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**FORMAL AND INFORMAL INTERGENERATIONAL SUPPORT TRANSFERS  
IN SOUTH-EASTERN ASIA**

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At the turn of the millennium, population ageing has replaced fertility control as a primary concern of developed and developing nations. Population ageing will put pressure on the intergenerational support of older persons in both social and economic terms. This paper reviews some of the demographic indicators for South-Eastern Asia with the aim of presenting the rapid ageing of its population. This is followed by a review of the levels and types of informal intergenerational support available for older adults in South-Eastern Asia using specific countries as examples. This is followed by a discussion of the changes in demographic and social realities that may make continued familial support of older adults difficult. Then, the notion of a South-Eastern Asian family response model is introduced. This notion of a family response model is unique to South-Eastern Asia and is an outcome of specific cultural, demographic, and economic contexts. The levels and types of formal support available to older adults in South-Eastern Asia are then examined, with the aim of highlighting the inadequacies of available formal systems. The paper also addresses the policy implications based on conclusions derived from available data for South-Eastern Asia.

In thirty years' time, more than half of the world's older population will reside in Asia. The speed of ageing, however, is not uniform across Asian countries. In general, more developed Asian countries with higher per capita income are ageing faster (table 1). On one end of the scale is Singapore with the highest life expectancy of 79 years and lowest total fertility rates of 1.35 for the period 2000-2005. On the other end of the scale, Cambodia has the lowest life expectancy of 56 years and the highest total fertility rate of 4.14. In 2005, Singapore had the highest old age dependency ratio of 12 older adults aged 65 and above per 100 in the working ages 15-64. This is double the old-age dependency ratio of countries such as Brunei Darussalam, the Philippines and Cambodia. South-Eastern Asia is projected to age rapidly in the next 30 years and this will result in a closing of the demographic window of opportunity that benefited most of these countries economically in the 1970s and 1980s. To explain further, in many developing countries, ageing, paradoxically, is accompanied by a substantial decrease in the dependency ratio. This ratio of dependent young and elderly to the adult population first declines with the fall in fertility and later increases as the population ages. The rapid and significant fall in fertility, together with the still modest increase in the number of old people, modifies the age structure of the population in favour of young adults, producing the "demographic window" (Bloom and Sevilla, 2003). As a result, working-age adults will support a relatively low social burden for the next two or three decades. This situation gives developing countries a rare opportunity to implement fundamental social policies that can be the foundation of sustainable development before they face inescapable and unprecedentedly fast ageing (Chan, Lutz, and Robine, 2005). The closing of this demographic window of opportunity will put pressure on Governments to provide care for older members of their societies. Asian Governments currently consider care for older citizens as a family responsibility. However, policymakers realize that families may find it increasingly difficult to care for older members as South-Eastern Asian societies develop.

TABLE 1.. DEMOGRAPHIC INDICATORS FOR SELECTED COUNTRIES IN SOUTH-EASTERN ASIA<sup>a</sup>

Country	Life expectancy	Healthy life expectancy <sup>b</sup>		TFR (???)	Old-age dependency ratio
	2000-2005	Males	Females	2000-2005	2005
Singapore.....	78.6	68.8	71.3	1.35	12
Brunei Darussalam.....	76.3	65.1	65.5	2.50	5
Thailand.....	69.7	57.7	62.4	1.93	10
Malaysia.....	73.0	61.6	64.8	2.93	7
Indonesia.....	66.5	57.4	58.9	2.37	8
Philippines.....	70.2	57.1	61.5	3.22	6
Myanmar.....	60.1	49.9	53.5	2.46	8
Cambodia.....	56.0	45.6	49.5	4.14	6

<sup>a</sup> Population Division of the Department of Economic and Social Affairs of the United Nations Secretariat, *World Population Prospects: The 2004 Revision and World Urbanization Prospects: The 2003 Revision*, <http://esa.un.org/unpp>

<sup>b</sup> Lamb, V.L. (1999). Active life expectancy of the elderly in selected Asian countries. *NUPRI Research Paper Series*, No. 69.

