

Drawing Policy Lessons for Asia from Research on Ageing

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The ESCAP region's early attention to population ageing has built a strong foundation for future efforts that can give the region leadership in innovative programme development and the utilization of sound research

Many countries in the ESCAP region, particularly in East and South-East Asia, have been at the forefront among developing and newly industrializing countries in anticipating the consequences of population ageing. They recognize that the significant changes in age structure, current and projected, brought about by their rapid declines in fertility and mortality, coupled with major advances in many dimensions of social and economic development, may put pressure on existing societal arrangements for the welfare of the elderly. They are aware of the high cost and other problems associated with social welfare programmes in the West and are seeking approaches that will provide needed support at a much lower cost, perhaps by melding current family-oriented support systems with limited new public programmes.

An indication of the precocious interest in ageing-related issues in East and South-East Asia is the large volume of conferences, research projects, books and papers on the topic since the early 1980s, although it should be mentioned that only Hong Kong and Japan had more than 10 per cent of their populations aged 60 or older as of 1990. A good overview of this early activity is presented in Phillips (1992), which contains a review of survey and related research throughout the decade by Andrews (1992). It is not possible to enumerate completely all the surveys undertaken in the region, but drawing on Andrews and other sources reveals that almost every country in the region has been subject to at least one survey, and many have had multiple investigations. A number have been part of multi-country projects. Most of these studies, however, have been single cross-sectional efforts; we can identify only four countries where a panel design has been employed. In addition to special surveys, other projects have made use of the fairly strong base of censuses, registration data and general surveys (such as periodic household and labour force surveys) to assess the status of the elderly and address a range of related issues.

Given this large number of endeavours, it is difficult to summarize their content or identify the key research and policy questions. As is common with initial efforts, many of the surveys were quite broad in subject matter. Andrews (1992), in summarizing the contents of the surveys he reviews, mentioned the following topics: basic demographic characteristics; family structure and living arrangements; formal and informal support patterns; social activities; physical and mental health status; health-care utilization; health-related behaviours; nutrition and eating habits; housing and environmental conditions; life satisfaction and level of morale and beliefs, attitudes and aspirations.¹ Among these topics, it would appear that the major emphases have been on living arrangements, informal support patterns and certain dimensions of health.

The reasons for this, as suggested above, grow out of the recent demographic and socio-economic changes in the region and the implications of these changes for the welfare of the elderly and the development of appropriate policies and programmes. Throughout the region, it has been traditional for older parents to live with one or more married children in extended or joint households. Hermalin (1995), in a review of selected countries in Asia, found that in the 1980s the proportion of elderly living with children ranged between 60 and 90 per cent. A major concern has been how sensitive these arrangements are to the smaller family sizes resulting from lower fertility and to the rapid social and economic development that, in many places, has greatly increased children's levels of education, transformed the economic base from agriculture to industry and services, and fostered migration from rural areas to cities, especially among the young. A highly influential review of the relationship of development to the welfare of the elderly by Cowgill (1974) concluded that, in nearly all respects, the factors of development have tended to reduce the status of the elderly by trapping them in more traditional and less rewarding jobs, separating them from their families, and depriving them of meaningful roles through earlier retirement and lowering their social status relative to the young. Although Cowgill's theory is literally a statement about the status of the elderly over the course of the development process, analysts have sought to find evidence whether this situation holds true in Asia by studying cross-sectional surveys and contrasting the living and support arrangements of the elderly according to their education (or their children's education), urban-rural location, and other characteristics deemed to predict future trends.

Aside from Cowgill, concerns about the status of the current elderly also grow quite naturally from recognition that, in general, the elderly have had fewer opportunities for education, have spent a good part of their lives in difficult agricultural work, and have benefited less from the growth in income, medical advances and changes in health infrastructure. Given these dynamics, it is understandable that the emphasis is on the vulnerable elderly and their social, economic and health needs, and that these would emerge as priority areas for analysts and policy makers.

