

Research on the Development of Home Care Industry Based on Porter's Diamond Theory – Take Tianjin as an example

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Abstract. With the continuous reduction of household size, the increase of empty nest families of the elderly, and the weakening of family development ability and anti-risk ability, it is predicted that by 2025, the proportion of people aged 60 and above and those aged 65 and above in the permanent population of Tianjin will reach 24.66% and 17.35% respectively. The acceleration of the aging population in Tianjin has put forward higher requirements for the development of the elderly care industry. Meanwhile, The State Council issued Several Opinions on Comprehensively Opening the Elderly Care Service Market and Improving the Quality of Elderly Care Service on December 26, 2016. Based on this background, this paper uses Porter's diamond theory to introduce the development of home-based care industry in Tianjin from five aspects: resource elements, demand conditions, auxiliary industries, government functions and main opportunities, and finds that there are problems such as insufficient basic investment and lack of professional nursing talents in the development of the elderly care industry in Tianjin. Combined with the current information development level and policy background, this paper puts forward some policy suggestions, such as focusing on the training of professional nursing staff, correctly weighing the relationship between the government and the market, optimizing the environment for private investment in home care industry.

1 Introduction

With the aggravation of aging population, the demand for old-age service is increasing. Family endowment and institutional endowment have their own advantages, but also have their own shortcomings. Because of the advantages of both, community home care has gradually been recognized by the elderly, and has become a national pension method. With the increase of age, the body function of the elderly continues to decline, and health problems need to be paid attention to. Therefore, the development of integrated medical and nursing services at the community level is an effective way to actively cope with the situation of population aging. In order to deal with the serious problem of aging, the National Office for Aging issued the Opinions on Comprehensively Promoting Home Care Services on March 5, 2008, and the Tianjin Municipal People's Government issued the Concrete Measures for Further Promoting the Development of the Cause of Aging and the Construction of the Elderly Care Service System in Tianjin on June 25, 2022. It is clearly pointed out that support should be given to community nursing service institutions to extend their service functions, develop family nursing beds, support families to assume the function of nursing care, and tilt resources toward home-based nursing care. Based on Porter's diamond theory, this paper introduces the current situation of home care industry in Tianjin from five aspects: resource elements,

demand conditions, auxiliary industries, government functions and main opportunities, combined with the current level of information development and policy background. The significance of the study is to meet the differentiated pension needs of the elderly group under the background of aging, reduce the burden of social security and family pension, expand employment areas, alleviate employment pressure, and provide academic support for the development of home industry.

Porter diamond Theory, also known as Porter diamond model, was proposed by Michael Porter, a famous strategic management scientist from Harvard Business School in the United States, in 1990. It is used to analyze how a country forms an overall advantage and thus has strong international competitiveness. Porter's diamond theory is a tool to analyze industrial competitive advantage. Michael Porter believes that the international competitive advantage of a certain industry in a country is influenced by six factors, such as production factors, demand conditions, related industries, enterprise strategy, government behavior and opportunities. This paper will analyze the development of home care industry in Tianjin based on five aspects: resource elements, demand conditions, auxiliary industries, government functions and main opportunities.

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2 Literature Review

Foreign studies on home-based care industry mainly focus on three aspects. The first aspect is the research on the concept of home care service. The concept of home care first originated in Britain in the 1950s. In order to ease the burden of social care and adapt to the changes of welfare state policies, the British government at that time took the lead in putting forward the elderly community care service. P. Spoflin (1991) believed that community care services for the elderly generally refer to the care and nursing for the elderly who have needs in the community in a non-institutional way, including cleaning, personal care (bathing, dressing, etc.), diet management and daily affairs in the care center. The second aspect is the study on the main providers of home care services [1]. J. Higgins (1986) pointed out that the main providers of community care services are: the government, for-profit organizations, non-professional nursing staff, employees, industry associations, volunteers or non-governmental and non-profit organizations [2]. According to Peter Sharkey (2006), community care services can realize their value only with the joint efforts of multiple parties, whose suppliers include both formal and informal sectors [3]. The third aspect is the research on the contents of community home-based care services. B. Meredith (1993) pointed out that community care services cover a wide range of contents. Firstly, they should help to solve the housing problems of the elderly, and secondly, they should provide them with special nursing care such as daily living care, outdoor activities and psychological counselling [4].

Domestic research can be mainly integrated from two aspects: regional representation and research perspective.

