verify the response function of local government financial support. And further explain the existing problems and reasons in the urban and rural social endowment, and effective approach to meet the needs of urban and rural residents. It is helpful to optimize the design of the central top layer and promote the implementation and improvement of the integration process of urban and rural endowment insurance.

### 2. Financial Support for Local Pension

From the process of institutional change in urban and rural social endowment insurance, the city has established a more comprehensive social endowment insurance system, including pension, medical care, and the minimum living security system. But the social old-age system in the countryside is not perfect, and the degree of old-age security is low. The following figure is the number and growth trend of urban workers' pension insurance and urban and rural pension insurance from 2006 to 2015.

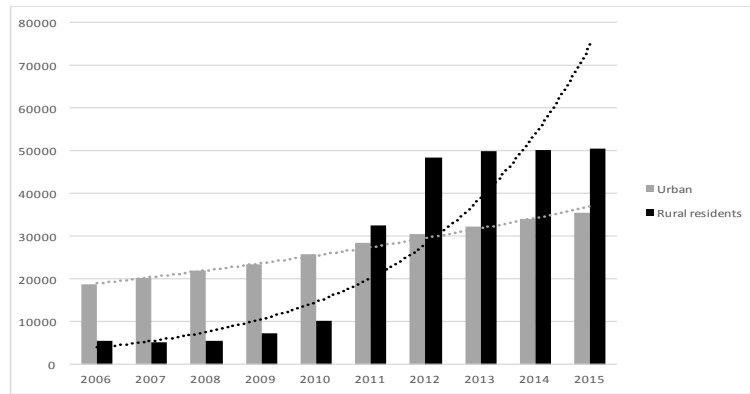


Fig. 1 The number of basic pension insurance in urban and rural areas

From 2006 to 2015, the number of urban residents and rural residents increased gradually, and the residents' demand for pension insurance was gradually increasing. From the two trend lines, we can see that the growth rate of urban residents' insured growth is not as fast as that of rural residents. After 2011, the urban and rural residents' participation in insurance increased sharply every year. Before 2010, the number of urban residents participants in insurance was greater than that of rural residents. After 2011, the number of participants in insurance in urban and rural areas was anti - insured. After 2012, the pension insurance of urban and rural residents has been fully covered. So it was more stable in 2013, 2014 and 2015.

There is still more room for the central government to raise financial subsidies for the elderly. From the view of Figure 2, the central government has increased the annual growth rate of local pension subsidies at a relatively slow pace. The growth rate of fiscal subsidies increased significantly in 2013, 2014, 2015 and 2016, which is consistent with the policies basically covered by urban and rural pension insurance after 2012.

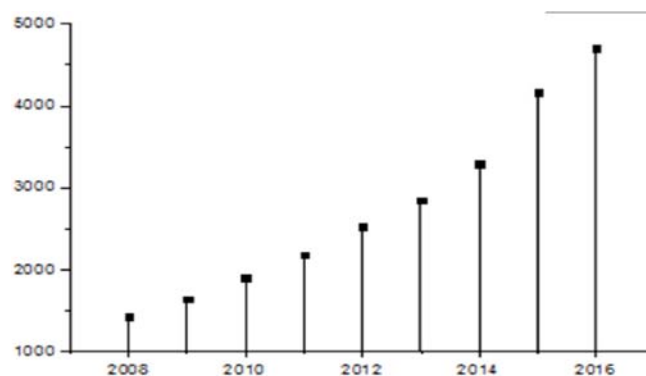


Fig. 2 2008 - 2016 financial subsidies for local pension insurance

### 3. The Measurement of the Influence Factors of Local Pension Financial Support and the Analysis of the Results

The data used in this article are derived from the central government financial data for the aged from 2008 to 2014. It is mainly derived from the National Statistical Yearbook, and the national financial statement and the statistical bulletin. The data are processed to get the data needed in the empirical test. According to the monotonous model of fiscal expenditure, based on the selection of variables, the regression model is set up as follows.

