

## Chapter 7

# Building a Harmonious Longevity Society



In this book, I regard the Era of Longevity as a “New Normal” that human beings are about to enter, which will press the start button of the Era of Health and the Era of Wealth. The growing needs for health and wealth generated by a prolonged life expectancy will endow the Big Health Industry and wealth management industry with great development opportunities. At the same time, the Era of Longevity and the era of data overlap with each other, and the reformed production factors will bring new ways of organizing production and boosting the development of the longevity economy. The explosion of the longevity economy will bring infinite possibilities to the life of elderly individuals: the potential of their life will be fully explored, the second curve of their life will show unlimited charm, and their life will overflow with glammers.

The bright future of the Era of Longevity may sound exciting, but uncertainties are filled between the realities and our ideal. Similar to the Age of Exploration, when explorers dreamed of discovering a new continent, the reality was the mysterious and unpredictable ocean in front of them. As mentioned in previous chapters, an increased life expectancy does not simply equal a prolonged length of time that a person could live. It also brings risks: the rising cost of support for families and society, funding difficulties in elderly care and medical care, the lack of driving force for economic growth, etc. How will individuals and families bear such a heavy burden if they are not well prepared in advance? How will the government solve the plight if it does not take early caution? How can enterprises maintain and enhance core competitiveness and value if they do not react in a timely manner? These are all serious tests placed in front of individuals, families, governments and enterprises in the future longevity society.

The conflict between the ideal and reality often stimulates and motivates human beings to strive and innovate. As the Era of Longevity draws nearer, our cravings for longevity, health and wealth grow even stronger. Toward this beautiful vision, embracing the Era of Longevity is a natural choice for all social members, including individuals, families, governments and enterprises. Facing various challenges, we should be well prepared to update old ideas of population aging that are passed on

from the industrial age. At the same time, we should embrace our new roles in the Era of Longevity, undertake new missions as members of a longevity society in a longevity economy mindset. As experimental practices and pilots of the longevity economy are further updated and expanded, we will witness an era of longevity of healthy individuals, happy families and a harmonious society together.

## 7.1 At the Crossroads of the Era of Longevity

### Gray Rhinos in the Era of Longevity

A “gray rhino” is a highly probable, high-impact yet neglected threat. People may be well aware of its existence, yet it is ignored anyway. The challenges in the Era of Longevity are similar to gray rhinos: they are easily neglected by individuals, families, governments and enterprises. Only by early identification and taking early precautions will we be able to resolve these potential crises.

### Challenges to Individuals and Families

The primary challenge to individuals and families is insufficient wealth reserves. In 2018, Japanese TV network NHK’s special programs recording team made a documentary named *Bankrupted after Getting Old*. US writer Ted C. Fishman also wrote a book entitled *Shock of Gray*. Both the documentary and the book made descriptions of old people caught in old-age poverty, instead of aging in a rich or graceful manner. Old-age poverty impacted their housing, living, medical care, interpersonal relationships and more. “Bankrupted after Getting Old” or “Old and Broke” may sound over exaggerating, but they are true potential threats hanging above our heads and our family.

In Japan, where the problem of population aging is the most severe worldwide, cases of “Bankrupted after Getting Old” or “Old and Broke” are often seen and growing in number. Over the past few decades, the age structure of Japan’s population has evolved into a reversed pyramid shape. The shrinking working population and growing aged population led to an imbalance in pension income and expenditure, and pension benefits continued to decline. Although the Japanese government provides a national medical insurance system and a long-term care insurance system, older people who rely completely on pension cannot withstand too much disturbance or trouble. Any illness or injury can trigger a chain reaction that leads to heavy debt or even bankruptcy.

Even in the US, where the population is relatively young, the phenomenon of “Bankrupted after Getting Old” is hardly surprising. In recent years, medical expenses in the US continue to grow rapidly, as do the out-of-pocket medical expenses that older people have to pay. After paying huge medical expenses, some older people even fell into poverty and became low-income people. In addition to the increasing medical costs, US people’s low savings rate is another important reason for people being “Old and Broke”. If sufficient wealth reserve is not made when a person is working, he or she is more likely to experience financial difficulty in the later years.

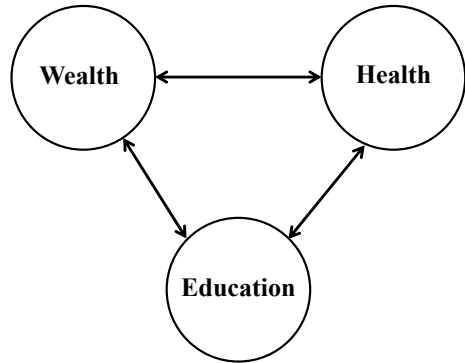
With the aggravated population aging, older people in China are also facing the threat of being “Old and Broke”. Unlike developed countries such as Japan and the US, which have relatively complete social security systems for older people, China’s social security for the elderly is still weak due to a relatively low level of social and economic development. Although China’s current medical expenditure is lower than that of developed countries, its medical care resources are still insufficient, and there are many people who are in poverty or have fallen back to poverty due to illness. Another contributor to the threat of being “Old and Broke” is the downsizing of families: there are more nuclear families or even mini-sized families. Data from the Seventh National Population Census in 2020 showed that the average number of family members per household in China was only 2.62, which is approximately one-sixth lower than that 10 years ago. With the downsizing of families, “relying on children for eldercare” is no longer the mainstream form of eldercare. The resources within families to support older people became scarce, and community elderly care and institutional elderly care, which were once “alternative options”, became necessary. At present, China’s elderly care service is in a pattern of “9073”, which means approximately 90% of the elderly stay at home, 7% rely on community elderly care, and 3% live in elderly care facilities. The latest population census data definitely sent out an alarm for us, and the “9073” pattern may change in the future. Therefore, it is imperative that we make preparations in advance for choosing a form of elderly care and financial planning to avoid being “Old and Broke”.