#### A. LIVING ARRANGEMENTS

Current policies directed at the care of older adults place the onus of care on the family. Most Asian Governments view co-residence as an important form of informal support (e.g., tax incentives provided to children who reside with older parents in Malaysia and Singapore). In the late 1980s and 1990s, Western theorists and organizations such as the World Bank (1994) pointed to the fact that multi-generational living may decline in Asian societies with the development of modern economies. This decline in multi-generational living was thought to have a negative effect on older adults' well-being (Martin, 1990; World Bank, 1994). Several factors operate to decrease the probability of co-residence. These include lower fertility, gender preference, migration, and changing tastes. Lower fertility generates fewer opportunities for co-residence as there are fewer children available to live with. Lower fertility also lessens the probability that an individual's gender preference for choice of child to live with will be fulfilled. This is particularly relevant in countries where gender preference persists. Migration of young adults from their country of origin also reduces the availability of children with whom to co-reside. Finally, changing attitudes towards co-residence, for example, an increased preference for privacy on the part of older parents or adult children may contribute to a decline in co-residence levels (DaVanzo and Chan, 1994).

The following tables examine changes in living arrangements over time in select South-Eastern Asian countries. In the Philippines, there has been little change in the percentage of older adults living with a child between 1988 and 1996. Approximately two-thirds of older adults lived with a child, 6 per cent lived alone, and 8 per cent lived with a spouse only in 1996. Unfortunately, trend data were not available for Viet Nam when these data were assembled but 83 per cent of older adults in Ho Chi Minh City were living with any child, 5 per cent were living alone, and 5 per cent were living with a spouse only in 1997.

TABLE 2. PERCENTAGE DISTRIBUTION OF OLDER PERSONS BY LIVING ARRANGEMENT  
FOR SELECTED SOUTH-EASTERN ASIAN COUNTRIES

Country	Year and nature of sample	Living with any child	Living alone	Living only with spouse	Other living arrangements
Philippines.....	1988 National Survey	68	4	10	18
	1996 National Survey	69	6	8	17
Viet Nam.....	1996 Red River Delta Survey	74	7	13	6
	1997 Ho Chi Minh City and Nearby Provinces	82	5	5	8
Singapore.....	1988 National Survey of Senior Citizens	88	2	3	7
	1995 National Survey of Senior Citizens	85	3	6	6
Thailand.....	1995 National Survey	74	4	12	10
	2002 National Survey	68	7	14	11

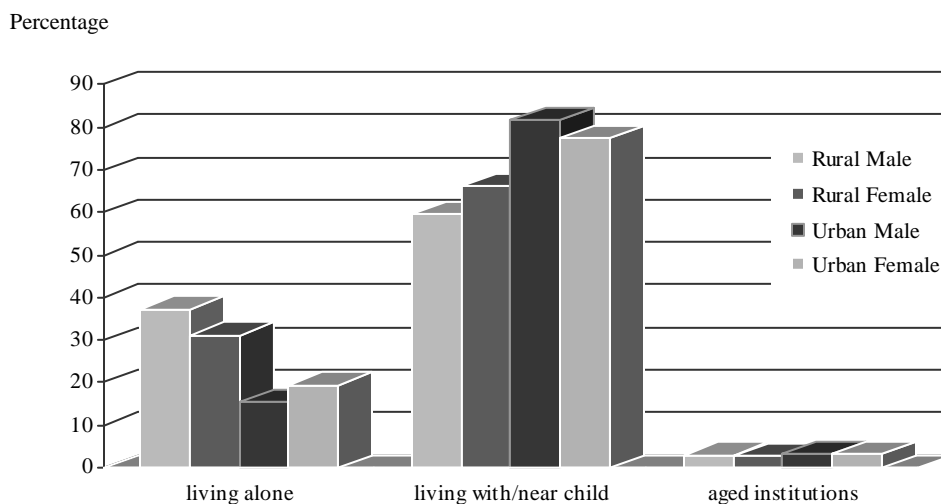
<sup>a</sup> Knodel, J. and N. Debavalya . (1997). Living arrangements and support among the elderly in South-Eastern Asia: an introduction. *Asia-Pacific Population Journal*, Vol. 12, pp. 5–16.

<sup>b</sup> Knodel, J., N. Chayovan, P. Mithranon, P. Amornsirisomboon, and S. Arunraksombat. (2005). Thailand's older population: social and economic support as assessed in 2002. *PSC Research Report*, No. 05-571.

In Singapore, there has been little change in the percentage of older adults living with a child. Specifically, 88 per cent of older adults lived with a child in 1988 compared to 85 per cent in 1995. This slight decrease in the percentage of older adults living with a child appears to be offset by a doubling in the percentage living with a spouse only between 1988 and 1995. In Thailand, there appears to be a decrease in the percentage living with children from 74 per cent in 1995 to 68 per cent in 2002. The percentage living alone has almost doubled. Overall, the proportion of older adults living with a child remains high although there appears to be an increase in the proportion of older persons living alone or with a spouse only.

