



Left-Behind Elders in Rural China: Benefactors *and* Beneficiaries in China's Recent “Leap Forward”

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Outline

1. Rural aging in China as a distinct phenomenon
2. Genderal model of intergenerational transfers in rural Chinese families
3. Data source and baseline living arrangements
4. Skipped generation grandparents and psychological well-being
5. Remittances and health care use
6. Trends and cohort change in grandchild care
7. Pension policy and family change

1. China's Aging Dilemma



- China is in a race to get **rich** before it turns **gray**.
 - The population is aging rapidly
 - The relative working age population is expected to shrink relative to the old
 - Pensions have come, but payments are low
 - Health insurance but no long-term care
 - Changing family patterns puts filial piety at risk
 - Family is still the primary provider to those in need

Growth of the Older Population in China

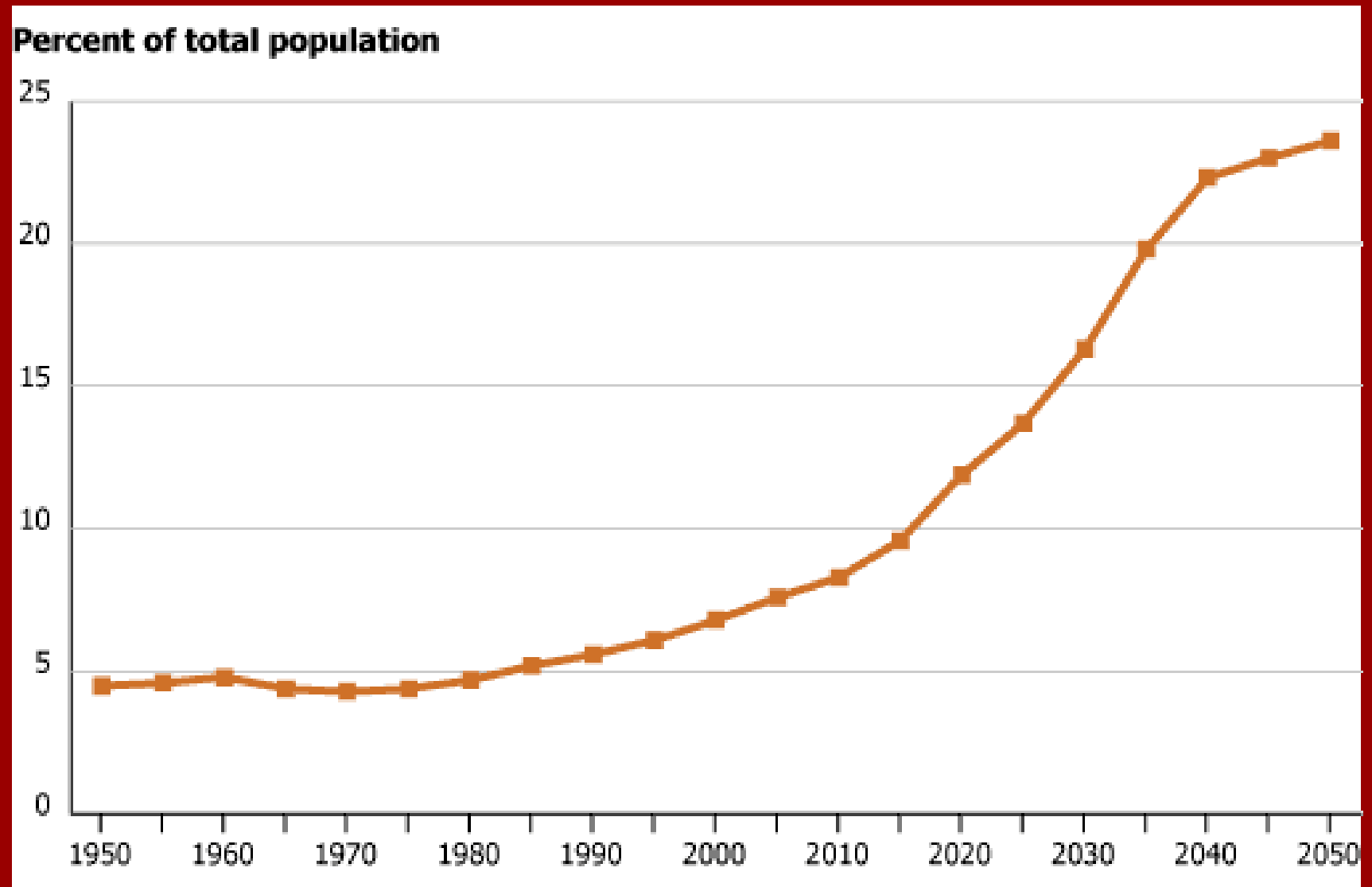
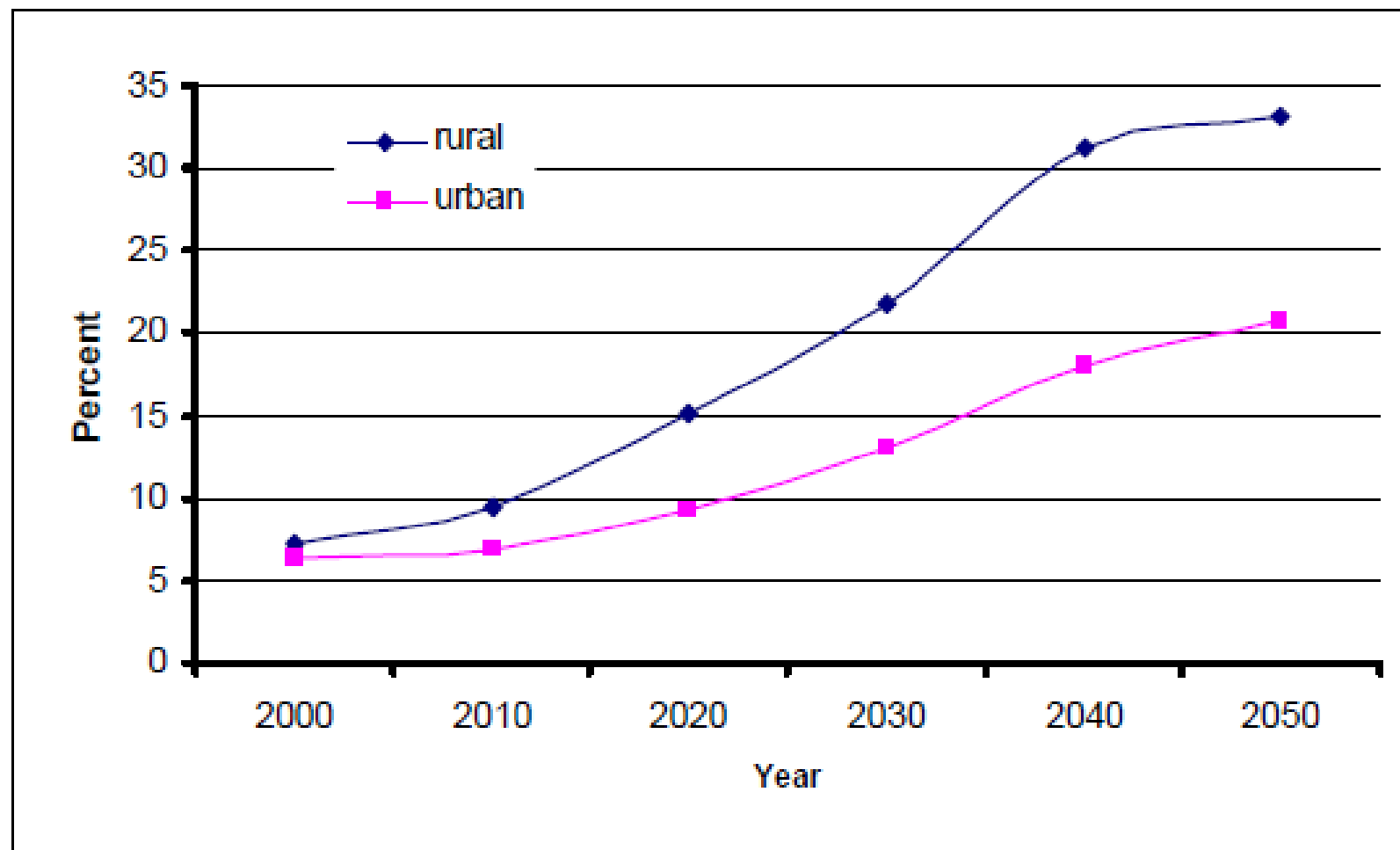


Figure 4 – *Projected percentage of elderly aged 65+ among rural and urban total population under the assumption of medium fertility and mortality: a comparison between rural and urban areas, 2000-2050*



Rural-Urban Differences

- Rural-urban difference is one of the most significant distinctions in China
- Intra-national inequality is substantial
 - Shanghai has life-expectancy equivalent to Italy, but many rural counties have life-expectancy of Ghana

Rural-Urban Differences and Aging

- In rural China
 - Family size larger
 - Income lower
 - Life expectancy lower
 - Values, preferences, and practices more traditional
 - Migration higher

Labor Migration and the Chinese Economy

- China's new economy requires mobile and flexible labor force--higher earning potential (4-5X rural earnings) has attracted younger workers from rural areas to cities to work in industrial, service, and construction work.