In addition to financial risks in old age, health risks are also serious challenges to people in the Era of Longevity. Similar to the trajectory of wealth accumulation, health also needs to be managed on a long-term basis. People are investing in health to increase our health capital in every stage of life, but health deteriorates with aging. An unhealthy lifestyle at a young age can lead to irreversible clinical consequences in the long term. The most common examples are smoking, excessive drinking, lack of physical exercise and irregular diets. The impact of these behaviors on health is often highly “insidious”: the harm of these bad habits is not obvious when a person is young and in good health, but with age, they may cause serious and irreversible damage to the body, resulting in poor health in old age.

Without sufficient preparation, the Era of Longevity will have a shocking impact on the health and wealth of individuals and families. Such an impact may even last for several generations, leading to solidification of the social class. The reason is obvious: when older people in a family are poor or ill, their children have to spend more time, energy and money to take care of the seniors at the cost of their own wealth and health capital, which will eventually create a vicious cycle. The inequalities caused by poverty and diseases will be passed on from one generation to the next.

It is worth noting that in the Era of Longevity, situations may vary greatly among different families, with the difference in education level playing a critical role. In the “Golden Triangle” of education, wealth and health (see Fig. 7.1), education is the most important determining factor of health and income. Research in health economics reveals that people with higher education levels are more efficient in healthy production and can achieve better health levels with the same amount of

**Fig. 7.1** The interplay between education, wealth and health



time and resources. People with higher education levels could also choose a better career, which brings them higher income.

Differences in education level will lead to different levels of health and wealth in old age, resulting in widely varying personal and family burdens. Among older people of the same generation, those with a higher education level have long been engaged in jobs with higher returns on human capital and have a healthier lifestyle; therefore, they are able to maintain a higher level of wealth and better health. In the longevity economy, they are able to continue working in various forms and earn income even after retirement. The occurrence of degenerative changes in them is also delayed. Thus, it will be a long time before they need to be taken care of by their children or families. In contrast, older people with a lower education level often engaged in relatively heavy physical labor or high-risk occupations when they were young. When they grow old, their physical condition may not be as good, and their needs for caretaking, medical care and pension may appear earlier. Moreover, because of their relatively low education level, the income they earned from their jobs was lower, and they would have less savings when they retired. The insufficient reserve of health and wealth makes them heavily dependent on the support from their children, which will become a heavy burden to the family. To provide the necessary caretaking, their children have to spend more energy and resources, which could have otherwise been spent on their own education and work. Their children's wealth would be affected, and when they grow old themselves, their own children will have to bear the same heavy family burdens as they are now.

In summary, every person and every family are being tested by the challenges of the new era. The challenges range from insufficient wealth reserves to being “Old and Broke”, from out-of-control health risks to being “old and ill”, and from differences in education level to solidification of the social class. To remove these barriers on our way to the Era of Longevity, we need to make early preparations so that we can face them calmly and move forward steadily.

### **Challenges to the Government**

While impacting the health and wealth of families and individuals, the era of longevity also poses serious challenges to the sustainability of the public finance

system. In the organizational structure of a society, the government plays the role of a wealth redistributor to a large extent, obtaining financial revenues by collecting taxes from the most productive sectors and allocating the revenues to public services such as education, medical care and eldercare. In the industrial age, the population age structure was pyramid-shaped: most of the population was providing labor in various production sectors, and only a small portion of the population needed expenditures for education and medical care. Governments back then had sufficient fiscal revenues and little pressure on fiscal expenditure; therefore, sufficient resources could be invested in education and medical care. Into the Era of Longevity, as the population gradually shifts from the production sector to the consumption sector, the population that could generate tax revenues decreases significantly, while the population relying on governmental expenditure increases, putting great pressure on fiscal balance. The fact that Japan tightened its payment of pension benefits is a reflection of how pronounced the problem has become. At the beginning of this century, China started a universal medical insurance system featuring “wide coverage and low benefits”. From 2018 to 2020, although the total revenue of medical insurance funds exceeded the total expenditure, the increase in revenue was much lower than that in expenditure. According to the estimates of IQVIA, by approximately 2030, China’s annual income of the medical insurance fund will be lower than the annual expenditure. In some provinces, the fund of Basic Endowment Insurance for the Urban Working Group has failed to make ends meet.

