

The Investigation of the Retirement Expectation of Labor in China

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Abstract

Using the sampling survey data of 30 provinces and cities in 2015, it studied the influence factors of worker retirement expectation in China. Analysis showed that age, level of education, health, raising and provide for children, family, the number of independent source of income, the nature of the unit, and working conditions for retirement expectation affect significantly, the conclusion of this paper is helpful to understand the public retirement expectation, to provide the certain reference to carry out reform of the retirement age.

Key words: Early retirement; Retirement on time; Later retirement

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INTRODUCTION

Under the background of the arrival of the ageing peak acceleration and pensions balance pressure, the topic of later retirement has caught the attention and the debate of the society from all walks of life. Thirteenth five year plan proposed the policy of gradual delay retirement age to strengthen the sustainability of social security. The retirement age policy design on the immediate interests of the social groups, and need to solicit public opinion carrying out the policy. Many scholars have studied delay retirement expectation from different angle.

Jie (2010) analyzes the health impact on retirement using the data from China Nutrition and Health Survey (CHNS), health impact is close to poverty, poor health

are more likely to suffer from the negative impact; Early retirement is easier to occur in the rich women, men retire ahead of schedule is easier to occur in the poor; Health impact increased risks for men's retirement, weak influence on female retirement decisions; Spouse's health status has no effect on their own retirement decisions.

Qian and Shen (2012) the south five provinces data was used to study the social and economic status of retired expectations affect on-the-job personnel, and the results show that the level of position and expected retirement age was positive correlation, namely with the improvement of job level, employees also expect corresponding retirement age; between human capital and the expected retirement age is not a simple positive correlation, but a u-shaped curve relationship; between economic income and expected retirement age is not a simple positive correlation, but inverted u-shaped relationship. Huang (2013) has carried on the empirical analysis using the probability model and the structural equation model, affecting the enterprise employees to extend Hugh will age factor. Research shows that individual factors on the position and enterprise employees' willingness to delay retirement has significant positive effect, the effect of family and unit factors are significantly negative. Specific to each observation variables, the higher the degree, the better health worker, its extension will is more strongly; age, family economic condition, the better, all the work, the longer delay retirement will; positions, welfare insurance number, job satisfaction, and worker willing to delay back show significant positive correlation. Enterprise employees' willingness to delay back in gender, marital status, don't need to burden the next generation, industry and enterprise type also has significant differences. Yang (2012) shows that the basic endowment insurance system can't motivate the worker to delay in 21 cities of Guangdong province on employed staff and workers of survey data.

The existing literature makes certain discussion on enterprise employees will, providing the beneficial

reference for later study, but not enough comprehensive analysis of retired workers intend, ignoring the “early retirement” retired “on time” and “delay retirement” differences; influence factors focus on the individual and family factors, considering factors of jobs and the unit; part of the literature on the object of study the lack of a clear definition to the worker, due to the nature of the unit in different organs, institutions, enterprises, research on its willingness to the worker’s retirement should be classified; also with a certain randomness on the sampling. This article from the individual factors, family factors, position and unit factors four aspects analyzes design variable indicators.

In this paper, by using the data in 30 provinces and cities nationwide in 2015 from the Ministry of Education of important research project—The social and economic effect of progressive retirement age policy projects sample survey, obtained 3,223 valid samples, the data has a very good representative.

Table 1
Gender Differences of Retirement Expectation

	Male number	Percentage	Female number	Percentage	Total number	Percentage
Early retirement	517	31.62	484	31.11	1,001	31.36
Retirement on time	868	53.09	910	58.48	1,778	55.7
later retirement	105	6.42	71	4.56	176	5.51
On opinion	145	8.87	91	5.85	237	7.42
Total	1,635	100	1,556	100	3,192	100

1.2 Age and Retirement Expectation

As the growth of the age, willing to “early retirement” is the trend from rising to downward. Group of 61- 65 age respondents are willing to “early retirement” accounted for only 11.54%, the proportion of the aged 16-30 and 31-35 age group of respondents are willing to “early retirement” are 31.5% and 35%, respectively.