“China's economic boom has drawn rural Chinese to cities in search of higher incomes. The rural migrant worker population has expanded significantly, increasing from roughly 30 million in 1989 to more than 140 million in 2008.”

China National Bureau of Statistics

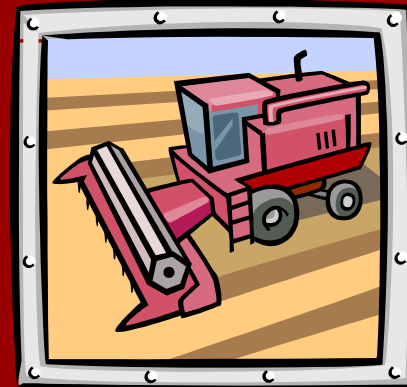
Beijing National Stadium



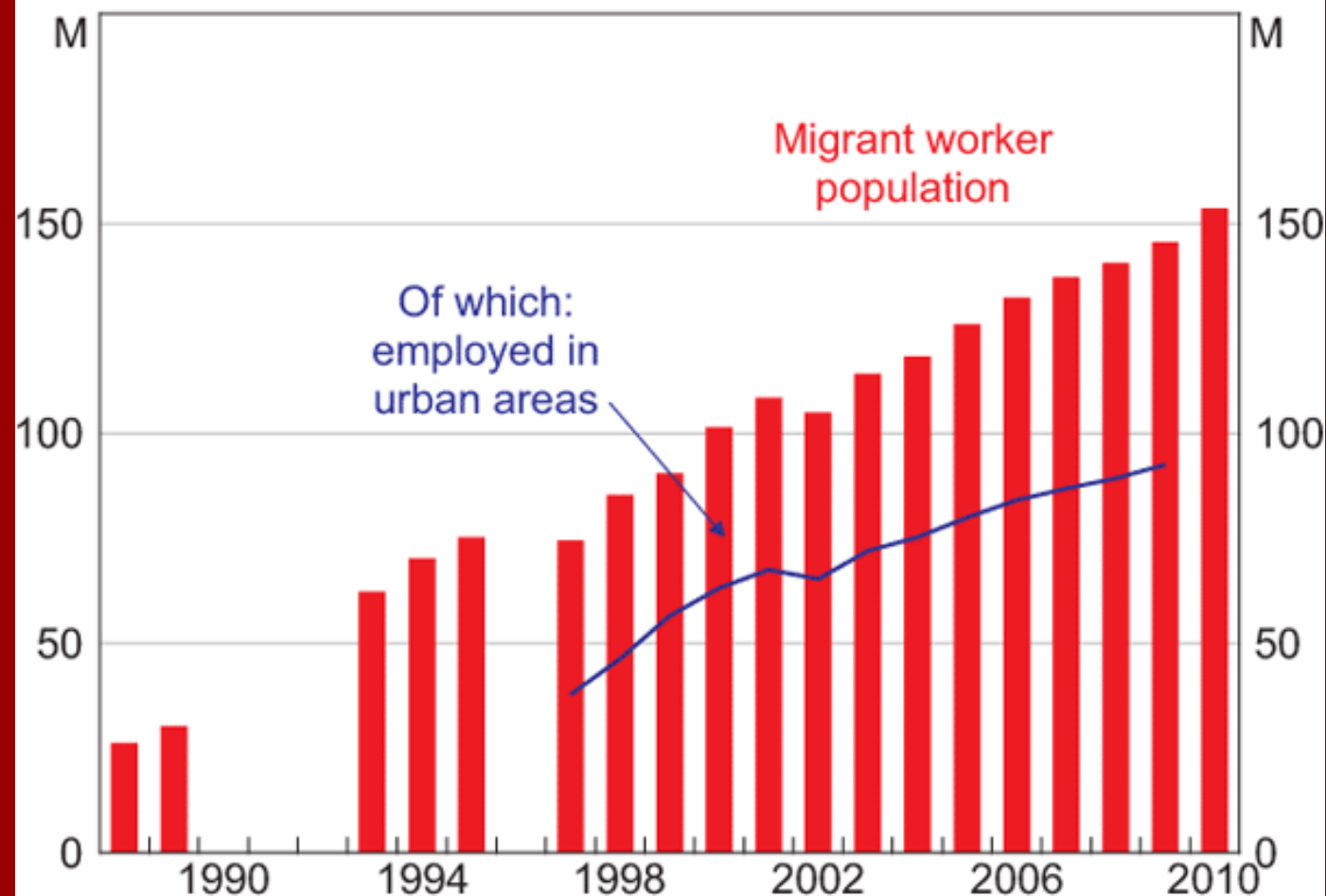
- About 300,000 migrant workers helped build the Olympics venues, many making 4-5X their rural earnings.
- “The human fuel behind China's white-hot economy.” (Associated Press).

Rural-to-urban Migration and the Aged

- Increasingly elderly rural populations in villages bereft of middle generation: the “left behind”
- Increase in geographic distance from adult children.
- More pressure on fewer children to provide support.
- Remittances from migrant children

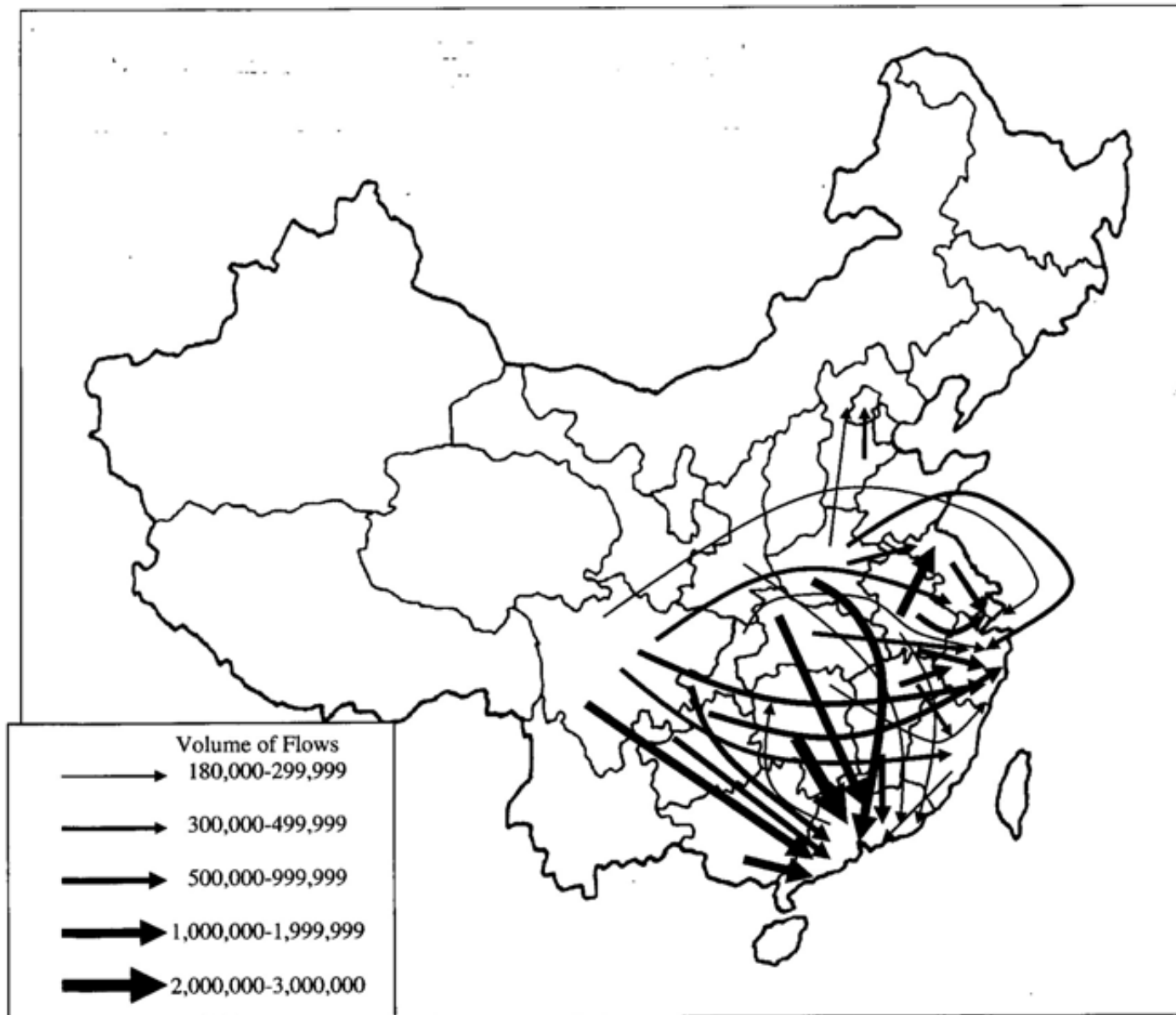


China – Number of Rural Migrant Workers*



* The red columns refer to all rural migrants without local 'hukou' where they are living; the blue line by Herd, Koen and Reuterswald (2010) calculates the level of rural-urban migrant employment, RBA estimate for 2009 number following their methodology

Sources: Chan (forthcoming) for 1988, 1989, 1993–1995 data; MOLSS (2002) and RBA for 1997–1999 data; Herd *et al* (2010) for all 2000–2008 data; NBS (2010) and RBA for 2009 data; MOLSS (2011) for 2010 data



Kam Wing Chan, in I. Ness and P. Bellwood (Eds.) *The Encyclopedia of Global Migration*, Blackwell Publishing.