The increased proportion of the old population raises the proportion of the government’s fiscal expenditure spent on medical care and eldercare, which will inevitably reduce the proportion of fiscal expenditure spent on other public utilities, especially education and other sectors that can generate future productivity. The US is a typical example. In 2016, the federal budget spent 116 billion US dollars on education and vocational training and 641 billion US dollars on medical care for elderly individuals. Since the increase in medical care and nursing spending for the elderly was not curbed effectively, support for young people continued to shrink, which caused general dissatisfaction across society. That was also one of the reasons that the anti-establishment politician Donald Trump was elected president in 2016.

The era of longevity not only brings the risks of imbalanced public finance, squeezing investment in public sectors such as education and jeopardizing the potential of long-term economic growth but also poses a threat to governmental credibility. An alarm for the world is the bankrupted credibility of the Greek government. Greece was a country that used to have the most generous pension benefits in the world. By the end of 2009, the Greek government announced a fiscal deficit, which triggered the Greek debt crisis. The once high pension benefits were wiped from existence. Old people flocked to banks to withdraw their pension benefits, and some older people sat on the ground and cried for not getting them. To solve the debt crisis, the Greek government planned to cut spending, and their first action was to reduce pension benefits and raise the eligibility threshold for receiving them, which caused the elderly to go on marching protests on streets. Young people in Greece lost their confidence in future public pension benefits because of the government’s tarnished

credibility and were not motivated enough to participate in the public pension plan, which made the operation of the public pension plan even more difficult.

For policymakers and public managers, national financial pressure and impaired governmental credibility are serious risk factors. Therefore, it is necessary that we draw experience from the precedence and take precautions to avoid future impacts caused by a lack of sufficient preparations.

### **The Challenges Faced by Enterprises**

In the future, demographic changes will have a significant impact on a series of corporate management actions. Baby boomers provided abundant labor and purchasing power, yet the arrival of the Era of Longevity means that the demographic dividend will gradually disappear. If enterprises choose to neglect the upcoming demographic changes, they will soon fail and cease to exist.

Real estate is one classic example of an industry that is sensitive to the population age structure. We mentioned the example of Japan's real estate bubbles in Chap. 5: a series of demographic factors led to the protracted slide of housing prices in Japan. Despite occasional fluctuations, the oversupply was never fundamentally changed, and almost every market recovery was short-lived. Labor-intensive industries are also sensitive to demographic dividends. In China, the processing industry once prospered along the southeast coast. However, they are now having difficulties recruiting workers due to the lack of labor.

The arrival of the Era of Longevity will bring about changes in production factors, consumer demands and industrial structures as well. Enterprises need to gain insight into those changes and adjust themselves in the business environment, especially those that have formed a huge organization and a stable corporate culture since the industrial age. As discussed in previous chapters, in the face of emerging technologies such as the Internet and mobile networks, the obstinate persistence to the Japanese spirit of craftsmanship and conservative character cost the country many commercial opportunities. If enterprises don't carry out internal reforms, they may become stiff and rigid in their business inertia and eventually become an extinct species in the Era of Longevity.

The insurance industry is the most typical example. Judging from the experience of Japan, Europe and the US, with the emergence of demographic structural problems, interest rates and government bond yields would be maintained at very low levels for a long time. For example, the interest rates of Japan's monetary market dropped nearly to zero after 1995 and became negative in 2015, and even the yield of long-term government bonds fell below zero. The declined interest rates will exacerbate the market condition for financial institutions, including insurance companies. For insurance companies, a prolonged period of low interest rates is a risk of losing interest margin. However, to maintain their market share, Japanese insurance companies kept launching products with high predetermined interest rates extensively even after the economic bubble burst, causing the entire industry to suffer serious loss from the difference of interest rates after the 1990s. Their actions directly led to the bankruptcy of 7 life insurance companies and 2 property insurance companies from 1997 to 2001. At present, most insurance companies in Japan are still sticking to

their traditional business model. They failed to explore systematically beyond their traditional business, and missed out on the opportunities for scaling up when elderly care and health care needs appeared around insurance products. Today, insurance companies are rarely seen among the top ten largest companies in Japan, which is a stark contrast with what I saw in Japan 30 years ago.

Clearly, the disappearance of the industrial age's dividends and faltering internal reforms are challenging to the survival and development of enterprises. However, these challenges are also urging enterprises to enter the Era of Longevity with an innovative attitude.

### **New Opportunities in the Era of Longevity**

The Era of Longevity has begun, and it might be the ultimate challenge to human society. However, challenges always come with opportunities. If we can successfully seize these opportunities, we may be able to turn this “Gray Rhino” into a unicorn.

With the advent of the Era of Longevity, industries such as the Big Health Industry are becoming heated sectors for reforms. The proportion of the old population will continue to grow in the Era of Longevity. From the perspective of the demand side alone, older people will have an increasing say in economic activities, and older people's consumption will be an important component of the overall social consumption. For example, the average annual sales growth of adult diapers has been higher than that of baby diapers in recent years in Japan, the US and China. Signs of the Era of Longevity are increasingly seen in consumer goods.

China's economy is moving from industrialization to post-industrialization. The former addresses the needs of food, clothing, housing and transportation, while the latter seeks the development of service industries that meet people's demands for entertainment, education, medical care and eldercare. Those new needs are the core driving forces for China's next round of economic growth. Driven by a huge demand for health, the Big Health Industry will be colossal in the future and run through a person's entire life. It provides healthy life solutions in a full life cycle, harbors huge business potential and will become one of the fastest growing industries in the future. Technology tycoons such as Apple and Google have entered the health industry one after another to plan for the future. There are many tracks in the Big Health Industry, and the key to grasping the opportunities is to become leaders in subdivided tracks.