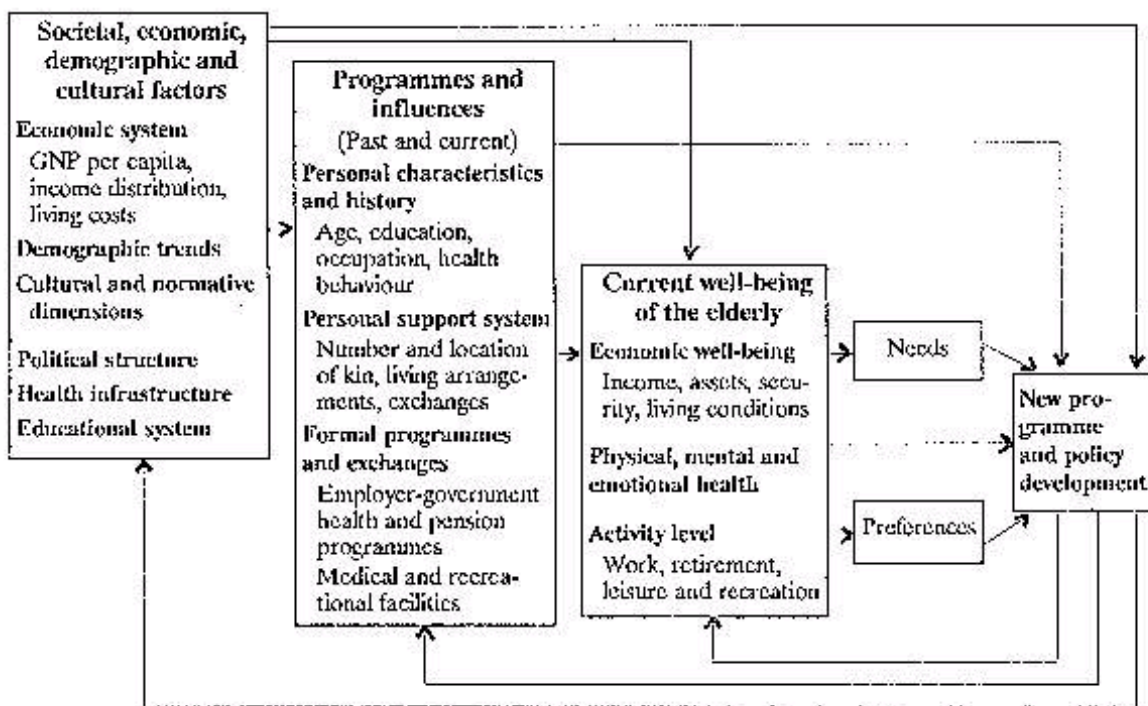
Most of the research to date on the basic aspects of living arrangements and intergenerational support have been encouraging in the sense of revealing that, to a great extent, a high proportion of the elderly are residing with children, or have children nearby, and that family members are still frequently providing physical, financial and material support in accord with the needs of the elderly. The articles presented in this issue of the Asia-Pacific Population Journal, and elsewhere, demonstrate in a sense that there is no quickly evolving crisis in terms of the elderly, as a result of recent demographic and socio-economic changes, that requires immediate action. As a result, policy makers have an opportunity to develop a more

"nuanced approach" to the emerging issues and to fashion research and programmes that will meet the intermediate and longer term needs of their populations. In the following sections we outline some considerations that might assist this development.

Developing a conceptual framework for policy and research

Both policy and research are guided by a conceptualization -- implicit or explicit -- of the nature of the phenomena of interest and how they are interrelated to other elements in society. The advantage of an explicit conceptual framework is that it can help to organize research and policy efforts. From a research standpoint, a framework helps to identify the appropriate questions and the methods and measures needed to address them. It can reveal gaps in knowledge and identify potential explanatory factors that must be incorporated into the research design.

Conceptual framework of factors affecting well-being of the elderly and policy formation



Well-executed research contributes, of course, directly to sound policy by measuring the level and nature of problem areas, and the factors that give rise to them. In addition, the conceptual framework itself serves to identify the range of potential responses to an issue and to alert policy makers to possible unintended consequences of new policies.