2. Models of Intergenerational Transfers in Rural Chinese Context

- Corporate family: “Altruistic dictator” maximizes well-being of all members
- Mutual aid: transfers serve the most needy
- Insurance policy: strategic investments in those with largest payoff
- Cultural mandate: filial piety
- Reciprocity as guiding principle

Circular Flow of Resources Between Grandparent Caregivers and Migrant Children

**Migration
of Child**

**Start-up
Costs**



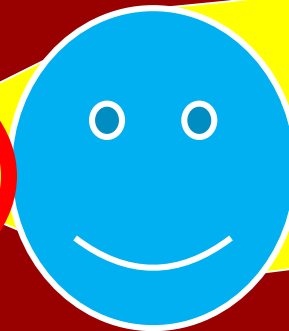
**Grandchild
Care**



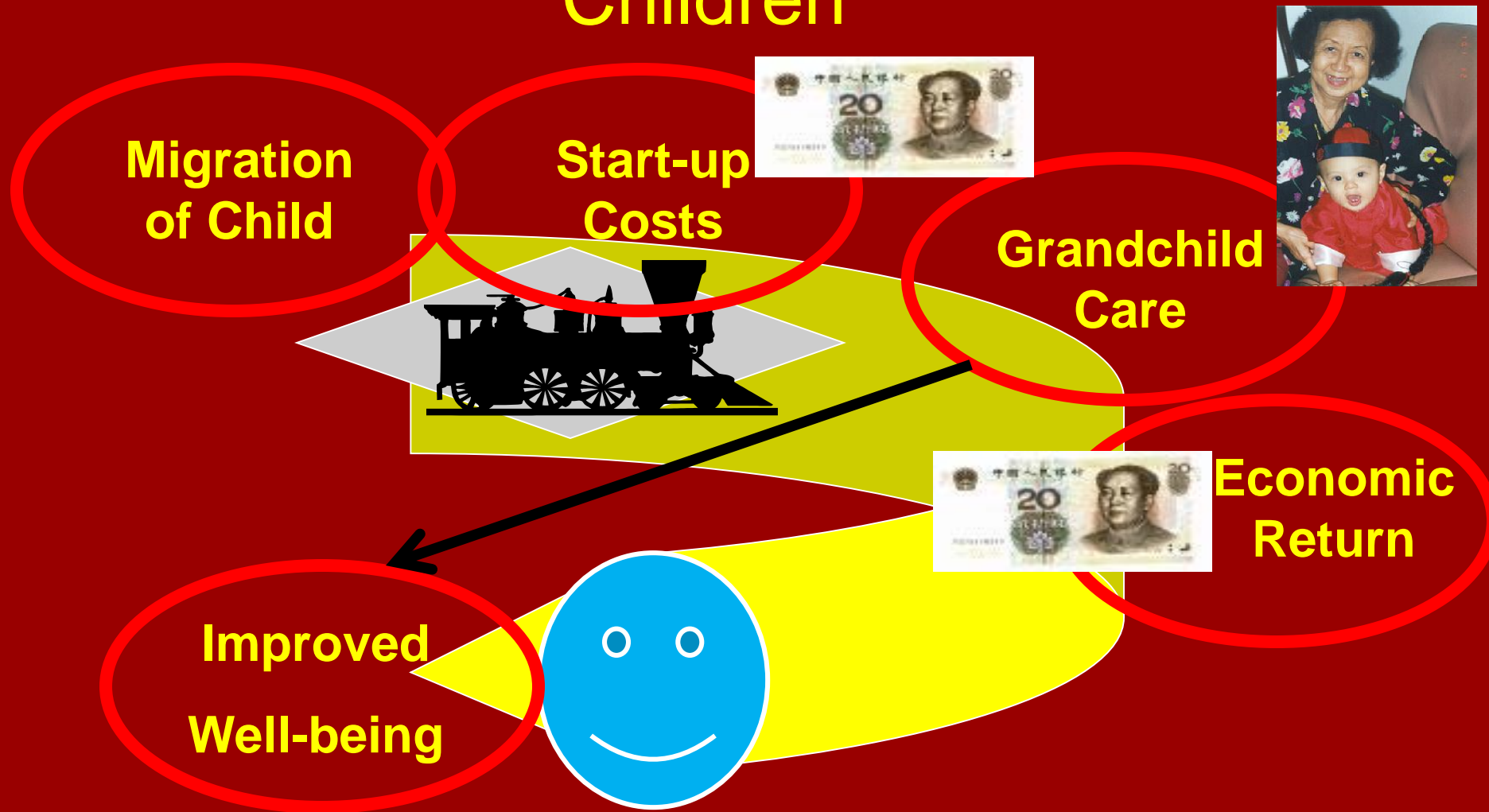
**Economic
Return**



**Improved
Well-being**



Circular Flow of Resources Between Grandparent Caregivers and Migrant Children



Grandchild-Care in Rural China



- Grandchild care allows adult children the freedom to migrate and take jobs at a distance.
- But the *hukou* system prevents many from bringing their children.
- As many as 60 million children are left behind – most live with grandparents.
- Do grandparents benefit from their caregiving?
- Or are they a vulnerable group who may struggle in their caregiving duties?



New York Times, December 21, 2004
THE GREAT DIVIDE: A MISSING
GENERATION: Rural Exodus for Work
Fractures Chinese Family

- “In the countryside, the new vernacular phrase is ‘liu shou’ or ‘left behind’ child. Millions of children are growing up without one or both parents. Villages often seem to be missing a generation. Grandparents work the fields and care for the children.”





Huanghu Township



- The 72 year old grandfather and 65 year old grandmother take care of the two grandchildren. For this, they receive \$150 a year from their migrant children. But the grandparents have arthritis and stomach ailments which make their caregiver role difficult.

National Grandparenting Policies in China

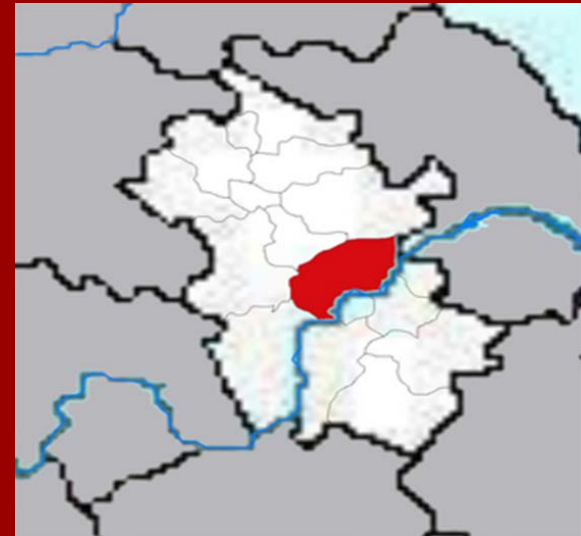
- Marriage Law of the People's Republic of China (2001) stipulates that:
- “Grandparents who can afford it shall have the duty to bring up their minor grandchildren whose parents are dead or incapable of providing support.”

Provincial Policies: *Report from Anhui Province*

- In skipped-generation families:
 - “Grandparents have low quality of life since they are also responsible for agriculture work, have low education levels that make it difficult for them to tutor younger grandchildren, are very poor, and live a dull life.”

3. Longitudinal Study of Older Adults in Anhui Province, China

- Stratified random sample of 1,798 older adults (60+) in rural villages in Chaohu region, fielded in 2001, with follow-ups in 2003, 2006, 2009, 2012 & 2015.
- Replenishment samples of 400+ individuals 60-68 added in 2009 and 2015.



