

FAMILY SUPPORT NETWORKS AND POPULATION AGEING

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This paper assesses our knowledge about the nature of family and non family support among elderly in low income countries. We identify research areas where there is widespread agreement and the more abundant ones plagued with sharp disagreement or lack of reliable information to even begin a debate. **First** we describe unique features of the process of aging in most low income countries. The uniqueness is made up of four singularities: (a) the speed of aging triggered by forces rooted in the mortality decline that started in the early nineteen forties; (b) the sharp and sudden decline of fertility that takes place after 1970-80; (c) the ideological transformation that erodes traditional fertility regimes, reshapes preferences, norms and values about family and kin ties and obligations, and leads to the diffusion and adoption of secularized, ‘Westernized’ or even “post-modern” ideologies; (d) the changing role of the public sector and private markets and the impact it may have on the contexts within which elderly support is allocated and, finally, (e) the consequences of these forces for coresidence patterns.

Second we summarize what we know about the nature of very general intergenerational transfers drawing from recent empirical evidence stretching a wide range from primitive to preindustrial and modern industrialized societies. **Third**, we review alternative theoretical perspectives and focus our attention on theories relying on altruism and exchange and the contribution to these theories made in sociology, anthropology, economy and evolutionary biology. In this section we also briefly examine a somewhat neglected topic, namely, the nature of elderly support that originates neither in kin networks nor in public programs but in informal organizations explicitly designed to cater to needs of elderly individuals. **Fourth**, we analyze findings from a set of seven surveys of elderly living in large cities in Latin American and the Caribbean (LAC). These findings focus on two dimensions of elderly care: the availability of actors to provide support, on the one hand, and the propensity of these actors to supply support, on the other. We use this analysis to illustrate different trajectories of family support that result from different combinations and separate contribution of kin-availability and kin propensities.

1. Unique demographic features of aging in low income countries

We argue that researchers and policy makers must take into account two characteristics of the aging process in low income countries. First, the demographic regimes of low income countries are characterized by forces that produce rapid aging, in a much more compressed period of time relative to the experience of high income countries. In particular, availability of kin will shrink rapidly from habitual high levels to unusually low levels. Second, an important fraction of the growth of the elderly population, at least in the first 20 to thirty years of the process, is due to

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the survival of individuals who, due to their early experiences, may be frailer than the average frailty experienced during the past. This, in combination with an unusual ecology of diseases, a mixture of chronic conditions with still significant prevalence of infectious diseases, could lead to unfavorable health and disability distributions. Thus, the demand for elderly care could grow significantly during a period of rapid decompression of kin availability.

2. Institutional and ideological contexts

If the demography of aging in low income countries is peculiar, so is the institutional context in which those changes are occurring. In many of these countries there are no established programs of public support for the elderly and in those where they existed in the recent past, the role of the public sector has declined. The existence of widespread poverty and large inequalities as well as poor macroeconomic performance aggravates the situation and leaves intrafamily exchanges as the only avenue of support for a growing elderly population. Yet, even the family as a safety net may become threatened. It is possible that low income countries are in the midst of ideological transformations that erode traditional fertility regimes, reshapes preferences, norms and values about family and kin ties and obligations, and leads to the diffusion and adoption of secularized, 'Westernized' or even "post-modern" ideologies. If so, the strongest pillar for elderly support, the family, will weaken precisely during a period of rapid aging and contracting demographic availability of kin. Although these processes also took place in more developed countries, they did so more gradually, within more solid institutional contexts and in an environment of strong economic performance.

3. Evidence from coresidential patterns

Residential arrangements of elderly is one of the materials in transactions between generations. Coresidence with extended kin is also a means that facilitates and increases the efficiency of other exchanges, including material goods and services, produces returns to scales, generates additional benefits from pooling and sharing resources (housing costs, food preparation and sharing, etc.) and, finally, creates conditions that may reinforce emotional and psychological support (company and attention) that benefit the elderly. Under fragile institutional contexts coresidence may be a key resource that could offset the potentially negative consequences of compressed aging and the stationary or increased frailty distribution of the elderly. If low income countries were to track changes in high income countries, this resource could dry up thus making more difficult the prevalence of other transfers benefiting the elderly. Thus, trends in intergenerational residential arrangements may have non trivial implications for the well-being of the elderly, particularly in the presence of rapid aging, potentially perverse changes in their health and disability status, and the fragile institutional contexts described before.