The figure on the facing page presents a broad framework of factors affecting the well-being of the elderly and policy formation. It builds on earlier frameworks (e.g. Hermalin, 1995) to emphasize the emerging areas of research and the corresponding policy considerations. The central focus of interest is the well-being of the elderly, which is viewed as consisting of three broad dimensions: their economic well-being; their physical, mental and emotional health; and their activities, incorporating their degree of attachment to the labour force, as well as the nature and level of their leisure and recreation.

To the left of these dimensions of well-being are two sets of determinants, differentiated according to their degree of proximity. At the far left are the more remote, broad societal factors which set the boundaries within which the more proximate policies, programmes and influences operate (shown in the second rectangle). These exogenous social, economic, demographic and cultural factors influence the personal characteristics of the elderly, the number and location of kin, the living arrangements of the elderly and their interpersonal support systems, and the formal arrangements through employers or government programmes which impinge quite directly on the dimensions of well-being.

Before addressing the right-hand side of the figure, it is worth noting that the focus on the three dimensions of well-being -- economic, health and activity -- as key dependent variables represents a break, to a degree, with prior conceptualizations which often focused on living arrangements and exchanges as key outcomes. As noted above, living arrangements were often selected as a prime indicator of well-being and as a possible predictor of future changes for several reasons. In many of the agricultural societies of Asia, as elsewhere, parents would traditionally coreside with one or more married children and be supported by them. Elderly people living alone were assumed to be under threat of insufficient material and emotional support. Since indicators of living arrangements are often available from censuses and in many surveys, it was tempting to focus on this measure to appraise the well-being of the elderly and anticipate future trends.

This stage of theory and research is being supplemented by a more nuanced perspective which views the well-being of the elderly in the context of social, economic and demographic trends, and takes into account a wide variety of changes occurring at the individual, family and societal levels. One implication of this broader perspective is that living arrangements, along with other aspects of the support system, are more properly viewed as determinants, often highly influential, of the dimensions of well-being rather than primary measures. This formulation makes it possible to give greater attention to emerging changes in social arrangements occurring along with social and economic development. For example, with increases in income, the absence of coresidence may signify a greater preference for privacy and independence on the part of parents and children and the means to achieve this. Or, coresidence may signify support flowing from the elderly parents to their children and grandchildren in the form of child care, shopping and meal preparation rather than assistance to the older generation. One major research and policy implication, discussed further below, is that we must distinguish between the form and function of familial arrangements, and not infer the content from the structure.

In fashioning new programmes and policies related to population ageing, or amending old ones, governments and other relevant organizations will be guided to a large extent by the perceived needs and preferences of the elderly, which are shown separately in the figure. These have been added to draw attention to the logical distinction between measuring the objective status of the elderly and inferring what this means for appropriate policies and programmes. In some cases, of course, the connection between status and policy may be quite direct, as in the case of those with physical limitations and the lack of assistance or aids; in others, there must be further assessment of needs and preferences to adequately inform policy. Do those not working prefer leisure, or would they prefer some degree of gainful employment? How is the adequacy of a certain amount of income or quality of housing to be assessed? In formulating policy, questions of this nature must be addressed implicitly or explicitly. In thinking about the changing needs of the elderly, it is natural to focus first on changes in health or economic security that arise from personal circumstances. But it is important to keep in mind policies and programmes that may have sizable indirect effects. For example, a monetary policy that permitted rapid inflation might be particularly injurious to the elderly on fixed -- and non-indexed -- incomes; or transportation and land-use programmes might place particular burdens on the elderly if they are not well considered.

The figure also makes clear that new policies and programmes will be informed by the broader societal setting which helps to shape goals and values, and sets the broad contours of what is culturally, politically and economically feasible, and, by the current policies and practices in force and their perceived efficacy and acceptability. It is worth noting that policy is shaped not only by the needs of the elderly but by the economic and political power that the elderly can wield in their own behalf and this dimension is coming to the fore in a number of countries.