Anhui Province, China



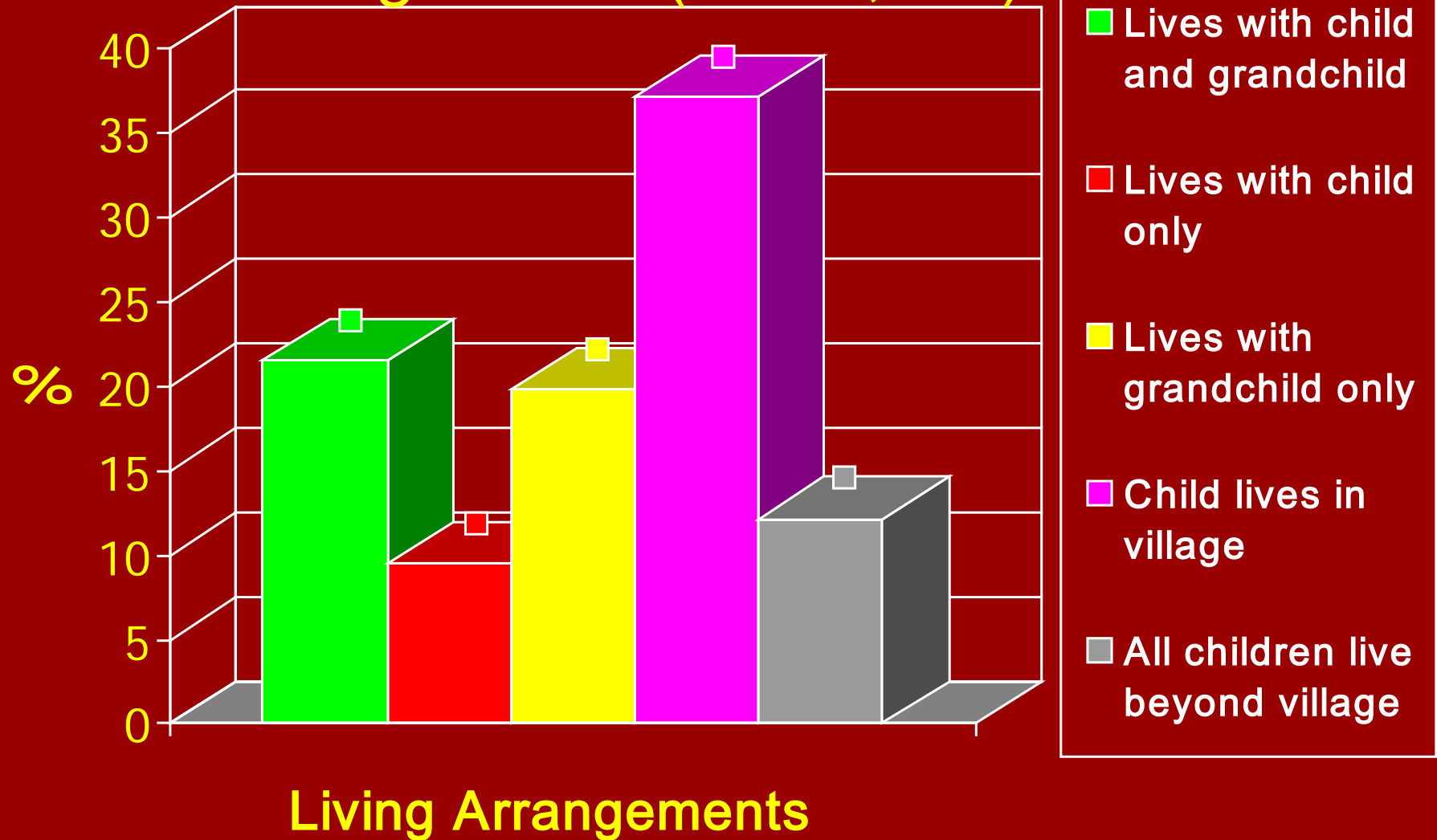
- Fifth largest province in China
- 80% rural and poor (28th of 34 in GDP)
- Historically high migration rates to Hefei, Nanjing, and Shanghai



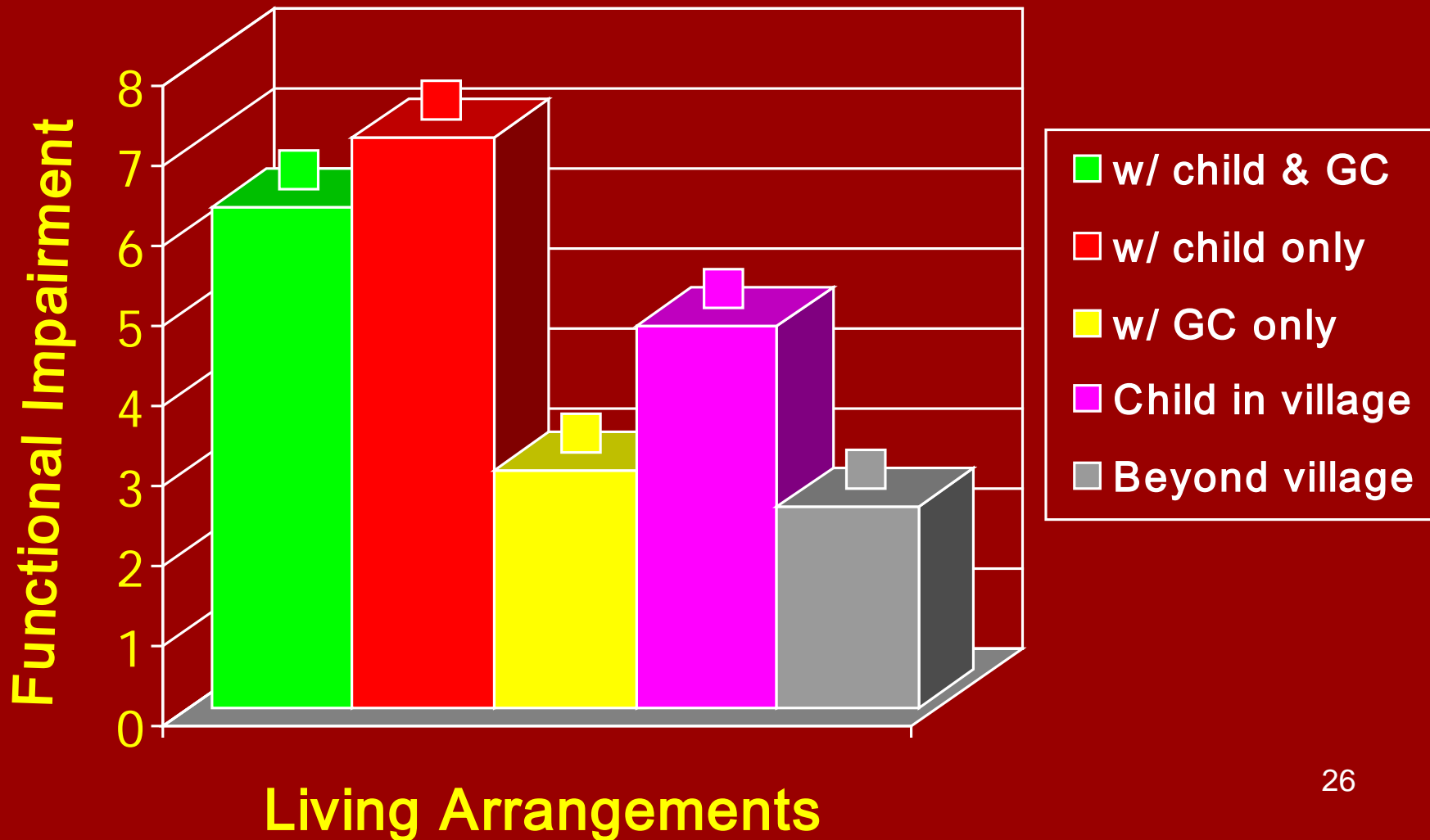
A Village In Anhui



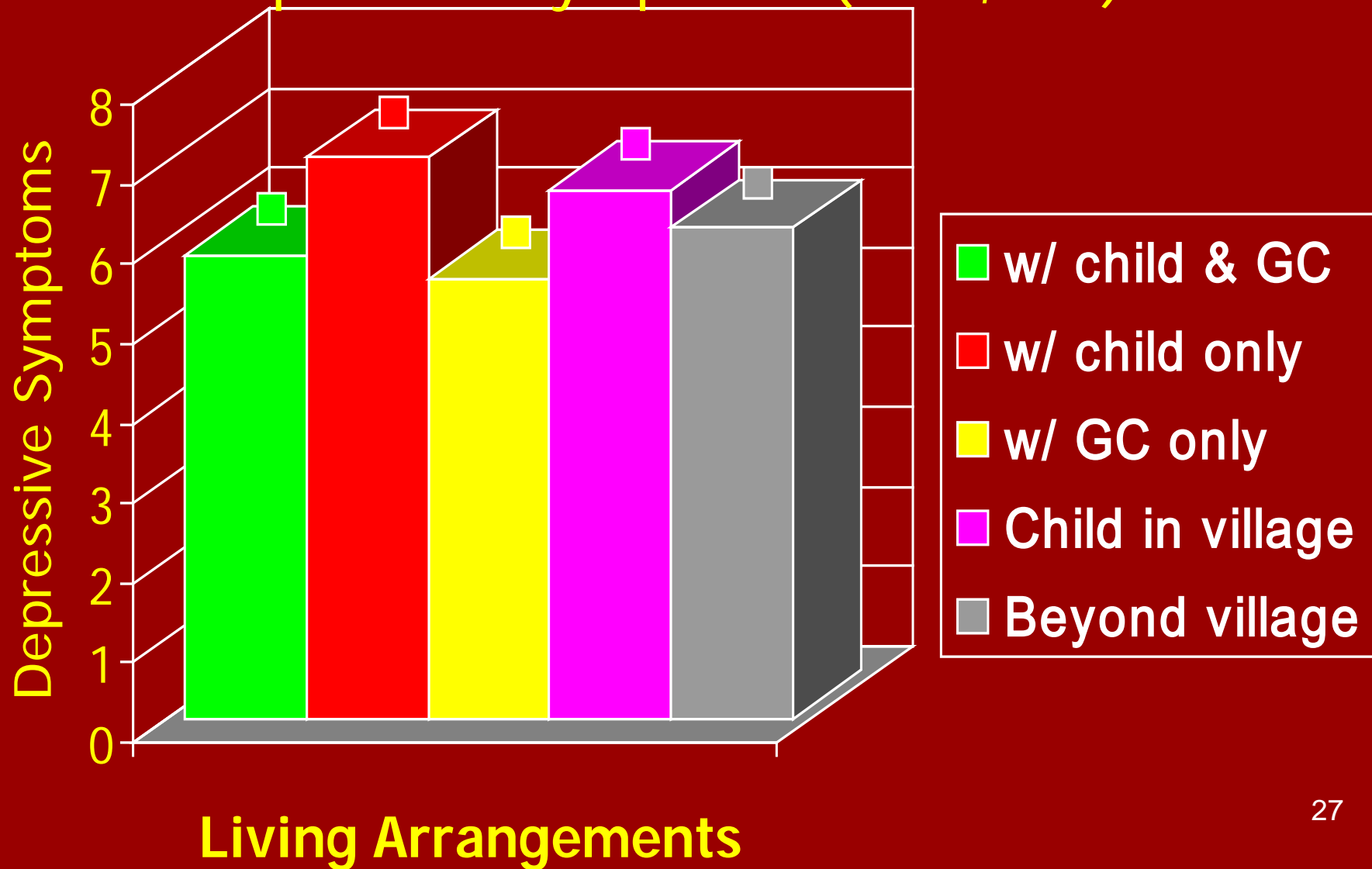
Distribution of Intergenerational Arrangements (N=1,698)