At the same time, with the extensive application of technology and data, the Third Demographic Dividend was released. From the Internet to the IoT and AI, technological advances have extended the functions of human organs to a certain extent, enabling us to see more content, understand more languages, and have more accurate perception and deeper cognition. As these technologies are applied in the Era of Longevity, we expect them to effectively alleviate the problem of weakened productivity among older people and inject new vitality into the group. Taking AI and small robots as an example, elderly care service robots offer not only physical assistance by helping old people lift heavy objects easily but also social assistance by solving communication problems. “Intelligent Elderly care” has gradually entered the sight of older people. Intelligent hardware equipment and software applications provide all-around digital services  $24 \times 7$ , such as early warning, time alarm reminders, and

instant interaction, to ensure older people live in a safe and good environment. China has recognized the importance of the application of seniors-friendly technologies. To ensure that older people are able to use, know how to use, feel safe to use and want to use them, China's General Office of the State Council issued the *Implementation Plan on Effectively Solving the Difficulties of the Elderly Using Smart Technology* in 2020. In April 2021, China's Ministry of Industry and Information Technology (MIIT) issued the *General Design Specifications for Elder-friendly Internet Websites* and the *General Design Specifications for Elder-friendly Mobile Internet Applications (APPs)*. It is obvious that scientific and technological progress will run along with the Era of Longevity.

A massive amount of data is the foundation for application of technologies such as the Internet, the IoT and AI, and "data" has become another label of our era. It harbors great business potential and opportunities for a longevity society. Big data can better read the needs of seniors in breadth and depth, and seniors could be empowered precisely through insights developed out of data. Future social development may be the superposition of the era of data and the era of longevity. The supply structure of economic factors will change accordingly, and new lifestyles and production methods will follow. Future business opportunities may transcend our existing cognitive and normative boundaries, such as the creation of new consumption patterns and the emergence of new industrial structures. The construction of smart cities in the future will also transform the existing infrastructure and better serve the demands of a longevity society.

In an era of longevity and data, the Third Demographic Dividend is expected to bring economic development as its predecessors did. The Third Demographic Dividend will center on the human capital of the senior population. The essence of the longevity economy is value recreation by elderly individuals. As pointed out in Chap. 5, senior citizens are not only key consumers but also important producers and innovators in the longevity economy. The era of data provided tools and platforms for the elderly to recreate value, and seniors are enabled to drive the longevity economy in a more vigorous direction from both the supply end and demand end. As pilots of the longevity economy, Taikang's longevity communities are blossoming and growing fruits. It is indeed a field of hope.

To cope with the era of longevity, governments have been loosening limits on policy and institutional levels to create opportunities for innovation. Many countries are formulating favorable policies to promote the development and progress of science, technology, medical care and elderly care industries. The various policies established by governments can be categorized into three types: the first type is population policy, which aims to improve the age structure of the population through measures to encourage reproduction and immigration; the second type focuses on addressing the issues of insufficient social and personal wealth caused by population aging, including pension reform, employment incentives and other measures; the third type focuses on addressing the increasing demands for caretaking and medical care brought about by population aging and the insufficient social and individual countermeasures, including medical and health reforms and the combination of healthcare and eldercare.



Japan is the first country in the world to face the problem of population aging. As its population aging exacerbated, the Japanese government adopted a series of reform measures, including developing the nursing business, offering medical and nursing training programs to train more doctors and nurses, and establishing nursing and medical care systems. On the one hand, Japan encourages the application of science and technology to improve the quality of life for the elderly and tries to integrate science and technology into the overall solution to the aging society. On the other hand, it also encourages science and technology enterprises to develop products suitable for elderly individuals, integrate advanced technologies such as IoT into their daily life, use robots for simple needs for caretaking, build online platforms for tele-consultation to solve difficulties in going to see a doctor, etc. By creating a senior-friendly living environment with technology, the Japanese government tried to meet the individualized, diversified and multileveled needs of elderly individuals.

Coping policies by governments in Europe put more focus on social policies. Reforming the retirement system and raising the eligibility threshold for pension benefits are favored by many European countries. In the meantime, these countries are also actively adjusting their policies to encourage the postretirement employment of elderly individuals, including promulgating laws and policies to prohibit discrimination against the elderly in employment, organizing training programs to improve the capabilities of elderly individuals, and designing a stepped pension benefit mechanism to encourage people to work longer. Many European countries have also increased public financial investment to improve infrastructure to create a better living environment for the elderly and encourage them to return to social life in different ways.

The Chinese government has predicted the challenges brought about by an aged population long ago. Maintaining the health of the elderly is an important component of the *Healthy China 2030 Blueprint*. The *Outline of the People's Republic of China 14th Five-Year Plan for National Economic and Social Development and Long-Range Objectives for 2035* was released in March 2021. It clearly proposed that China will improve the elderly care service system, strengthen health services for elderly individuals, and further promote the integration of elderly care and health care. The active response to population aging has risen to a national strategic level in China. The two national strategies, “Healthy China” and “Actively Responding to Population Aging”, will be the foundation of building a comprehensive system of policy support with unprecedented effort.