As the growth of the age, the proportion of willing to delay retirement from declining to rising 31. Group of 45

1. ANALYSIS OF LABOR DELAY RETIREMENT EXPECTATION

1.1 Gender and Retirement Expectation

The survey shows that only 5.51% of workers would delay retirement, willing to early retirement and retirement on time the proportion of 31.36% and 55.7%, respectively, and 7.42% choose “no”. For the desired retirement age, 94.3% of workers expect retiring before the age of sixty. From the perspective of gender analysis, on the “early retirement” will, not much difference between men and women; but women “retired” on time intend to about 5% higher than the male; on the delay retirement expectation, estimated at 2% more men than women, and 8.87% of men choose “no”, and the proportion of women is only 5.85%. In addition, about 95% of women and 87% of men want to retire before the age of sixty.

years old age respondents to the 4.03% minimum “delay retirement”, may be that age in the working families the most stressful times, so don’t want to delay retirement.

As the growth of the age, the proportion of willing to retirement on time, first rising to downward, but more than 50% of all ages. Although the delay retirement age has been set, over 60 years old retired foreign countries abound, but the changes of the gradual retirement system in China need time.

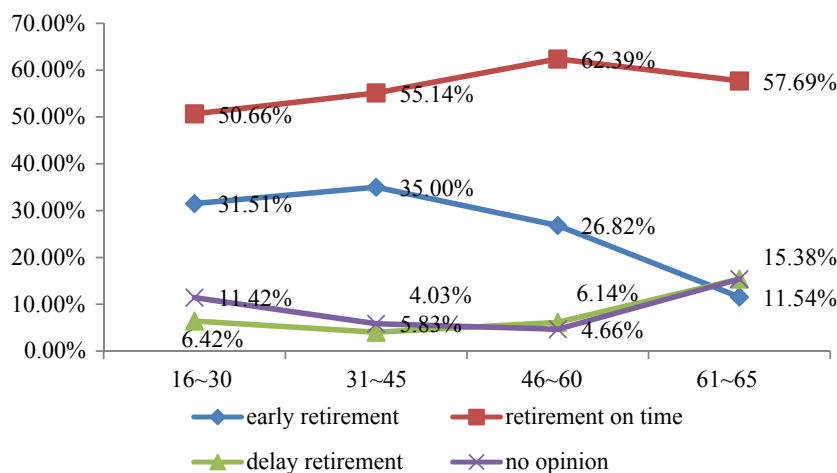


Figure 2
Age and Retirement Expectation

1.3 Education and Retirement Expectation

The education reflects the human capital of labor. Human capital influence their employment and job prospects, high human capital has broader prospect of employment and work than low human capital. Human capital is usually measured with the level of education (Lin & Gong, 2007; Liang, 2007). Education as a kind of capital investment, give the educatees aspects such as social status, income, benefits, and studies have shown that people with high level of education have stronger self-control and delayed gratification ability, able to plan their life and work and rest more regularly, and high level of education of people live healthier and longer life expectancy (Lleras-Muney, 2005). Because the stock of human capital positively related to the health and life expectancy, health, life expectancy and hopes the retirement age, therefore, the scholars think human capital and the expected retirement age for positive correlation (Uccello, 1998; Sun & Wu, 2009). But this view ignores retirement pension problem, for the low human capital and work until retirement age

their pension will be lower than other human capital, so had to extend the service life of labor to compensate for the lack of pension, the low manpower capital instead, people need to “compensatory to extend” the working fixed number of year, the retirement age.

Therefore, there is not a simple positive correlation between human capital and the expected retirement age, and should be for the present a “U” shaped relationship. Liang (2007) examines the mature markets in Europe the human capital influence on the retirement age, the results show that there is “U” shaped relationship between retirement age and human capital, Qian (2012) also supports the human capital using the south five provinces data and a “U” shaped relationship between retirement age. Look from the surveyed data, still support the human capital and a “U” shaped relationship between retirement age, junior middle school and the following and doctoral degree delay retirement expectation proportion were 9.52% and 15.79% respectively, and “early retirement” intend to human capital is inverted “U” shaped relationship.