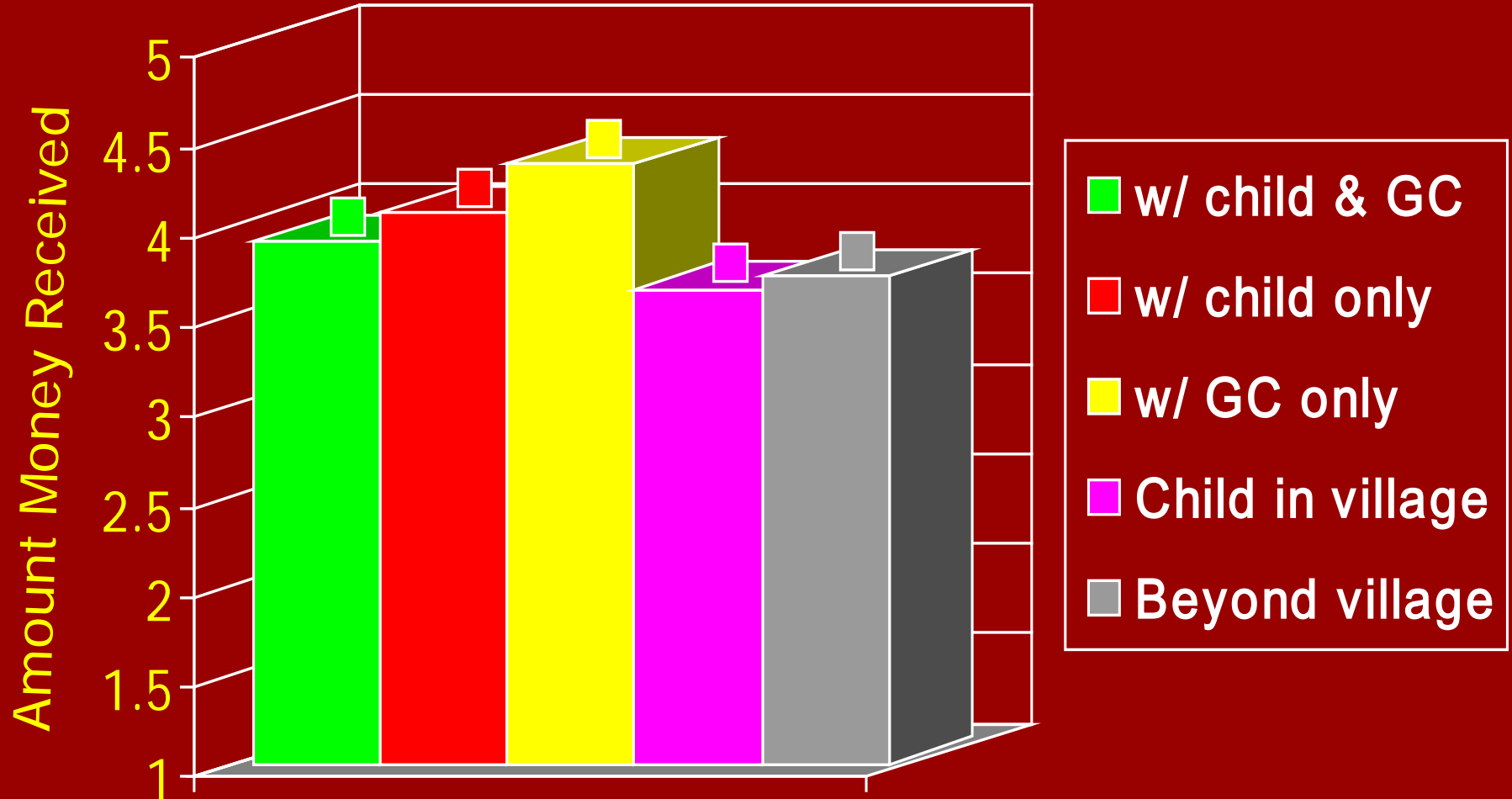
Intergenerational Arrangements by Functional Impairment (N=1,698)



Intergenerational Arrangements by Depressive Symptoms (N=1,698)



Intergenerational Arrangements and Money Received from Children



4. Grandparent Caregivers in China

- Why are grandparent caregivers advantaged?
 - Resources are greater before entering role
 - Useful engagement in family advancement
 - Remittances from children assuage stress of care

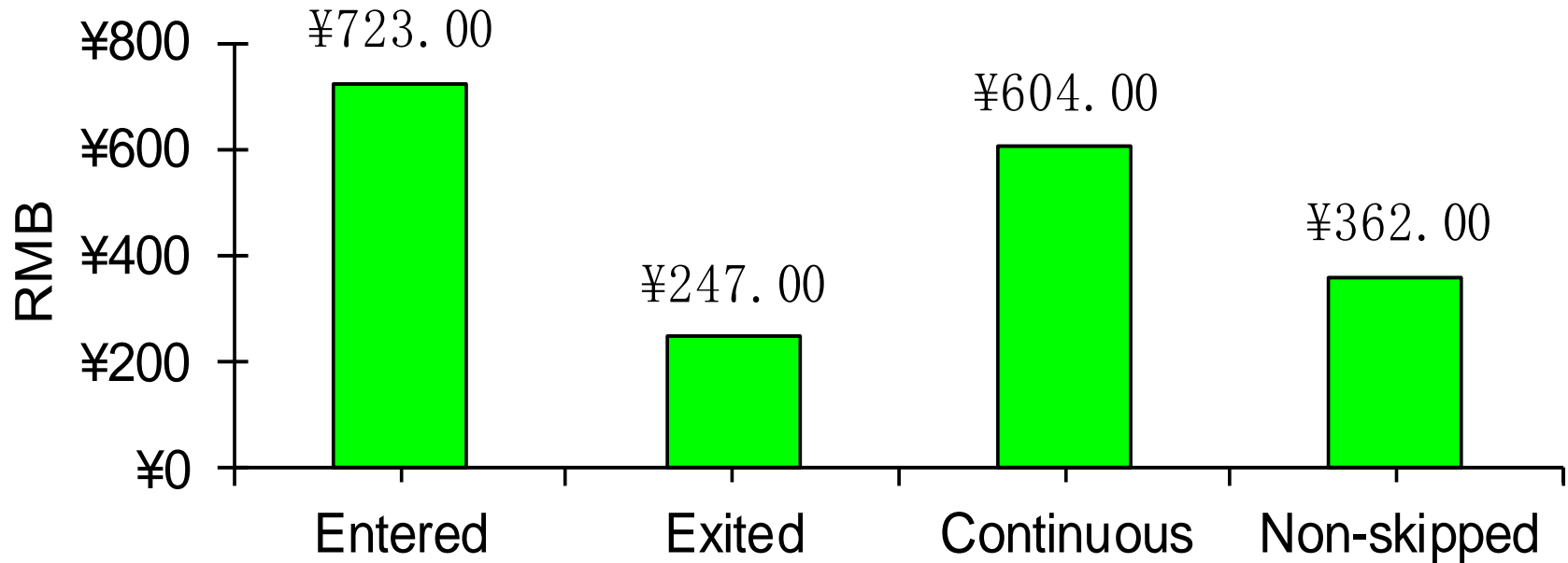
Psychological Well-Being in Skipped Generation Elders

- To what degree is the well-being of skipped generation elders tied to positive selection (pre-transition resources)?
- To what degree do remittances reduce depression in skipped generation elders?

