

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, and 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 that is unique to the region and is an outcome of specific cultural, demographic, and economic contexts is introduced. 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 be residing 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 or over 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.

In many developing countries, the beginning of the ageing process 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

TABLE 1. DEMOGRAPHIC INDICATORS FOR SELECTED COUNTRIES IN SOUTH-EASTERN ASIA

<i>Country</i>	<i>Life expectancy</i>	<i>Healthy life expectancy</i>		<i>Total fertility rate</i>	<i>Old-age dependency ratio</i>
	<i>2000-2005</i>	<i>Males</i>	<i>Females</i>	<i>2000-2005</i>	<i>2005</i>
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	5.6	49.5	4.14	6

Sources: United Nations (2004, 2005); Lamb (1999).

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.

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 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 such as, for example, an increased preference for privacy by either 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. In 1996, approximately two-thirds of older adults lived with a child, 6 per cent lived alone, and 8 per cent lived with spouse only (table 2). Unfortunately, there were no trend data for Viet Nam at the time of this study, but available data for Ho Chi Minh City shows that 83 per cent of older adults were living with a child, 5 per cent were living alone, and 5 per cent were living with spouse only in 1997.

In Singapore, there has been little change in the percentage of older adults living with a child. In 1988, 88 per cent of older adults lived with a child 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 spouse only between 1988 and 1995. In Thailand, there was a decrease in the percentage living with children from 74 per cent in 1995 to 68 per cent in 2002. Conversely, the percentage living alone has almost doubled. Overall, the proportion of older adults living with a child remains high even though there appears to be an increasing trend in the proportion of older persons living alone or with spouse only.

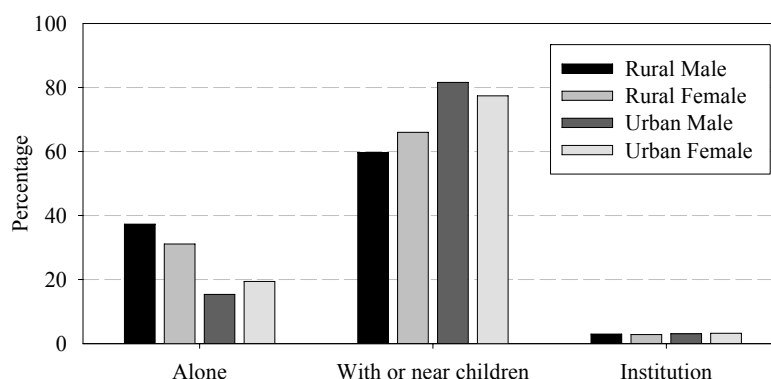
Recent data on preferences by type of living arrangement show some interesting patterns. Figure 1 shows the percentage of older Indonesians who prefer to live with or near a child, or to live alone. In general, the preference is to live with or near a child. However, urban males (81 per cent) and urban females (78 per cent) are those most likely to prefer this living arrangement. Rural older males and

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

Sources: Knodel and Debavalya (1997); Knodel and others (2005).

Figure 1. Preferred type of living arrangement by urban-rural residence and sex, Indonesia

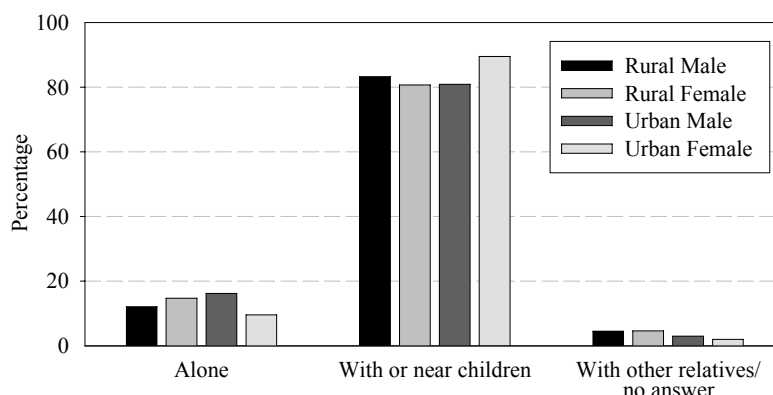


Source: United Nations (1999).

females, on the other hand, are more likely to prefer living alone as compared to their urban counterparts: one-third of rural older adults prefer to live alone. One possible explanation is the perception of urban older adults regarding the difficulties in moving around in an urban environment. The uneducated are the ones who face greater difficulties, particularly with respect to transportation and language. Moreover, it is difficult for older persons to find employment in urban areas, and the living costs are higher than in rural areas. 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.