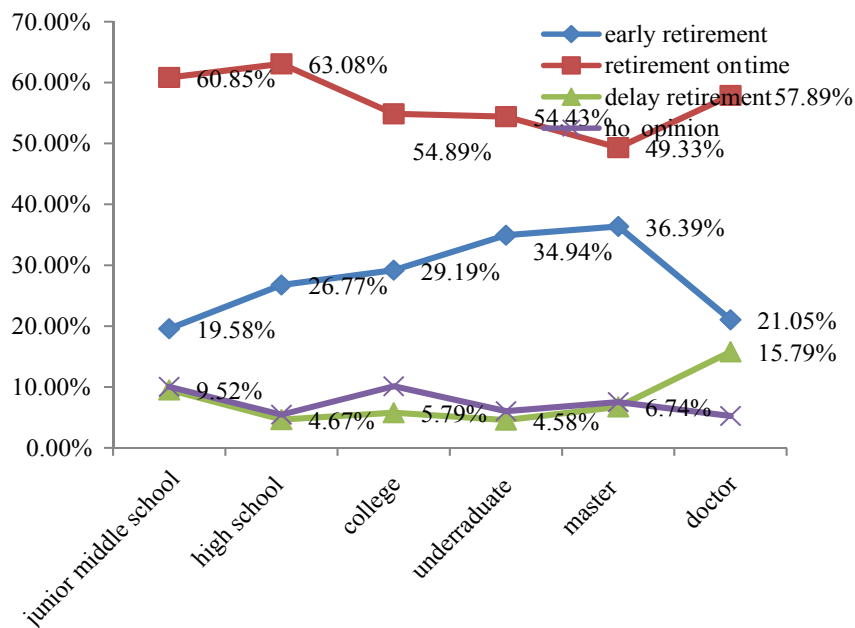


Figure 3
Education and Retirement Expectation

1.4 Health and Retirement Expectation

Existing research shows that the health has greater impact on retirement expectation. The better self-reported health is, the more willing to “early retirement”, and is willing to retire on time or delay retirement. But Li (2014) found that, compared with healthy people, with no serious illness and disease, delay retirement expectation is also more intense, but not significant in statistical sense. A similar situation occur in the survey, health is divided into 0-9 ten grades, 0 for the worst, 9 for the best. The labor of self-reported health status as a “1” are willing to delay

retirement 10% higher than that self-reported health status as “9” laborer is about 3.75%. The results and foreign research have certain differences. Foreign most studies show that poor health workers will be out of the labour market in advance, it may be associated with foreign advanced medical insurance system, after the sick people don’t have to worry about cannot afford the medical expense and early retirement. China’s current health care system is not very perfect, many of the health status of people in the face of the high medical costs, is likely to delay work.