Transitions in Skipped Generation Households of Grandparents with a Grandchild <16 (N=1,146)

	T1-T2 Transitions	%
Skipped Generation	1,036	32.9
Entered	291	9.2
Exited	368	11.7
Continuous	377	12.0
Non-skipped Generation	2,111	67.1
Total	3,147	100.0

T2 - T1 Change in Amount of Remittances Grandparents Received by Change in Skipped Generation Status



Depressive Symptoms

- Depressive symptoms
- Range= 0-18
 - Cronbach's alpha = .78
- Nine questions derived from Center for Epidemiologic Studies Depression Scale (CESD)
- Adapted from Study of Health & Living Status of the Elderly in Taiwan (Hermalin, 2002)

Analysis

- Negative binomial regressions predicting change in depressive symptoms from skipped household arrangement vs. non-skipped arrangements
- Covariates added in stages
 - Model 1=Only baseline depression
 - Model 2=Adds pre-transition resources
 - Model 3=Adds financial support from children

Equations Predicting T2 Depression by Skipped Household Transitions

1. T1 depression ⁺⁺⁺

2. T1 resources

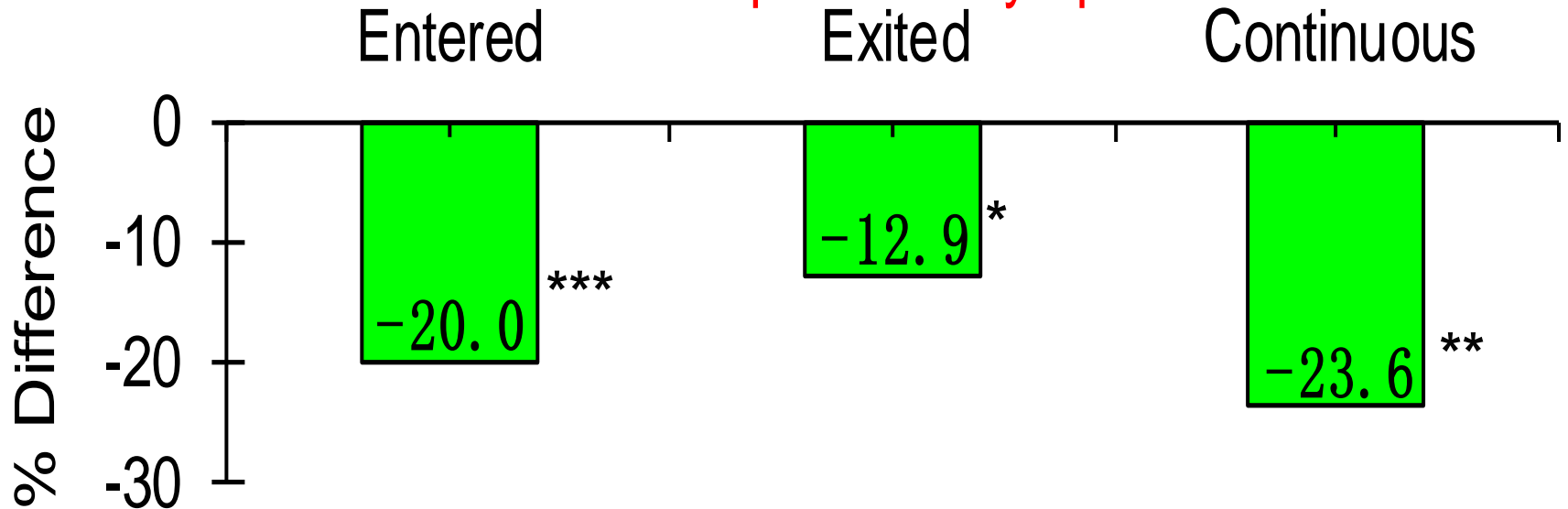
- Marital status
- Education ⁻
- Personal income ⁻⁻
- Functional Limitations ⁺⁺⁺
- Age ⁺⁺⁺
- Female ⁺⁺
- Number of grandchildren
- Age of youngest grandchild

3. Remittances (log)

- Total financial support ⁻⁻⁻
- T2-T1 change in total financial support ⁻⁻⁻

Percent Difference in T2 Depressive Symptoms in
Grandparents by Change in Skipped Generation Status:

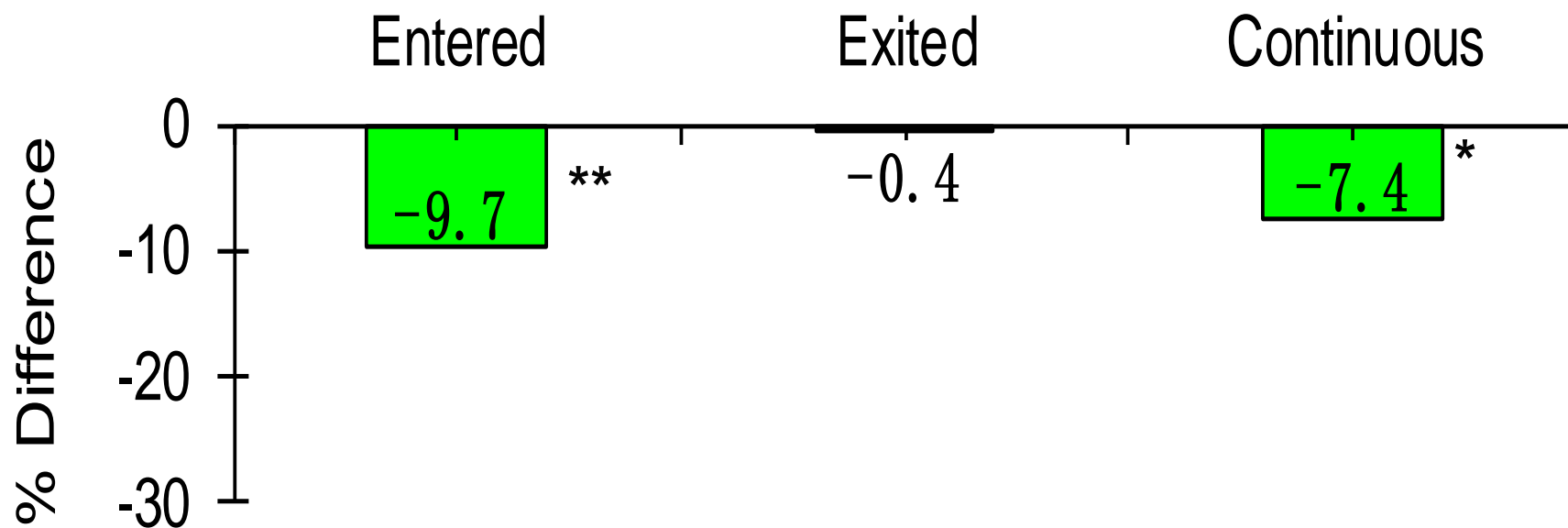
Controls for T1 Depressive Symptoms



Note: Difference is relative to non-skipped group.

Percent Difference in T2 Depressive Symptoms in Grandparents by Change in Skipped Generation Status:

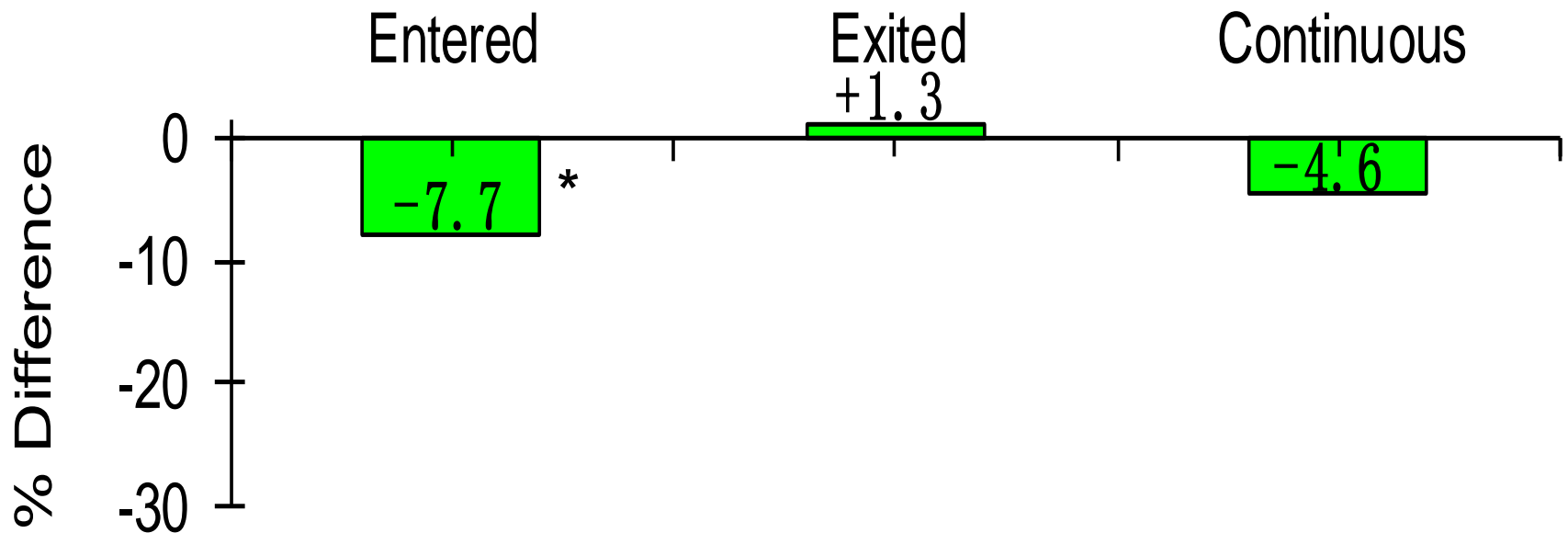
Adds T1 Resources



Note: Difference is relative to non-skipped group.