Coresidence is an outcome of a combination of determinants. The first and most recognizable one affects kin availability via demographic constraints such as lower fertility, lower mortality

and changes in the timing of key events (marriage, first birth). Demographic forces shape the supply of kin available for coresidence at any point in time. Second, there are purely economic determinants that may impose independent constraints. Among these are property ownership rights, housing prices, nature of labor force participation and unemployment, real wages, saving capacity, existence of markets for insurance, and the size of transfers from the public sector. Finally, there are determinants that influence values and norms about coresidence and the sense of intergenerational moral obligations towards older generations. We argue that in the past fifty years, changes in all three determinants led to a well-verified change: the fraction of elderly living alone (or not in arrangements involving a younger generations) has increased in most high income countries. This is widely expected to become a regular pattern in other countries as well, as has already occurred in Taiwan and Korea.

Examination of observed coresidential patterns in the LAC region produces mixed results. While there are some signs that propensities to live alone by the elderly have increased (perhaps as a result of pressure from declining kin availability), these are weak and are not in line with expectations that growing aging inevitably means a sharp decline in intergenerational coresidence. We do not have enough information to identify the forces leads to this observed resistance to rapid change. It may that ideological changes have not yet had time to impart the effects that are expected or that offsetting factors associated with macroeconomic performance and institutional contexts produce offsetting and compensating effects. For as long as this forces remain in place, intergenerational coresidence will continue to be, as it has probably been in the past, an important resource that can be managed to satisfied growing elderly demands for health care and economic shortfalls. We find support for the idea that intergenerational coresidence shrinks as population aging advances. But, at the same time, intergenerational coresidence continues to be associated with situations where the younger generation appears to be dependent on the older rather than on the reverse. This may a result of household shortages, or precarious labor market conditions for children of the elderly, or increased female labor force participation and childrearing duties entrusted to elderly, and perhaps with the existence of a still significant public sector transfers flows to the elderly that can be shared by younger generations. Yet, intergenerational coresidence where parents are heads may be arrangements that facilitate (unobserved) upward transfers in the expectation of future compensation via bequests or inter-vivos transfers (or the property for example).

4. Evidence from intrafamily exchanges

The most important results from our analyses of intergenerational transfers are the following: (a) transfers in money and goods and transfers in services appear to be substitutes for each other; (a) health status of the elderly (as self reported health, presence of ADL and IADL or chronic diseases) generally lead to increments on any type of transfers, regardless of currency; (c) presence of married children increases propensity to receive help; (d) presence of children with lower education and unemployed increases chances of elderly support; (e) females tend to receive less

support in general (net of marital status) and in terms of money and goods but are much more likely than males to receive services; (f) elderly who work are much less likely to receive any help but this relation cannot be interpreted as causal due to potential endogeneity; (g) elderly who have health coverage are less likely to receive help in subpopulations that do not involve intergenerational coresidence but more likely if they live with some of their children; (h) although support by country is considerably heterogeneous it does seem to be the case that elderly in countries with more aging receive higher levels of support and, in particular, countries with potential for remittances are those where elderly have a higher probability of receiving money and goods as opposed to services.

5. Policy implications

Our review of patterns of elderly support in developing countries and the empirical analyses suggest a number of problems worth investigating. First, that the speed of aging is unparalleled in low income countries is uncontroversial. The key question is whether this accelerated aging will come along with some undesirable features. Will health status and disability among elderly be worst in low income countries than what was observed at similar stages of the aging process in high income countries? Second, the transformation of the institutional context is almost surely erecting barriers to maintain or increase levels of support originating in the public sector. Will the slack be taken up by families and kin? Third, coresidence is not only a currency transacted across generations but it also oils the machinery for other transactions. We have seen that despite demographic constraints, patterns of coresidence at least in LAC have not changed much and, if anything, they have enhanced intergenerational cohabitation perhaps as a response to the younger generations' lack of fortunes in the labor and housing markets. To the extent that patterns of coresidence do not crumble, levels of supports are unlikely to change much without a parallel decrease in the younger generation propensities to provide support. This may be a line of defense against erosion of support derived from an overhaul in ideologies. Fourth, patterns of exchanges toward elderly suggest that much of what is known in developed countries is replicated at least in LAC. In particular, younger children are more likely to support elderly parents when their cost of opportunity are lower and when the elderly are either more infirm or have less access to alternative sources. Fifth, we do not know much about the nature or time trajectory of informal support but the evidence gathered in LAC suggests that this type of source of support is neither trivial nor unsystematic. It tends to take place more in countries with more advanced aging (where both availability and propensities could have turned against traditional support) and more among those who have less sources of alternative support than among those who do not. This type of support bears special attentions as it may be the last line of defense when all others (public sector flows and intergenerational coresidence) have weakened or vanished altogether.