## **7.2 Individual, Government and Corporate Plans in the Era of Longevity**

At present, we are standing at the crossroads that none of our ancestors has been to. Along the paths lying before us, it might be thorns, and it may also be flowers. However, the wheel of history never stops at a point, and the human society must strive

to find our way out. An ancient Chinese saying goes “preparedness ensures success and unpreparedness spells failure”. In this chapter, I elaborated on the corporate plan Taikang put forward to cope with the Era of Longevity. However, under a broader framework, individuals, families, governments and enterprises should work together to come up with solutions, maximize their respective advantages, cooperate with each other, welcome opportunities and challenges with a systematic methodology, and eventually succeed in jointly building a longevity society. Here, people are in good health, families live happily together, and society is in harmony. Toward this vision, let us envisage what elements the plan of a longevity society should entail.

### **Individuals and Families: Prepare for Both Health and Wealth**

As the British scholar Linda Gratton described in her book *The 100-Year Life*, in the Era of Longevity, everyone will have a multistage life, and people will choose different lifestyles in different stages. Everyone will need to rethink, identify and discover our value at each stage and adjust our life strategies to deal changes.

First, individuals and families need to put more focus on the accumulation of health and wealth and consider seeking assistance from professional institutions as needed. The era of longevity comes with the era of health and wealth. How should we prolong life with quality? How can we reserve sufficient funds to maintain financial stability at each stage of life? These questions are the most urgent challenges to individuals and families. On the one hand, individuals will value their health more and try to stay healthy for as long as possible. In this regard, the development of life sciences and the transformation of medical models will help people better improve their own health. On the other hand, to cope with increased expenditure on medical care and eldercare, individuals and families will make more efforts to accumulate and manage wealth. People will be more motivated to increase their total wealth and prolong the lifespan of their wealth. The methods of wealth management will also be more diversified, and an increasing number of individuals and families will turn to professional institutions for comprehensive health and wealth management services.

Second, as the Era of Longevity and the era of data overlap, individuals and families will embrace technology and continue to create demand and supply. With the continuous development of digital and intelligent technology in the future, robots will be applied more widely. Some traditional physical work with low efficiency will be gradually replaced by machine work to free people from heavy physical labor and return them to brainwork. This creates good conditions for people to extend their working life and unleash productivity. In the Era of Longevity, a longer working life is likely to become inevitable. At that time, the methods and content of work will be very different from those in an industrial society. The method of work will be more digitalized and intelligent. Aging will not become an obstacle to people’s participation in labor, and the elderly can enter the labor market in more flexible ways, such as by imparting knowledge, experience and skills or even participating in the service business. The elderly will no longer be mere consumers as they always have been. They will participate more in production, play the roles of producers and innovators, and jointly drive economic growth and social progress on both the demand side and the supply side.

Third, the rising return on education will stimulate the accumulation of educational capital, and an increasing number of people will choose actively and willingly to live and learn. With prolonged life expectancy, the income term of education will also be prolonged. As the return rate per unit time spent on mental work rises, people will continue to accumulate human capital, and lifelong learning will become a new normal. Under the “education, working and retirement” three-stage life model in the industrial age, investment in education was mainly concentrated in the early phases of life. In the era of longevity, a person’s life is divided into multiple phases, and people’s strategies in learning and education will undergo major changes. There might be an increasing number of people who choose to return to their academic career after having worked for many years. There might also be people who take temporary jobs in the intervals of education to enrich their social experience and hone skills. The term “gap year”,<sup>1</sup> which was more commonly used among college students, may now be displayed throughout various stages of life in the Era of Longevity and will be endowed with new connotations. The accumulation of educational capital will run through a person’s entire life, and a learning-based life will reap the most dividends. Lifelong learning not only accumulates human capital but also enables people to maintain the ability of long-term learning. With the continuous progress of science and technology, the elderly will be “immigrants” into the field of new science and technology. Strong learning abilities will enable the elderly to better adapt to the advancement of science and technology, improve their adaptability to society, and ease the burden on their families and society. Lifelong learning will also grant people the possibility of mastering multiple skills at the same time and having a “Slash”<sup>2</sup> life of one’s own in the future.

### **The Government: Develop the Longevity Economy and Build a Society that is Fair and Elder-Friendly**

In the Era of Longevity, with the pressure of public pension, medical resources and public finance, the government needs to make distinguished achievements rather than staying the “night keeper” for the traditional market economy. The government can make a positive contribution to industrial upgrading and restructuring. The longevity economy in the Era of Longevity cannot be formed overnight. It is the result of continuous upgrades and transformation of the existing economic models. The promotion and encouragement of the government are particularly important for corporate innovation during this process.

First, in response to industrial upgrading, the government can formulate policies to promote innovation through close interaction with the industry and rely on enterprises to upgrade technology and business models. Corporate innovation is the driving force

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<sup>1</sup> Gap year, meaning a one-year gap, generally refers to a period of free time ranging from 3 to 12 months that Western young people spend before entering school or starting to work after graduation. During the gap year, they often experience a different way of life before entering the next stage of life.