$$W_{it} = \alpha + \beta_1 RES_{it} + \beta_2 X_{it} + \beta_3 \gamma + \mu_i^3$$

Among them,  $W_{it}$  represents the proportion of the government's pension expenditure.  $RES_{it}$  represents the core variables in this paper to examine the extent of the impact of the government's pension expenditure. It includes the number of pension fund participation, the service institutions and facilities for the aged, the coordination organization for the elderly and the school for the elderly.  $U_i$  is an unobservable heterogeneity factor that does not change with time.

**Table 1 Estimation results of the integrated effect model of urban and rural integration**

Project	(1)
Financial subsidies	-0.010614**
The number of pension fund insured (ten thousand)	0.000349***
Old-age service institutions and facilities	8.527709
Coordination organization for the elderly	0.044847**
Senior college students (ten thousand)	18.61218
Whether or not the time variable is controlled	Yes

Note: The model (1) represents the p value, and  $p^* < 0.1$ ,  $p^{**} < 0.05$ , and  $p^{***} < 0.01$  are tested at the level of 10%, 5%, and 1%, respectively.

In the model (1), we should introduce the number of financial subsidies and pension funds, old-age service institutions and facilities, coordination organization for the elderly, and elderly college student variables. It can be seen that, as an explanatory variable, financial subsidies have not changed too much. On the whole, it can be seen that the relevance of each variable to the government's financial support is very different. The positive value of the coefficient indicates that the government has a positive effect on the government's financial expenditure for the aged, and the negative value leads to the inhibitory effect.

The number of pension fund insured is more responsive to the local financial expenditure. This result has a significant positive correlation in 0.000349 through the test. The insured number of the pension fund has a positive impact on the local government's pension expenditure, which can promote the financial expenditure of the local government. Old-age service institutions and facilities are the government's impact on financial support from living care. There is no significant influence on the numerical value. It shows that the old-age service institutions and facilities have no significant impact on the government's financial support for the aged. Coordination organization for the elderly reflects the needs of the elderly residents' spiritual comfort. In terms of numerical values, older rights coordination organizations have positive correlation. Senior college students are not significant to the government financial support. It shows that the influence of the old university on the financial support of the government is not obvious.

#### **4. Suggestions for Improving Financial Support for Pension for Local Governments**

(A) Encourage urban and rural residents to pay pension insurance. Firstly, the government subsidies for the pension should to match the level of local economic development. Secondly, it is necessary to raise the level of financial subsidies for the elderly in the new rural areas. Lastly, it is necessary to appropriately raise the level of financial subsidies for the elderly living within the scope of the government's. Fifthly, we set up special pension fund projects for the special groups such as empty-nester and the elderly who have lost their independence, in case they need it from time to time.

(B) Incentives to take care of the home as the core of life care system. Enrich and diversified modernization system of the nursing at home. The premise of one's own pension is that the elderly can reach the condition of taking care of themselves. The family pension is mainly about the elderly and their children live together. With the acceleration of the standard of living, retirement pension institutions will become a major pension model. Therefore, the government must improve the financial responsiveness to the life care system for the elderly and increase the financial investment in pension institutions and facilities. We will increase training subsidies for nurses in pension institutions, enhance the professionalism of nurses and provide more comprehensive and thoughtful services to the elderly.

(C) Explore the full range of spiritual satisfaction of the elderly can approach. The government should step up financial subsidies for elders' rights organizations and other institutions, reduce fees and charges for the elderly, and ensure that the basic rights of the elderly could not be violated. To propaganda and popularize these organizations through the media and newspapers, so that the elderly

groups have a sense of belonging and could find the methods to resolve the problems. The government must improve the financial responsiveness of the elderly to meet the spiritual needs, such as drama to the countryside, the elderly square dance competition, the government should give the appropriate financial subsidies.

## **5. References**

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