From the regional representativeness of previous studies, Ren Chiye (2005), Gao Xiuyan, Wang Na (2007), Zhang Xiaoyi, Liu Bangcheng (2011) and other scholars selected Guangzhou, Dalian, Suzhou, Shenyang, Shanghai and other cities to study the home-based care industry [5] [6] [7].

From the perspective of previous studies, Jiang Haixia and Chen Lei (2010), from the perspective of national conditions, believe that community home-based pension service is a pension model suitable for China's national conditions [8]. Wang Qiong (2016), from the perspective of the needs of home care services, proposed that the elderly in urban areas have a high demand for community home care services, but the degree of demand being met is low. In terms of influencing factors, traditional cultural factors such as advocating frugality and thinking of children do inhibit the elderly's demand for home care services; However, it is too general to say that "getting old before getting rich" restricts the development of the pension service industry. In some subdivided industries, the negative effect of "getting old before getting rich" is not so obvious. In addition, health status is a hard constraint on the needs of older persons for medical care and rehabilitation care services. Sons and daughters play different roles in providing care for their parents [9]. Starting from the perspective of elderly care service supply, Gong Yanping (2016) proposed to

adopt PPP project mode to promote the reshaping of Internet + community + home care, promote the development of smart elderly care industry and improve the level of the whole society's elderly care service. From the perspective of public goods, Zhang Guoping and Bai Xue (2019) proposed that the industrialization development of home-based care services in China should constantly innovate the system and mechanism, change the concept, solve the problems of capital, talent and system, constantly develop service projects suitable for the needs of the elderly, and constantly optimize the environment for the industrialization development of home-based care services [11]. From the perspective of pension industry financing, Zhang Jiayi, Shen Jing and Luo Yana (2021) proposed to expand the financing channels of embedded home-based pension industry, including government support, PPP financing, bank loans and market-oriented financing [12]. Lin Aihua, Huang Kai and other scholars (2022) proposed that team building is the bottleneck restricting the rapid development of home-based care industry from the perspective of nursing staff team building, and put forward practical countermeasures for the existing problems of team building [13].

The existing literature has studied the development of home-based pension industry from multiple perspectives and regions, but the research areas are mostly limited to South China and Northeast China, the spatial representativeness of the conclusions is insufficient. In addition, the existing literature has studied the conditions and background of the development of home-based pension industry in China in the earlier period, which is difficult to apply to the current economic level of China. This paper takes Tianjin in North China as an example to study the development of the local home care industry, in order to improve the regional coverage of the research on the development of the home care industry, and discuss the development of the home care industry combined with the current policy background in China, so as to improve the timeliness of the relevant research.

3 Analysis on the Current Situation of Home Care Industry in Tianjin

3.1 Resource Elements

The resource elements of home-based pension industry mainly include human resources, capital resources and infrastructure. In terms of human resources, home care caregivers rank among the occupations "in short supply" in Tianjin. There are 9,800 home care caregivers in Tianjin, including about 6,800 in nursing homes and only 3,000 outside nursing homes, which is difficult to meet the needs of a large number of elderly people. Moreover, the overall quality of the existing home care workers is low and the technical skills are deviated. In July 2019, the Tianjin Municipal Market Supervision and Administration Commission issued the Assessment of Care Needs for the Elderly, and in September 2020, it issued local standards such as the Training Standards for Nursing Staff for the Aged at Home to provide policy

support for the development of human resources in the Aged at Home industry. The standardization of selection and employment of home care caregivers not only improves the level of nursing staff, but also expands the scope of social employment and relieves the pressure of social employment.

In terms of capital resources, the main body of investment in Tianjin's home-based pension industry is the government, while private investment is in an auxiliary position. In order to mobilize the enthusiasm of private investment, the Tianjin Civil Affairs Bureau issued the Guidelines for Investment in Old-age Services in 2021 and the Notice on Increasing Financial Support for Tianjin's Old-age Services in 2022. For non-profit old-age institutions that are newly built or purchased by social forces and form property rights, each bed will be given a one-time construction subsidy of 15000 yuan. New beds in non-profit pension institutions invested and expanded by social forces will be given a one-time construction subsidy of 6000 yuan per bed.

In terms of infrastructure, in 2014, the Civil Affairs Bureau of Hongqiao District of Tianjin issued the Notice on Strengthening the Construction of Old-age Infrastructure to Improve the Level of Service for the Elderly, and in 2022, the General Office of the Tianjin Municipal People's Government issued the Notice on Specific Measures to Further Promote the Development of the Cause of Aging and the Construction of the Old-age Service System in Tianjin. Among them, by the end of 2025, the coverage rate of day care institutions in urban areas should reach 100%, and that of day care institutions in rural areas (including rural mutual aid and happiness homes) should reach 70%.