<sup>2</sup> Slash refers to a group of people who are no longer satisfied with a single career but choose to have multiple careers and identities. Slash comes from the slash mark. These people will use slashes to distinguish their occupations in their self-introduction, for example John Doe, reporter/actor/photographer. “Slash” became their professional life pronoun.

of economic growth. It is also a booster to industrial upgrading and the growth of the longevity economy. In the era of longevity, enterprises need to adapt themselves to new demands and factoring structures, where the government can establish favorable policies to increase compatibility between the transformation of industrial structure and the era of longevity. For example, the government could encourage enterprises to employ seniors and provide conditions for the elderly to participate in economic activities and create social value. Japan became aware of this problem long ago, and in 2001, through the revision of the *Employment Measures Act*, a legal system was established to prohibit age discrimination in employment, as many European countries did. When people choose to begin a new career, the government can also provide some educational opportunities and basic benefits for reassurance. In key industries such as health care, elderly care and finance, the government should be responsible for maintaining a balance between regulation and innovation to enhance the capabilities of individuals, families and businesses to adapt to new challenges and opportunities in the Era of Longevity.

Favorable policies in elderly care and medical care on the supply side could also be the focal points for governments to reduce social costs and improve supply efficiency. For example, Japan promulgated *The Outline of Measures for a Longevity Society* in as early as 1986, the Gold Plan, i.e., *The Ten-Year Strategy for the Promotion of Health and Welfare for the Elderly* in 1989, and the New Gold Plan, i.e., *The New Ten-Year Strategy for the Promotion of Health and Welfare for the Elderly* in 1994, and *The Outline of Measures for an Aging Society* in 1995. Thanks to the government's early planning and actions, before the long-term care insurance system was implemented in Japan in 2000, Japan's elderly care industry had already grown to a considerable size. In China, there coexist both public and private in pension and medical care systems. If the same development space is guaranteed through policies and systems, such a mixture can significantly activate the market and drive the development of relevant industries.

Second, a longevity society must be an elder-friendly society. Governments need to promote the construction of elder-friendly infrastructure, which does not mean elder-exclusive but generally user-friendly. Elder-friendly facilities in many developed countries have been put in place over decades of urban construction. When we walk in the streets in European and US cities, we can see wheelchair lifts everywhere. As China is undergoing the fastest and most extensive urbanization in history, there are inevitable defects and hazards in the existing infrastructure: they are inconvenient for the elderly to live with and travel by. To solve this problem, we will need new designs for future infrastructure construction and transform the existing infrastructure to be elder-friendly. Thankfully, the Internet and digitization also help with elder friendliness. In the digital age, the elderly encounter the so-called digital gulf: while most people enjoy a smart and convenient life brought by technological innovation, a considerable number of seniors are confused and "trapped" by the Internet. We believe that the gulf is not a deliberate result of technology, and that human-computer interaction can be more convenient and user-friendly through continuous iteration of technology. The nature of the digital gulf is in fact the indifference to and even discrimination against the needs of elderly individuals. Therefore, to build

an elder-friendly society, the government needs to make efforts to change people's attitudes toward the elderly first.

Finally, the government can effectively promote equality in a longevity society through redistribution. However, the drawbacks of overly high welfare are noteworthy. The long-term population aging determines that relevant public policies should not be expedient but be made based on considerations of the long-term sustainable development of the economy and society. Financial and service support for the elderly should not be at the expense of increasing the burden on the younger population or depriving the benefits of future generations. The fruits of development should be shared by all social members. The recent viral Internet slang of "laying back" has long been reflected in Japanese society, and one of the contributors is that the country's social security policy pays more attention to the needs of the elderly and neglects the generations in other phases of life. The Japanese young people who are in need are not getting sufficient and desired support. In the long run, this may discourage young people from accumulating health, wealth and educational capital, which may even form a vicious circle and further reduce social vitality.

Governments around the world are taking action against the "Gray Rhino". However, it is also worth noting that the decision-making of some Western governments is prone to falling into deadlocks: their heavy reliance on an industrial path of development can easily lead to a high debt burden on public finance. We look forward to a proactive and capable government that can promote social equality while encouraging industrial development so that all members of the longevity society can join hands in creating a bright future.

### **Enterprises: Helping Solve Social Problems Through New Business Models**

In the Era of Longevity, enterprises are not only producers of social wealth but also sources of innovative business models. In particular, key enterprises can offer solutions and manage to solve the many challenges brought by the longevity era. Various industries, including the Big Health Industry, will embrace major opportunities. Which enterprises will become leaders with the most core competitiveness and highest social value in the new era? The answer to that question would be those who can perform well in their core business track, put forward full-life-cycle solutions to economic and social issues, and satisfy people's longing for a better life.

In the new era, enterprises need to reconsider their strategic planning. For businesses, strategies are above everything else. The first step to a company's success is to find the correct positioning: what business does it do? Who are the potential clients? The answers to these questions are also the starting point of making long-term strategies for the company. Strategic planning of enterprises must be based on the country's economic development, of which the determining factor is "population for long term, structure for mid-term and macro economy for short-term".