To point out the dynamic aspect of the interrelationships, the figure also includes feedback, indicated by the arrows, from the new policies and programmes to the well-being of the elderly and the two broad sets of factors which determine well-being. The point, of course, is that policies and programmes must be continually modified in the light of changing conditions and as the effects of previous programmes are altered in interaction with other societal developments. In the following section we utilize this heuristic framework to identify some of the challenges to policy and programme development that are likely to arise as a result of population ageing.

Implications for policy and programme development

Policy makers can view the issues arising from population ageing from many different perspectives. At the most general level, the rapid growth of an older age structure projected for many countries is sometimes viewed as an "ageing problem" in itself. Given the demographic origins of this trend in low fertility, some policy makers may be tempted to seek to redress this trend by fostering somewhat higher levels of fertility. This approach overlooks several key considerations. As stated elsewhere (Hermalin, 1995): "An older aging structure should be viewed as a recent human triumph, reflecting on the one hand a regime of low fertility, due to couples' success in achieving desired small number of children, and on the other low mortality, representing gains toward a universal aspiration for longer and healthier lives". In addition, there is little evidence that a country's fertility can be readily adjusted up or down through exhortation or financial incentives (Uhlenberg, 1992). Moreover, any success in frequently shifting fertility rates can generate social and economic distortions, as societies, for example, cope with the costs of expanding schooling and training capacities after an upturn in fertility, and face the costs of excess capacity after a downturn.

From the standpoint of the figure, a sounder approach may be to consider a range of interventions, commensurate with other societal changes, that can mitigate the potential loss of productivity and higher social welfare costs that can accompany an older age structure. These include adjustments in the age of retirement, training and effective employment of older workers, increased labour force opportunities for women, better education and training of young people, and, on the demographic front, appropriate policies for immigration and temporary foreign labour.

This array of interventions, which is by no means exhaustive, illustrates several challenges and opportunities that policy makers will face as they attend to the general issue of population ageing and specific ramifications. For most issues there is often a choice of interventions at different levels of specificity. These interventions will also differ in terms of (a) their direct and indirect effects and (b) whether there are short-run as distinct from longer run benefits (e.g. a change in retirement age is a direct intervention with likely short-run effects, whereas an overall improvement in schooling and training is more indirect and longer run perhaps in its impact on productivity).

As a consequence of current and projected trends in population ageing, many countries in the region are giving more

attention to their formal pension and social security programmes, and the provision of health coverage for the elderly. In some cases there are quite well-developed programmes which are under review due to emerging needs or cost pressures; in other countries, there are partial programmes that cover selected parts of the population (e.g. government workers and those in large industries); and in still others, there is as yet very little formal development. Consequently the specific issues facing policy makers can vary considerably across the region, but all are concerned about identifying the pressing needs and providing maximum coverage and benefits commensurate with these needs in the most effective and cost-efficient manner. Towards this end policy makers face a wide range of choices as to basic types of programmes to implement and in terms of specific mechanisms.

In making decisions at the broadest level about the nature and structure of potential programmes, policy makers can of course examine the different types of programmes within their own region, which vary considerably, as a potential guide to programme development, and examine more formal analyses of the relative merits of different types of programmes, such as the World Bank treatment of pay-as-you-go vs. provident fund arrangements for social security (World Bank, 1994). Careful comparative analyses should extend beyond the region to an examination of developments in other regions. In Latin America, for example, several countries have initiated provident fund social security programmes which give individual workers considerable choice with regard to how their funds are invested and the relative success of such programmes should be carefully monitored.