Recent data on preferences by type of living arrangement show some interesting patterns. Figure I shows the percentage of older Indonesians who prefer to live with or near a child, or alone. In general, the preference is to live with or near a child. However, urban males and females are the most likely to prefer living with a child; 81 per cent of urban males and 78 per cent of urban females prefer this arrangement. Rural males and females are more likely to prefer to live alone compared to urban older adults; one-third of rural older adults prefer to live alone. One possible explanation is that urban males and females understand their situation: it is difficult to move around in an urban environment. The uneducated, in particular, face difficulties with transportation and language. It is difficult for older persons to find employment in urban areas, and the living costs are high. Thus, urban males and females report a greater preference for living with children compared to their counterparts in rural areas. A small proportion of older adults, less than 10 per cent, report that their preferred type of living arrangements is to be living in an institution.

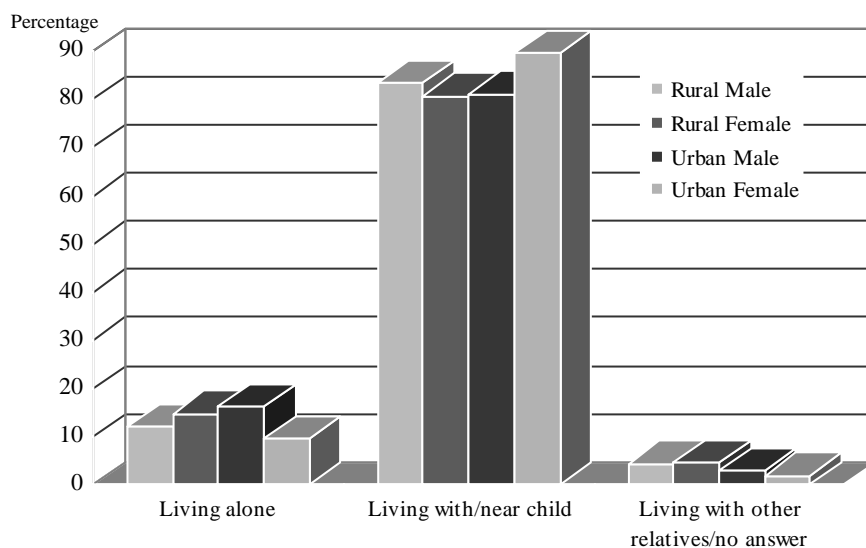
**Figure I. Preferred type of living arrangement, by urban-rural location and gender (Indonesia<sup>a</sup>)**



<sup>a</sup> United Nations (1999). The family and older persons in China, Indonesia and Thailand. *Asian Population Studies Series* (New York), No. 152.

In Thailand, the proportion of older adults who prefer to live alone is much smaller compared to Indonesia; 15 per cent or fewer older Thais prefer to live alone (figure II). The proportion preferring to live with children is very high, 80 per cent or more. Urban females, in particular, are more likely to prefer to live with or near a child. This may be because this is the most disadvantaged group in an urban setting; urban females of this generation are more likely to be uneducated and to be disabled, and less likely to have ever worked compared to their male counterparts. The difficulties of maneuvering in an urban setting and the high cost of living may explain their preference for living with or near children.

**Figure II. Preferred type of living arrangement, by urban-rural location and gender (Thailand<sup>a</sup>)**



<sup>a</sup> United Nations (1999). The family and older persons in China, Indonesia and Thailand. *Asian Population Studies Series* (New York), No. 152.

## B. INTERGENERATIONAL TRANSFERS

In recent years there has been an increased emphasis on the study of intergenerational transfers as opposed to simply the study of living arrangements. Hermalin (2002) notes the need to take into account the form, i.e., living arrangement type, and also the function, i.e., what goes on within the family in terms of living arrangements. This type of information on intergenerational types and flows has provided us with a better picture of the support of older adults within Asian families.

TABLE 3. PERCENTAGE DISTRIBUTION OF OLDER ADULTS (AGED 60 OR OVER) RECEIVING AND PROVIDING MONETARY TRANSFERS IN SELECTED SOUTH-EASTERN ASIAN COUNTRIES <sup>a</sup>

<i>Country</i>	<i>Percentage receiving</i>	<i>Percentage giving</i>
Thailand.....	88.1	54.7
Philippines.....	87.9	67.2
Singapore.....	90.5	28.4
Viet Nam <sup>b</sup> (RDD).....	34.8	5.4
Viet Nam(HCMC).....	78.4	33.8

<sup>a</sup> Biddlecom, Ann, Napaporn Chayovan, and Mary Beth Ofstedal (2002). Intergenerational support and transfers. In *The Well-Being of the Elderly in Asia: A Four-Country Comparative Study*, A. I. Hermalin, ed. Ann Arbor: The University of Michigan Press, pp. 185-229.