"Population for long term" means that it is necessary to keep mindful of structural changes of the population and the changes in demands of the population. In the new era, the proportion of the elderly will remain above 25% for a long time, and their consumption will lead to major changes in the consumption pattern of the entire society. As the restructuring of society, economy and industries progresses,

people's rigid needs have shifted from food, clothing, housing and transportation to entertainment, education, medical care and eldercare. Among them, the latter three are the core needs of people in the Era of Longevity. "Structure for mid-term" means that we need to look for opportunities in the restructuring of society, economy and industries. "Macroeconomy for short-term" means that enterprises need to adjust their short-term goals according to changes in the macroeconomy, although such changes in the macroeconomy usually do not affect the positioning and long-term strategies of the enterprises.

For enterprises, the first and foremost strategy is to seize clients with the strongest potential consumption power and formulate strategies, deploy business and adjust products according to changes in clients' needs. As the new era approaches, enterprises should grasp the chance of entering fields such as health, medical care, elderly care and lifelong education. The more enterprises enter the same industry, the fiercer the competition will grow. However, this fierce competition will reduce the overall cost and better promote the overall social welfare level.

Second, enterprises will need to actively participate in ecology building. Only by establishing an ecological industrial system will enterprises be able to accommodate the diverse needs of customers in the Era of Longevity. Changes in individual needs and industrial structure in the new era will certainly affect every enterprise. A columnar age structure means that the population of each age group is evenly distributed, which will lead to a decrease in market concentration and a diversification of market demands. In this regard, building an ecological model has become an inevitable choice for corporate development. That is why the Era of Longevity is an era of ecology.

Corporate competition in the Era of Longevity is a competition between ecologies. Different from the agricultural age and the industrial age, which are dominated by hierarchical authoritative systems and the specialized competition model, respectively, the Internet era requires enterprises to reinforce their competitiveness by building ecologies. With the development of information technology and the ensuing demand upgrades and innovation attempts, old-fashioned large enterprises are likely to be sieged by smaller yet more sophisticated and more professional entities in subdivided fields. To meet future challenges, large enterprises need to unite with more small entities to form an ecology.

The era of longevity is also an era of sharing. A sharing mechanism could stimulate entrepreneurship, which will then improve the overall social efficiency. The emergence of the juristic person system in the main forms of share limited companies and limited liability companies has promoted social entrepreneurship and innovation. The emergence of the founder and the option system in the Internet age have further boosted economic prosperity. The partnership model, with a wider range of incentives than the former two systems, has a sharing mechanism that is more conducive to corporate development, social entrepreneurship and social innovation, thereby enhancing the overall social efficiency and the creation of social wealth. There are various forms of partnership. For example, the gig economy introduced in Chap. 5 is a people-oriented organizational model and way of working that created a "platform-to-individual" partnership model and sharing mechanism. The elderly can

act as partners of the platform and make the best use of their expertise and experience as online influencers or individual owned media loggers. Unlike this loosely coupled model, the business partner model is tightly coupled because business partners must identify with the organization's values and commit to practicing its principles and realizing its goals. Business partners are actually a team of entrepreneurs within enterprises. Taikang's health and wealth planners are such a team. While adapting to the development requirements of the new era, they are inspired to exert their creativity to share and promote entrepreneurship.

In addition, a multiphase life needs the support of employers. Enterprises' social responsibilities and obligations could be reflected in what they would provide for their employees: it could be a recruitment system free of age discrimination, a flexible corporate culture, an office with elder-friendly infrastructure, or an inclusive and tolerant cultural environment. For example, in 2019, the McDonald's restaurant chain cooperated with the American Association of Retired Persons (AARP). McDonald's not only provided 250,000 jobs for older people but also arranged flexible working hours based on biological rhythms of different age groups, especially respecting the choices of older employees who are more willing to work an early shift. As mentioned in Chap. 5, BMW in Germany transformed its production lines and created a suitable working environment so that older employees could continue to work. In addition to an elder-friendly workplace environment, many companies also advocate an inclusive culture that is friendly to older people. At ABB, a global leader in power and automation technology, at the age of 45, employees will be invited to a three-day seminar to discuss their career development and possible turning points, which gives them a chance to review their career choices, think about future development and prepare themselves for new platforms.

In the era of longevity, enterprises need to place greater emphasis on continuous innovation, which is the source of human progress. Every innovation in human history, whether it is in institution, theory, science, technology or business model, affects the progress of human society. As human history progresses, such an impact is becoming increasingly significant, which keeps changing the production model and lifestyle of human society. Institutional innovation builds basic frameworks of the organizational system of human society. Theoretical innovation explores the frontier of human cognition, which is the foundation of scientific and technological innovation. Technical innovation is an extension of scientific and technological innovation. Ultimately, the innovation of business models transforms technological breakthroughs into goods and services, making people's lives more convenient and affordable and gradually changing the lifestyle of human beings.

### **7.3 Taikang Plan's Chain Reaction in a Longevity Society**

As a representative figure in actively responding to new challenges in the Era of Longevity, Taikang has launched a corporate plan based on long-term practical exploration and continuous innovation to cope with the new era. We believe that

the Taikang Plan is not only an innovation of business models but also one of elderly care and health financing models. We hope it will inspire theoretical innovations and expand the frontier of knowledge in practice.