Percent Difference in T2 Depressive Symptoms in
Grandparents by Change in Skipped Generation Status:

Adds T1 Resources + Remittances



Note: Difference is relative to non-skipped group.

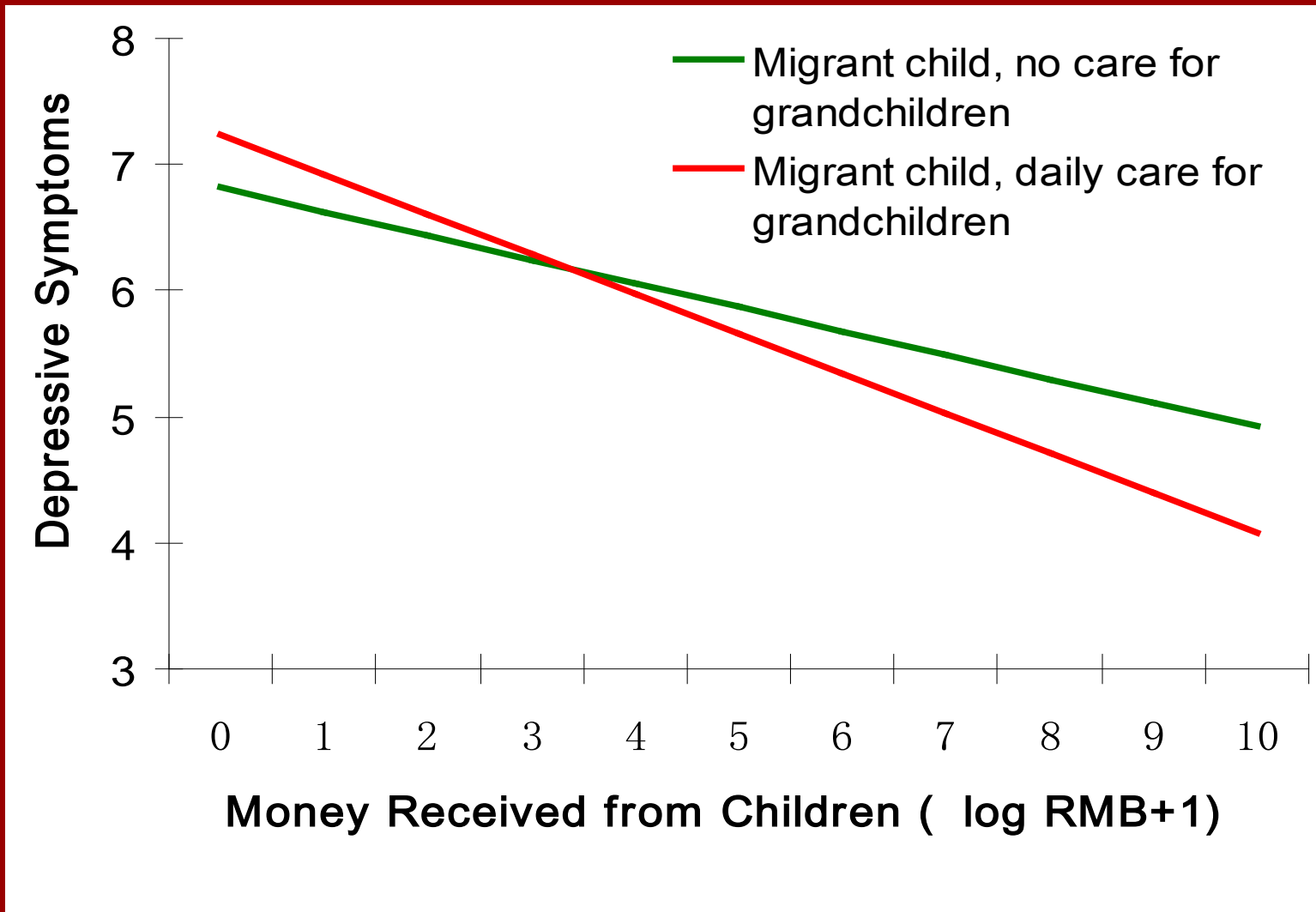
Summary

- Grandparents in skipped generation households have less depression than those in non-skipped households.
- Much of this is associated with positive selection.
- Financial support provided by children also plays a role.

Grandchild Care and Remittances from Migrant Children

- Focus on effect of *grandchild-care behavior* in conjunction with source of remittances on depression.
- Examining the impact of grandchild-care and value of remittances from migrant children requires estimate of 3-way interaction

Remittances from Migrant Children Reduce Depressive Symptoms in Caregiving Grandparents



5. Remittances from Children and Consumption

- Monies received from migrant children may be used for grandchildren's expenses or distributed in other ways.
- Are remittances used for consumption that directly benefits older adults?
- Do remittances from adult children increase the frequency with which older adults in poorer health use health care services?

Health Insurance in Rural China

- New Cooperative Scheme Medical Insurance (NCSMI) is a rural health insurance program, established in 2003 and expanded nationally. County-unit governments set user fees, premiums and reimbursement rates.
- Outpatient coverage of 50+ population is high (>90%) but reimbursements are low (<10% of costs). (*Strauss, et al., 2012*)
- Outpatient health care is still private pay in rural China.

Remittances and Health Care Utilization

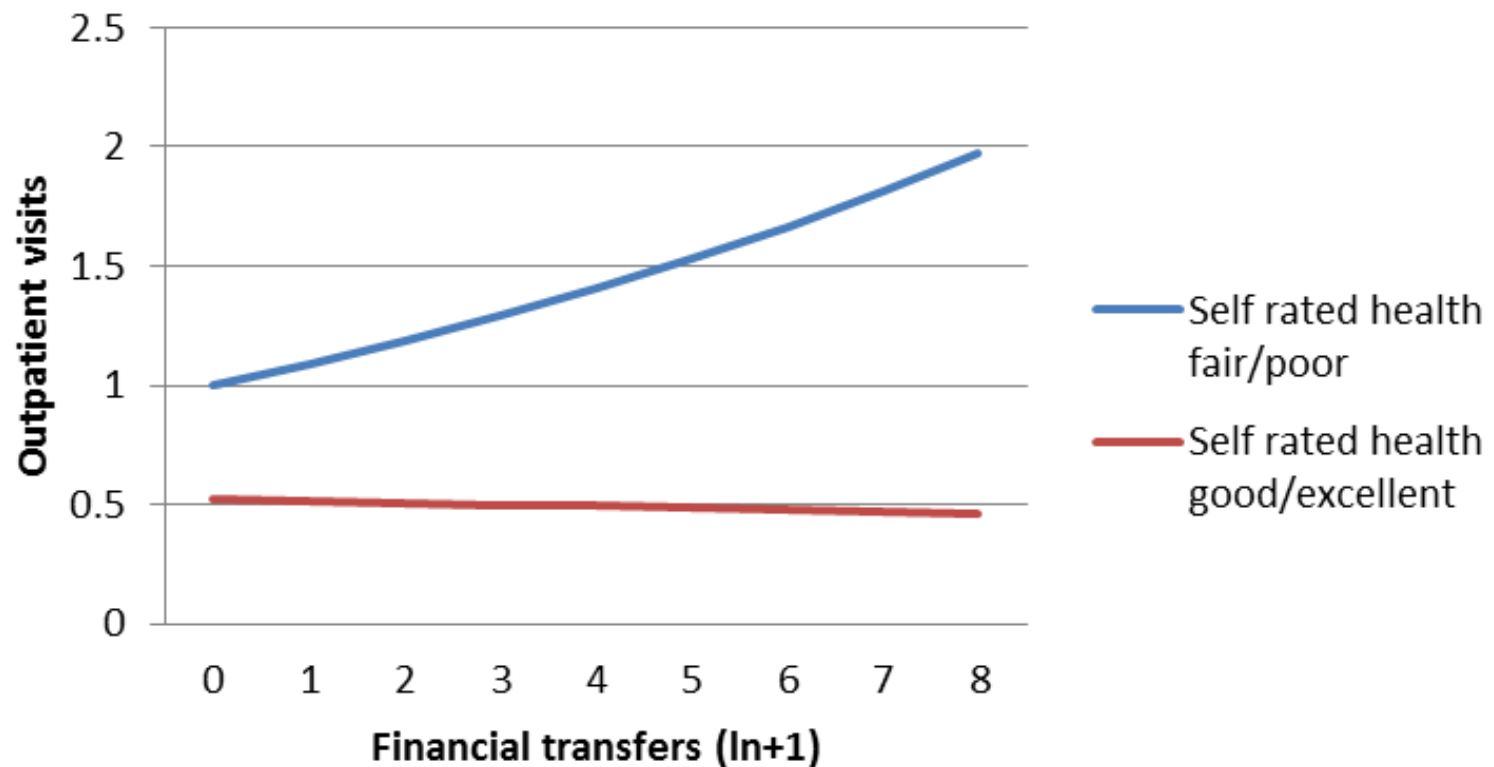
- Data from 2006 & 2012 waves of Anhui Study.
- N=1,143

Health Care Utilization Measure in Anhui Study

- “How many times in the last year have you used outpatient health care services? This can include doctors, nurses, specialists, folk healers, “barefoot doctors”, and community clinic providers.”
- Range = 0-60, median = 2, mean = 3.1, 32.7% = none

Impact of Money from Children on Health Care Utilization

Marginal Increase in Outpatient Visits: 2006-2012



Major Finding

- Remittances from adult children allow the consumption of more health care services by older parents as their health deteriorates.