<sup>b</sup> Anh, T. S., Bui The Cuong, D. Goodkind, and J. Knodel, (1997). Living arrangements, patrilineality and sources of support among elderly Vietnamese. *Asia-Pacific Population Journal*, Vol.12, pp. 69-88.

In most South-Eastern Asian countries, intergenerational transfers flow from children to older parents. A total of 91 per cent of older adults in Singapore, 88 per cent in Thailand and the Philippines and 78 per cent in Viet Nam receive monetary transfers from their children. However, older parents are not passive recipients of support. Sixty-seven per cent of older parents in the Philippines and 55 per cent in Thailand provide monetary support to their adult children. Thus, older parents need not always be viewed as dependent on other family members. Furthermore, enhancing older adult well-being will enhance overall family economic well-being.

Intergenerational transfers of material goods are also more likely to flow upwards, i.e., from children to parents. In the Philippines, Thailand, and Viet Nam, approximately 90 per cent of older adults receive material goods from their children. However, as with financial transfers, two-thirds of older Filipino parents and almost half of all older Thai parents provide material support to their children. As shown above, intergenerational support of older adults appears to remain high.

TABLE 4. PERCENTAGE OF OLDER ADULTS (AGED 60 OR OVER) RECEIVING AND PROVIDING MATERIAL GOODS IN SELECTED SOUTH-EASTERN ASIAN COUNTRIES<sup>a</sup>

<i>Country</i>	<i>Receiving material support</i>	<i>Giving material support</i>
Thailand.....	87.5	47.1
Philippines.....	90.6	76.1
Viet Nam <sup>b</sup> (RDD).....	86.4	11.9
Viet Nam (HCMC).....	90.0	38.3

<sup>a</sup> Biddlecom, Ann, Napaporn Chayovan, and Mary Beth Ofstedal (2002). Intergenerational support and transfers. In *The Well-Being of the Elderly in Asia: A Four-Country Comparative Study*, A.I. Hermalin, ed., Ann Arbor: The University of Michigan Press, pp. 185-229.

<sup>b</sup> Anh, T. S., Bui The Cuong, D. Goodkind, and J. Knodel. (1997). Living arrangements, patrilineality and sources of support among elderly Vietnamese. *Asia-Pacific Population Journal*, Vol.12, pp. 69–88.

### C. ATTITUDES TOWARDS FAMILY SUPPORT

In many Asian countries filial piety appears to remain a strong norm. For example, Sobieszczyk, Knodel, and Chayovan (2003)) suggest that respect for the elderly is strong in Thailand. In countries that are rapidly modernizing, the forms of respect may be changing rather than decreasing. For example, Mehta (1997) suggests changing forms of respect in Singapore. The attitudinal data shown in table 5 reveals that a large a large majority of older adults in urban Indonesia disagree with the statements: “children today take less care of their elderly parents than they used to in the past” and “Youngsters today have less respect for elders than they used to in the past.”

Table 5. Perceived support for family care: older urban Indonesians

<i>Question</i>	<i>Agree</i>	<i>Disagree</i>
Children today take less care of their elderly parents than they used to in the past	14.1	85.8
Youngsters today have less respect for elders than they used to in the past	14.9	85.1

Source: Wirakartakusumah (1999).

The maintenance of family support in rapidly industrializing contexts suggests that Asian families may respond differently to the pressures of social and economic development compared to Western countries. Maintenance of familial care of older adults may be possible if we enable families by putting appropriate policies in place. Enabling families require a recognition of the pressures they face when caring for older adults. Even if the situation is as positive as the data suggest - i.e. older adults still have moderate to high social status in South-Eastern Asia, and children are filial - there is still the need to address the issue of caregiver burden when developing policies regarding living arrangements and intergenerational transfers. The best intentioned adult child will face the effects, both physical and mental, of caring for an older parent as the number of years, and the cost, of required care increases over time. What have South-Eastern Asian nations done in response to enable families to take care of older members?