Table: Prevalence of work and transfer benefits for men, by age, in the Netherlands and the United States

Age	United States					Netherlands			
	Working ^a	Not working			Working ^a	Not working			
		Disability transfer ^b	Employer pension ^c	Other ^d		Disability transfer ^b	Employer pension ^c	Other ^d	
51	82.6	4.1	0.9	12.4	83.3	13.7	0.0	3.0	
52	84.9	3.0	2.4	9.9	87.5	8.1	1.9	2.5	
53	82.8	3.5	0.5	13.2	81.9	14.1	1.7	2.3	
54	84.6	2.9	2.7	9.8	74.6	17.2	1.9	6.2	
55	78.5	4.5	1.8	15.3	72.2	16.7	3.5	7.5	
56	76.9	5.0	6.3	11.8	59.0	23.9	10.2	6.8	
57	80.3	4.6	7.0	8.0	58.7	17.4	15.6	8.3	
58	71.5	7.5	9.2	12.0	49.0	25.0	19.0	7.0	
59	68.9	6.5	9.3	15.3	44.1	23.2	27.5	5.2	
60	67.9	6.1	12.6	13.3	20.9	33.3	42.3	3.5	
61	65.9	5.6	16.0	12.5	16.8	26.9	50.5	5.8	

Source: Data from the Netherlands are weighted values of the 1993 Wave 1 CERRA Household Survey. Data from the United States are weighted values of the 1992 Wave 1 Gamma Release of the Health and Retirement Survey.

a Those who are working at the time of the interview -- 1993 in the Netherlands and 1992 in the United States.

b Those who are not working and are receiving disability transfers at the time of the interview.

c Those who are not working or receiving disability transfers but who are receiving private pension benefits at the time of interview.

d Those who are not working and receiving neither disability transfers nor private pension benefits at the time of interview.

Comparative research can reveal subtle differences in programme structure and operation that can have major cost implications. Often countries or programmes are classified into a few simple categories which mask the wide variation within each category. For example, the variation in the cost and provisions of social security and related programmes across the industrialized countries and in labour force participation often goes unnoticed in the broader focus on the implications of ageing populations on social security costs. A dramatic illustration of this variation is provided by the table on the next page, taken from Burkhauser and others (1997), which contrasts labour force participation rates in the United States and the Netherlands for men between the ages of 51 and 61, and the sources of income for those not working. The data show that, while employment rates are similar in the two countries at ages 51 through 53, they diverge sharply thereafter: by age 61, less than 17 per cent of men in the Netherlands are still employed contrasted with 66 per cent in the United States at that age. The authors argue that differences in institutional arrangements -- the generous disability system and the mandated employer pensions in the Netherlands -- rather than differences in health status are mainly responsible for the observed differences. This contrast highlights the importance of giving careful attention to the precise structuring of a programme as well as to the mode of enforcement when developing new plans and programmes, since political constraints can often make it difficult to sharply remodel a programme once it is in operation.

In addition to devising and maintaining appropriate social security and health programmes, policy makers need to give attention to many characteristics of the elderly and their implications for programme and policy development. These are summarized in the figure by the three classes of dependent variables -- economic well-being; physical, mental and emotional health; and work, retirement and leisure. The needs and preferences arising from these dimensions have many programmatic implications, including income maintenance, personal care assistance, nursing home and day care centre provision, and number of geriatric health care workers needed. In working out these implications, several research related considerations arise.

First, as noted above, it is important in formulating policy to distinguish form from function in terms of family structure and relationships. With increasing incomes and supply of housing, elderly parents and children may choose to live apart to gain more space and privacy, but this may not imply any diminution in levels of material or emotional support. Programmes that are generated on the basis of these trends on the assumption that they indicate growing isolation or vulnerability of the elderly may be wasteful and overlook more pressing needs on the dimensions of well-being. To be properly informed, policy makers need to utilize and encourage research that ascertains the preferences of the elderly with regard to living arrangements, measures the allocation of duties within households and the two-way flows that take place between elderly parents and children, and be attentive to the location of kin not in the household, since in many places it is customary for children to live nearby even when not coresiding with parents.