3.2 Requirement conditions

According to the data bulletin of the Seventh National Population Census in 2020, the total elderly population in Tianjin ranks fifth in the country. Among the 16 districts in Tianjin, there are 9 districts with more than 15% of the population aged 65 and over, and 2 districts with more than 20% of the population aged 65 and over. Among the permanent residents of Tianjin, the population whose age over 60 is 3,002,688, accounting for 21.66%. The number with over 65 years old is 2,045,692, accounting for 14.75%. Compared with 2010, the proportion of the population aged 60 and above has increased by 8.64 %. The proportion of people aged 65 and above rose by 6.23 percentage points. The elderly dependency ratio of Tianjin reached 20.56%, and the total fertility rate was below the replacement level for a long time. Serious aging provides demand conditions for the home-based care industry [14].

3.3 Ancillary industries

Home-based care service related industries include health industry, products industry, service industry, real estate, cultural industry, travel industry and catering industry for the elderly [15]. According to the requirements of "Concrete Measures of Tianjin to

Further Promote the Cause of Aging and the Old-age Service System", Tianjin is committed to consolidating and improving the multi-level medical security system and actively promoting the long-term care insurance system. We will refine and improve subsidy policies for old-age services, and strengthen the ranks of the old-age service industry. Strengthen health education for the elderly, standardize health management for the elderly, and give full play to the role of the elderly health industry in promoting health for the elderly. The elderly care real estate industry has strengthened the construction and management of community nursing homes to realize the full coverage of newly built community elderly care facilities. Cultural industries for the elderly carry out a wide range of entertainment activities that are popular with the elderly and create a senior-friendly social atmosphere. At the same time, the elderly travel industry will develop an age-appropriate intelligent transportation system to help the elderly cross the "digital divide".

3.4 Government functions

The functions of the government are mainly reflected in the appropriate intervention in the market behavior of the home-based care industry and the introduction of relevant policies to promote the development of the home-based care industry. In terms of the relationship with the market, appropriate government intervention can effectively promote the scale development of the home-based care industry [16]. Gao Xiuyan and Wang Na (2007) proposed that appropriate government intervention is necessary in the early stage of home-based care industry development [10]. Government intervention can provide subsidies for private investors, weakening the pension industry investment payback period is long, thin margins that occupy the home such as obstacles to private capital injection of faults, highlight the "industry" nature of the pension that occupy the home industry and to stimulate more commercial capital to enter the field, and promote the community home endowment industry scale. In terms of policy guidance, the Tianjin Municipal People's Government issued the Notice on Concrete Measures to Further Promote the Cause of Aging and the Construction of the Old-age Service System in Tianjin to point out the direction for the home-based old-age care industry. Tianjin Civil Affairs Bureau issued the Investment Guide and issued the Notice on Increasing Financial Support for Elderly Care Services in Tianjin to provide a good and standardized financing environment for the home-based care industry.

3.5 Key Opportunities

The opportunities of home-based care industry in Tianjin are the opportunities brought by the aging population of Tianjin and the development of the Internet [14]. First of all, the aging of population breeds the demand for elderly care services, and the preference of the elderly in Tianjin for home-based care mode leads to the demand

for home-based care services for the elderly. Secondly, the rapid development of the Internet provides a technical basis for digital home medical services. Through the collection and processing of big data, the elderly can be provided with personalized home care service needs, so as to improve the quality of home care services. Finally, the national policies and local policies of Tianjin provide policy support and guarantee for the development of home-based care industry.

4 Conclusions

Under the background of population aging, this paper analyzes the current situation of the development of home-based care industry in Tianjin. Based on Porter's rhombus theory, this paper discusses from five aspects: resource elements, demand conditions, auxiliary industries, government functions and main opportunities. Through the analysis of relevant literature and relevant policies, it is concluded that the overall prospects for the development of Tianjin's home-based pension industry are good, but there are some problems such as insufficient basic investment and lack of professional nursing personnel. In the process of the development of home-based care industry, the role of the government and the support of related industries will play a vital role, especially the government's appropriate intervention in the home-based care service market and the effective participation of the Internet industry. In the future development, Tianjin home-based care industry should seize the opportunity, pay attention to the training of professional nursing staff, correctly balance the relationship between the government and the market, optimize the environment of private investment, and ultimately realize the healthy the home-based care industry.

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