#### D. RELIANCE ON FORMAL SUPPORT

Several countries in South-Eastern Asia now have established national policies on ageing, including Indonesia, Malaysia, the Philippines, Singapore, and Thailand (Phillips, 2000). The major difficulty lies in fine-tuning the amount of formal support Governments should provide. On the one hand, the provision of formal care for older persons, whether it is economic (social security or pension schemes), physical (built environments/nursing homes), or social (community programmes) will, to some extent, replace functions performed by the family. The World Bank (1994) has provided a number of reasons why Governments might want to be cautious regarding the implementation of formal programmes. As mentioned above, formal programmes may “crowd out” or lessen family support of older persons. Formal programmes also need to be instituted in an economic and social environment that can be supportive of such programmes. In an uncertain economic arena, e.g., in an arena that lacks infrastructure or legislation, the implementation of social security or alternative programmes is more likely to fail. In many Asian countries, as social security plans now stand, workers are often able to evade contributions but manage to qualify for benefits, and savings are often not indexed to inflation. Thus, recipients receive lower payments than anticipated.

Formal programmes that “crowd in” family support of older persons are ideal. These types of programmes encourage familial support of older persons, rather than replace familial support. Various Government incentives are offered as rewards for caring for the ageing parents. For example, in Singapore, priority housing and tax incentives are provided to adult children who live with older parents. As Governments in Asia and the Pacific re-assess their formal programmes for older persons or seek to develop new ones, certain key issues need to be taken into account. The major difficulty lies in fine-tuning the amount of formal support Governments should provide. On the one hand, the provision of formal care for older persons, whether it is economic (social security or pension schemes), physical (built environments/nursing homes), or social (community programmes) will, to some extent replace functions performed by the family.

Apart from the issue of formal programmes, there is the issue of legislating family care of older adults. How far should Governments go in legislating filial piety, and do such sanctions operate to enhance familial support of older parents? For example, in Singapore, parents can sue adult children for economic neglect. However, the number of cases actually brought forward to the tribunal is only 100 or less per year. In most cases, there are other prevailing reasons why adult children refuse to support their parents - for example, that the adult children were abused by their parents.

The main source of formal support in South-Eastern Asia is the pension programme. However, most Asian countries do not have adequate social security systems in place. For example, Asher (1996) notes that social security systems in the Philippines and Indonesia are inadequate and under-funded, leading to an uncertain economic future for current and future older persons. In addition, only a minority of older persons are covered by formal systems in most countries. Singapore stands out as an Asian country with a well developed social security programme known as the Central Provident Fund (CPF). However, estimates show that in 2003 the net balance of members’ accounts (after withdrawal for housing investments and other schemes) did not meet the minimum balance required (set at 80,000 Singapore dollars in 2003). Only two-thirds of Singapore’s current older persons are covered by the CPF. The majority continues to depend on their families for economic support. In addition, the recent Asian economic crisis has had detrimental effects on many savings plans in Asia, decimating the investments of many older persons. With the exception of the Red River Delta area in Viet Nam, figure 5 shows that very few older adults, less than 10 per cent, in Singapore, Thailand, Indonesia, Viet Nam and the Philippines rely on pension income as their major source of income:

Percentage of older adults reporting pension income as a major source of income:

Singapore	2.2
Thailand	2.3
Indonesia	9.0
Viet Nam (RDD)	22.8
Viet Nam (HCMC)	2.4
Philippines	7.0

Sources: Ofstedal, Chan, Chayovan, Chuang, Perez, Mehta, and Hermalin (2002).  
Anh, T. S., Bui The Cuong, Goodkind, D. and Knodel, J. (1997).

#### E. POLICY IMPLICATIONS

Existing research suggests the need for policies that enable families to support older members. In countries such as Malaysia and Singapore, there exist some financial incentives. On a practical level, however, home nursing and respite care are seriously lacking. Policies that allow older persons to maintain their independence are important. Healthy and economically active older adults will significantly reduce the stress on the family. Several countries in Asia are concerned about low fertility rate. However, couples will decide not to have children or to have fewer children, unless policies are not established that recognize the burden on middle-aged children to support two generations - their older parents and their own children. In Singapore, the high cost of living and time pressures are the most frequently cited reasons for not wanting to have children. In addition, policies that recognize the enormous costs of caregiver burden need to be put in place. This includes the development of more respite care centers and educating caregivers about their own needs. Formal support for the current generation of older adults is insufficient and ineffective, and quality and coverage are poor.

Some countries, such as China and Singapore, have even legislated family care. Existing research shows, however, that family support may be declining in the face of structural changes such as rapid industrialization, globalization, and increased migration (World Bank, 1994). There are also documented sociological changes such as less convergence across generations. The speed of population ageing in South-Eastern Asia and indeed, in Asia as a whole, requires that policymakers remain flexible. In one generation, the entire picture will change. The next generation of older adults will be significantly better educated and will have higher incomes and better health. As such, the policies that they will require will be very different from the current generation of older adults.

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