This is not to suggest that policy makers should not develop programmes that influence choices in living arrangements and other behaviours which enhance the well-being of the elderly. As Chan notes in her article on pages 35-50 of this issue, Singapore provides tax incentives or housing priorities for children coresiding with or caring for elderly parents. In addition, the retirement programme in Singapore, the Central Provident Fund, contains provisions for use of accumulations for the educational expenses of children, developing expectations for later repayment and support from children. Some health plans in the region allow parents to be included as dependents under a worker's coverage, thus providing one mechanism for financing health care of the elderly in advance of the development of broader health programmes. In these and other ways, policy makers in the region have demonstrated the ability to innovate programmes that take into account emerging needs and trends but sustain desirable elements of traditional family arrangements. Continued development of programmes with these dual features can pay big dividends within the region and provide leadership to other countries facing similar issues.

Possible shifts in levels and patterns of coresidence are one manifestation of the accommodations within existing institutions that are likely to occur with on-going demographic and socio-economic changes. To develop sound policies and programmes, it is important to track the adjustments in behaviour and social relationships that families and individuals make in the face of rapid social changes. Often these give rise to special needs and/or produce groups with special vulnerabilities. Research, both quantitative and qualitative, that traces changing norms and attitudes and emerging needs can be valuable in this respect.

A second perspective important for the development of sound policy is taking account of changes over the life course as well as of changing cohorts. As the figure suggests, the well-being of the elderly is partially a function of their characteristics, and earlier behaviours, as well as their familial and social networks. This means that programmes can seek to affect later well-being through interventions at various stages of the life-cycle. For example, a programme that discourages smoking at younger ages can produce better health and reduce health costs at older ages. A job retraining programme for workers as they age can keep older workers productively involved in the labour force for longer periods.

The time dimension also arises in recognizing that future cohorts of the elderly are likely to be very different in their characteristics compared with current cohorts because of the demographic and socio-economic changes that have taken place throughout the region. On average, they will be better educated, more urban, with smaller families, and probably with better overall health than current cohorts of elderly persons. These differences must be accounted for in fashioning programmes that will extend into the future. Future needs and demands from the elderly for recreation, medical facilities, transportation and housing may look quite different than they do currently.

Policy makers need to encourage research that provides detailed insights for sound decision-making. As the figure suggests, the three dimensions of well-being cover a wide range of characteristics and statuses, from levels of cognitive impairment to levels of assets, and these are interrelated in many ways. It is obvious that the income of older people can affect their health, and that labour force activity will have an impact on income. But the system is complex and there are subtle problems of cause and effect. Income can affect health; but to what extent does poor health affect income and asset accumulation? Coresidence with children may promote physical and emotional health, but poor health may be a cause of coresidence. To develop sound policy, it is important to understand these and other subtle interrelationships.

These considerations point to two important criteria for effective research on ageing. One is the need for surveys and related data-collection efforts that contain all the factors of interest -- that is, studies of sufficient breadth so that key interrelationships across different domains can be examined. The second critical element is the need for longitudinal data. It is doubtful that we can sort out all the key cause-and-effect relationships without longitudinal information, and given the subtlety of the information needed, this usually points to a panel design with reinterviews rather than reliance on retrospective reporting, although some histories can and should be obtained.

Summary

This review has focused on the interface between policy and research. It has noted some of the ways existing research can inform policy; it has listed several of the challenges facing the formation of sound policy and programmes in the years ahead; and it has identified the kinds of future research needed to provide continuing guidance for policy development.

Research to date on levels of coresidence, availability of kin and levels of support from children are reassuring in demonstrating that there is not a rapid shift away from familial support that requires major programmatic attention. Policy makers thus have time to focus on emerging and longer range needs, and to utilize current and future research in developing appropriate programmes. Several types of research that can contribute to these goals have been illustrated. In addition, policy makers have a responsibility to encourage sound research that will serve both to advance knowledge and inform programme development. In this context, a number of criteria for guiding research have been advanced in this article.

The ESCAP region's early attention to population ageing has built a strong foundation for future efforts that can give the region leadership in innovative programme development and the utilization of sound research.

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Endnote

It is notable that one topic not included in this list is work and retirement. Although many of the surveys contain some current information on labour force participation, Andrews is undoubtedly correct that the topic of work, wealth and retirement, as it has been studied in the West, has been largely absent from most Asian studies to date.

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