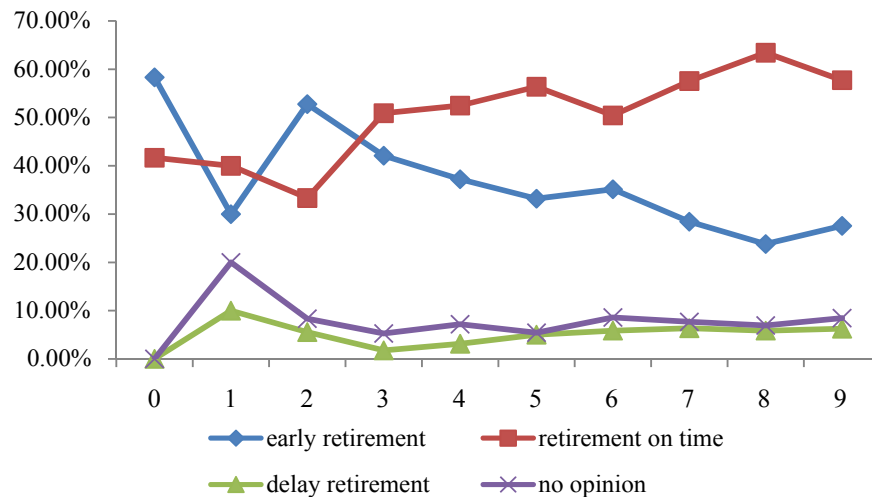


Figure 4
Health and Retirement Expectation

1.5 Unit Nature and Retirement Expectation

Many people subconsciously think that institution of personnel for the government more willing to delay retirement, but that fact does not support this view. The proportion of early retirement of public service staff

is the highest, at 37.94%, followed by the business unit personnel, at 33.21%, about 8% higher than in the enterprise staff and 8% respectively. Business unit staff willing to delay retirement rates higher than the government civil servants and enterprise staff.

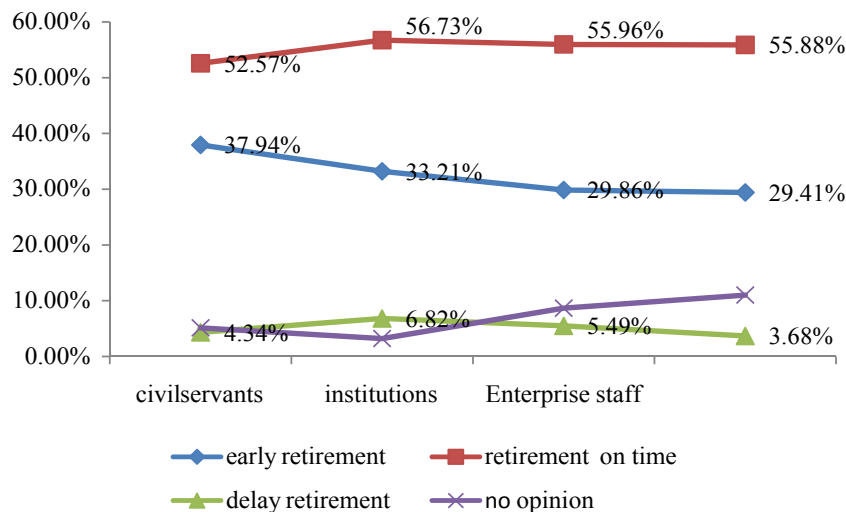


Figure 5
Unit Nature and Retirement Expectation

1.6 Technical Post and Retirement Expectation

Although the technical post can't fully reflect personal ability, but to a certain extent, reflects the individual degree of success in her career. In general, the higher the technical post, the richer knowledge is, also the higher the position in the unit is, the more satisfaction that comes

from the work. So senior title is more in favor of the delay retirement. Survey showed that senior, associate senior, middle title of respondents approve delay retirement is higher than the proportion of the primary, the former three "early retirement" intend to delay retirement are lower than the latter.