In Thailand, the proportion of older adults who prefer to live alone (15 per cent or less, depending on the sex and place of residence) is much smaller compared to Indonesia (figure 2). The proportion preferring to live with children is very high, 80 per cent or more. In particular, an extremely high proportion of urban older females (about 90 per cent) prefer to live with or near a child. This

Figure 2. Preferred type of living arrangement, by urban-rural residence and sex, Thailand



Source: United Nations (1999).

may reflect the particularly disadvantageous situation of older women in urban settings, who 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.

B. INTERGENERATIONAL TRANSFERS

In recent years there has been an increasing 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 both the form, i.e., living arrangement type, and the function, i.e., intra-family relationships, in terms of living arrangements. This kind of information can provide a more comprehensive picture of the support flow involving older adults within Asian families.

In most South-eastern Asian countries, intergenerational transfers from adult children to older parents are intense. 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 received monetary transfers from their children (table 3). 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 provided monetary support to their adult children. In Singapore and Viet Nam the corresponding percentages are significantly lower. Thus, older persons should not always be viewed as dependent on other family members. Furthermore, the important downward support flow from parents to children suggests that enhancing older adult well-being would enhance overall family economic well-being.

As in the case of monetary transfers, intergenerational transfers of material goods are also more likely to be upwards (from children to parents). In the Philippines, Thailand, and Viet Nam, approximately 90 per cent of older adults received material goods from their children. However, as with financial transfers, the downward flow of material support also tends to be important, particularly in the Philippines and Thailand. Two-thirds of older Filipino parents and almost half of older Thai parents provided material support to their children. All those figures suggest that intergenerational support transfers of older adults remains significantly high.

TABLE 3. PERCENTAGE OF POPULATION AGED 60 OR OVER RECEIVING AND PROVIDING MONETARY TRANSFERS IN SELECTED SOUTH-EASTERN ASIAN COUNTRIES

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

Sources: Biddlecom, Chayovan and Ofstedal (2002); Anh and others (1997).
NOTE: RRD=Red River Delta; HCMC=Ho Chi Minh City.

TABLE 4. PERCENTAGE OF POPULATION AGED 60 OR OVER RECEIVING AND PROVIDING MATERIAL GOODS IN SELECTED SOUTH-EASTERN ASIAN COUNTRIES

<i>Country</i>	<i>Percentage receiving</i>	<i>Percentage providing</i>
Thailand.....	87.5	47.1
Philippines.....	90.6	76.1
Viet Nam (RRD).....	86.4	11.9
Viet Nam (HCMC).....	90.0	38.3

Sources: Biddlecom, Chayovan and Ofstedal (2002); Anh and others (1997).
NOTE: RRD=Red River Delta; HCMC=Ho Chi Minh City.

C. ATTITUDES TOWARDS FAMILY SUPPORT

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

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 by putting appropriate policies in place to enable families. Enabling families requires, in the first place, recognizing 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 filial piety remains strong - there is still the need to address the issue of caregiver burden in any policy 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 enabling families to take care of older members?

TABLE 5. CHANGES IN FAMILY CARE AS PERCEIVED BY OLDER URBAN INDONESIANS

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

Source: Wirakartakusumah (1999).

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). As Governments in Asia and the Pacific re-assess their formal programmes for older persons or seek to develop new ones, some key issues need to be taken into account. The major difficulty lies in fine-tuning the amount of formal support Governments should provide. 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 already mentioned, formal programmes may “crowd out” or lessen family support for older persons. Formal programmes also need to be established in an economic and social environment that can be supportive of such programmes. In an uncertain economic arena, e.g., one 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. Savings, on the other hand, are often not indexed to inflation thereby recipients receive lower payments than anticipated.

Formal programmes that “crowd in” family support for older persons are ideal. Rather than replace, these types of programmes encourage familial support of older persons. Various Government incentives are offered as rewards for caring for older parents. For example, in Singapore, priority housing and tax incentives are provided to adult children who live with older parents.

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? Do such sanctions operate to enhance familial support of older parents? 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, the figures below show that very few older adults, less than 10 per cent, in Singapore, Thailand, Indonesia, Ho Chi Minh City in 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 (Red River Delta)	22.8
Viet Nam (Ho Chi Minh City)	2.4
Philippines	7.0

Sources: Ofstedal and others (2002); Anh and others (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 put in place 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. Policies that recognize the enormous costs of caregiver burden need also 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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