By combining virtual insurance payments with real medical care, elderly care, rehabilitation and end-of life care and services that cover a person's full life cycle, the Taikang Plan launched a new series of products, developed a new client base, created a new occupation, invented a new sales model, attracted a new group of residents, and forged new funding channels designated for elderly care and health care. It is Taikang's corporate strategy, and it also represents a complete package of solutions for enterprises in the new era. This business model can help individuals solve financing problems and ease family burdens, scale up long-term funds in the financial market, and alleviate public finance pressure for the government. The Taikang Plan will broaden the connotation and extension of the Big Health Industry in a longevity society and realize mutual benefit and win-win results with more enterprises, thus stimulating the synergy of individuals, governments and enterprises.

The Taikang Plan provides individuals with an optimized funding option. It maximizes the compound interest through long-term value investment and wealth management by professional financial institutions, thus encouraging early preparation, easing the pressure of raising children and allowing more resources to be invested for the development of human capital. On the other hand, the "Four-Sphere" full-life-cycle product system, together with the nationwide network of real services of medical care, elderly care, rehabilitation and end-of life care and services, protects people's health and wealth throughout their lives, helps individuals and families form a new outlook on life and lives, and improves the quality of a prolonged life. In particular, Taikang Community, as a pilot of the longevity economy, not only provides a lovely home for the elderly but also a platform for lifelong learning and value recreation. Fairly speaking, the plan has been truly integrated into people's longevity.

The explorations made by the Taikang Plan also have a profound influence on public policies and social development. The era of longevity is a long-term issue in global development. As a latecomer, China, through vigorous governmental actions in recent years, has put in place a main framework of policies, including actively responding to population aging and upgrading the Big Health Industry. With the support of national policies and systems, the role of the insurance industry in China's society and economy is undergoing profound changes. In 2006, the State Council issued *some Opinions Concerning the Reform and Development of the Insurance Industry*, which emphasized the functions of insurance in economic compensation, financial integration and social management. In 2014, *Several Opinions of the State Council on Accelerating the Development of the Modern Insurance Service Industry* were issued to encourage insurance funds to enter elderly care and health industries. In 2020, thirteen ministries and commissions of China, including the Banking and Insurance Regulatory Commission, jointly issued *Opinions on Promoting the Development of Commercial Insurance in the Field of Social Services* to encourage insurance companies to provide long-term equity financing for social services and work with the government to jointly lead the reform and development of the medical care and elderly care sector. The practice of the Taikang Plan and the national policies



promoted and confirmed each other. It gives full play to the advantages of commercial enterprises and provides a practical basis for the promulgation of policies.

As a financing plan dealing with the risks of longevity, the Taikang Plan will undoubtedly play a more important role when public finance is under serious pressure. At present, the social security systems of various countries are generally affected by the population aging. The traditional three-pillar pension system relies on continuous financial transfusion from the government, and people will need to be encouraged by huge tax incentives to choose third pillar products for long-term fund accumulation. In contrast, the personal financing approach advocated by Taikang does not rely on government subsidies. It is driven by people's longing for a long and good life. Through the combination of virtual insurance and real services, people can make the best choice for themselves and become a long-termist. This is also the contribution of the Taikang Plan to the sustainability of the social security system.

As a corporate solution to the new era, the Taikang Plan promotes industrial reforms at the corporate level by calling for more enterprises to participate in solving common challenges. The two core demands of a longevity society are to raise funds and provide services, and the Taikang Plan integrates both. Therefore, the track Taikang is in is the main business track of the new era, and it is incredibly promising. The plan will also create a Big Health ecology of cooperation, bringing more corporate solutions together to provide a one-stop experience for our clients.

Inspired by the Taikang Plan, an increasing number of insurance companies and companies in other industries in China are joining us in elderly care, medical care and health care businesses. It is expected that within a decade, China's medical care, elderly care and insurance industries will enter a phase of fast development. By then, national policies will be rapidly refined, capital and industrial structures will be rapidly adjusted, major enterprises will be rapidly entering, and cooperation between the government and enterprises will deepen. The next ten years will also be the best time for China to catch up to or even grow to lead the global eldercare revolution. The idea of combining insurance, medical care and eldercare in the Taikang Plan enriches the connotation and extension of the longevity economy. It expands room for the development of the pension industry and the Big Health Industry, which will definitely become the mainstream economy in the era of longevity. More companies will be attracted to this largest livelihood project to create their own subdivisions of business and inspire more commercial innovation and theoretical thinking.

In response to the new era, all aspects of society are calling for reforms, which require great momentum. The source of momentum could be a chain reaction of interactions between individuals, governments and enterprises, in which every action of any party can cause changes in other parties, finally ushering in a harmonious longevity society. The Taikang Plan has become a power engine for this chain reaction. To a certain extent, the financing model at the core of the Taikang Plan helps individuals take responsibility for their families, improves the efficiency of public finance and makes payments for other businesses under the Big Health Industry. Moreover, as pilots of the longevity economy, Taikang longevity communities are gradually changing people's attitudes toward life and lifestyles. In the future, Taikang will further promote the elderly care revolution, enrich and improve the Big Health

ecology, increase efficiency and reduce costs in a market economy approach and continue innovation so that more people can enjoy a long and good life. Taikang will persist in our philosophy that business should be doing good and become the positive energy for a longevity society to make people healthier, families happier and society more harmonious.

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