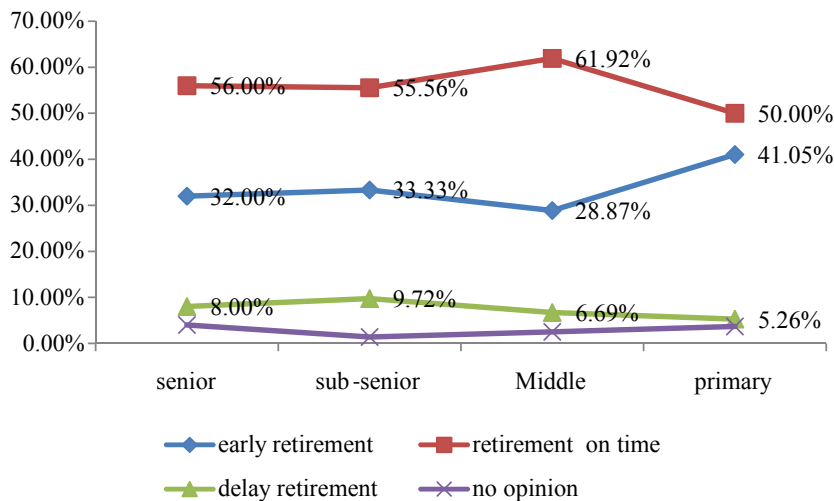


Figure 6
Technical Post and Retirement Expectation

2. ANALYSIS THE ADVANTAGES AND DISADVANTAGES OF DELAY RETIREMENT

53% of the respondents think that delay retirement benefits are to increase economic income; for the

disadvantages of delay retirement, mainly it reduces family care, lengthen working hours, decrease leisure time. So access to economic income is the main reason why people choose to delay retirement, personal health is the main reason why people choose to retire ahead of schedule.

Table 2
Analysis the Advantages and Disadvantages of Delay Retirement

Advantage	Frequency	Percentage	Disadvantage	Frequency	Percentage
Increase economic income	1,503	52.89	Extend working hours	980	31.1
Get social recognition	388	13.65	Reduce leisure time	813	25.8
Fulfil personal value	560	19.7	Reduce family care	1,170	37.13
Others	391	13.76	Others	188	5.97
Total	2,842	100	Total	3,151	100

3. POLICY RECOMMENDATIONS OF DELAY RETIREMENT

Through the questionnaire survey analysis of the retired workers in China, we will find that most of the workers in China are not willing to delay retirement, personal and family variables, professional type, work status, and expected retirement age for retirement expectation have a significant impact. Visible retirement system reform is a systematic project, involving every aspect such as pension, employment and personal choice. Every worker’s characteristics, such as the economy, individual, family, career will have different, so the retirement age is also expected to exist significant difference. Therefore, the paper has the following suggestions:

Firstly, Make scientific and reasonable elastic retirement policy According to the current retirement policy regulation, if meet the work accumulated in the limit of two conditions, age, must retire. This one-size-fits-all retirement policy lack of flexibility and elasticity,

cause doesn’t “want to return back, does not want to do” phenomenon, which in turn triggered a series of social contradictions. We know that in the process of investigation, laborer group internal differences, different groups on the current retirement system often complain. Investigate its reason, in the final analysis is the mandatory retirement system. Combined with the research results, the author suggested relevant departments, using delay retirement reform as a more scientific and reasonable flexible retirement policy.

Secondly, because of men’s and women’s different physiological conditions, women at the time of children, the body itself is affected. And more women to assume the obligation to take care of family and children, so in the gradual delay retirement system reform, to a modest increase in women’s treatment after retirement. Women’s final academic and technical titles were significantly associated with retirement expectation, demographic characteristics, such as high degree, senior position or title will back more strongly. Therefore, we suggest that

the relevant state departments should improve the level of women in the education, the innovation management mode, optimize the staff promotion mechanism and so on guide the relevant departments of the reform, multi-pronged, perfect our country's retirement policy.

Thirdly, verify the economic income of on-the-job personnel to expect the positive influence of retirement, namely the higher the income level, the more reluctant to leave the labor market, the more willing to postpone the retirement age. Since China's family planning policy in 1980s, the traditional concept of "keep son of age" is obvious impact, combined with China's current pension coverage is low, the rural elderly, rural migrant workers and freelancers in town did not participate in the pension plan in our country, and even participated in the pension plan also has the problem of pension income is too low, therefore, retired people in our country is mainly based on the work of economic income and realize the purpose of pension savings. It from the other side wants to strengthen the construction of pension in China work, efforts to expand the coverage of pension system, improve retiree

pension income level, which ensures that can provide on-the-job personnel, retired old man abetted.

Fourthly, the government should make efforts to improve the health level of the workers, so that they leave the labour market not because of health problems, rather than voluntarily, and promote the sustainable development of social economy in China.

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