6. Social Change in Grandparent Provided Care

- How has the grandparent child-care changed in the 2000's and, if so, what were the precipitating causes?

Cohort Comparison

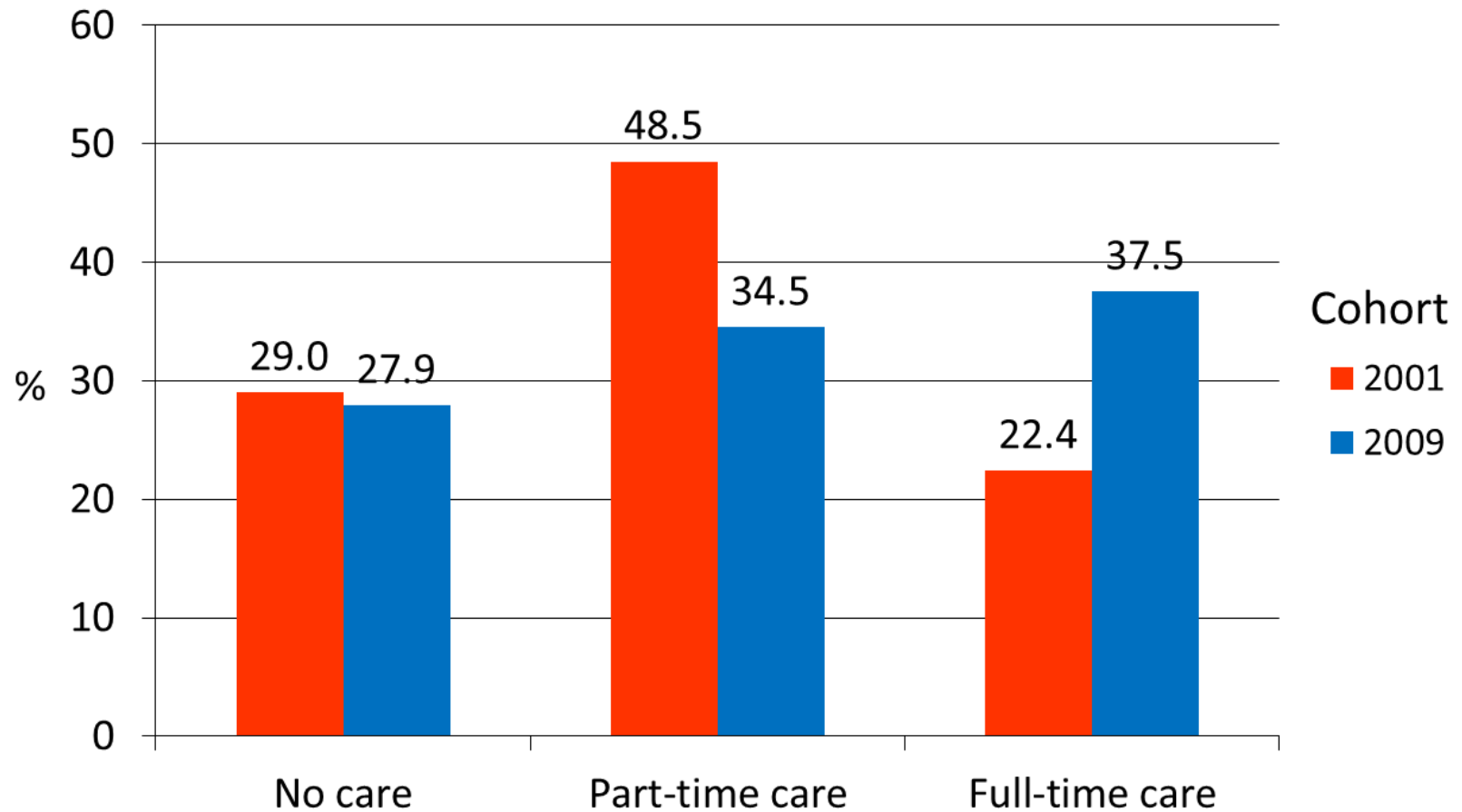
- Selecting only grandparents 60-68 with at least one grandchild 16 years old or younger:

Year	N	Mean Age
2001	553	62.9
2009	370	62.8

Outcome Measure

- How often do you care for your grandchildren? (asked about sets of offspring of each adult child)
- Seven responses ranging from none to full-time/daily care
- Three categories (aggregated maximum):
 - No care (ref)
 - Part-time care
 - Full-time daily care

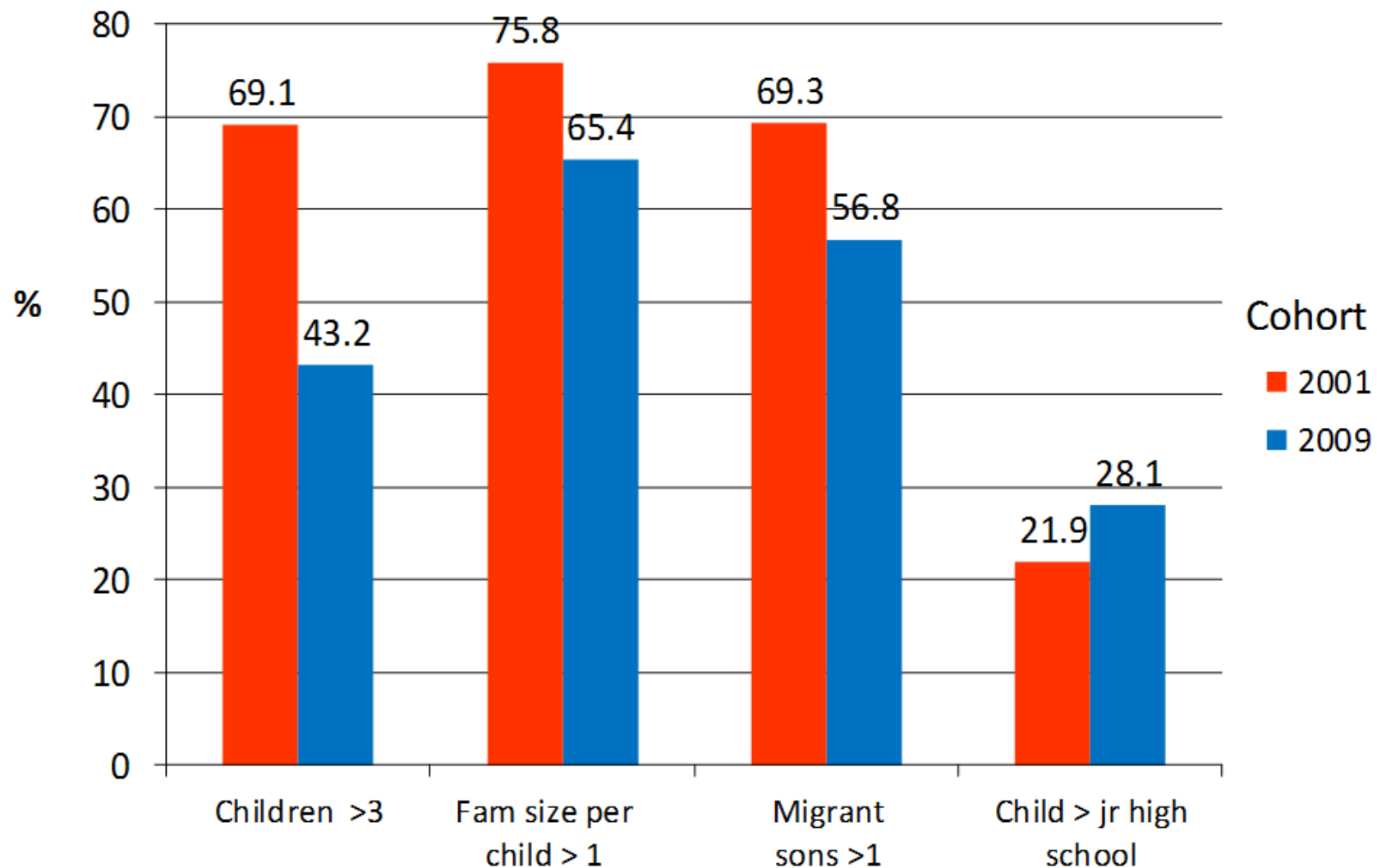
Differences in Grandchild Care Between Two Cohorts of Grandparents



Family Factors Examined

- Number of children
- Average family size of adult children
- Number of migrant sons
- Maximum education of children

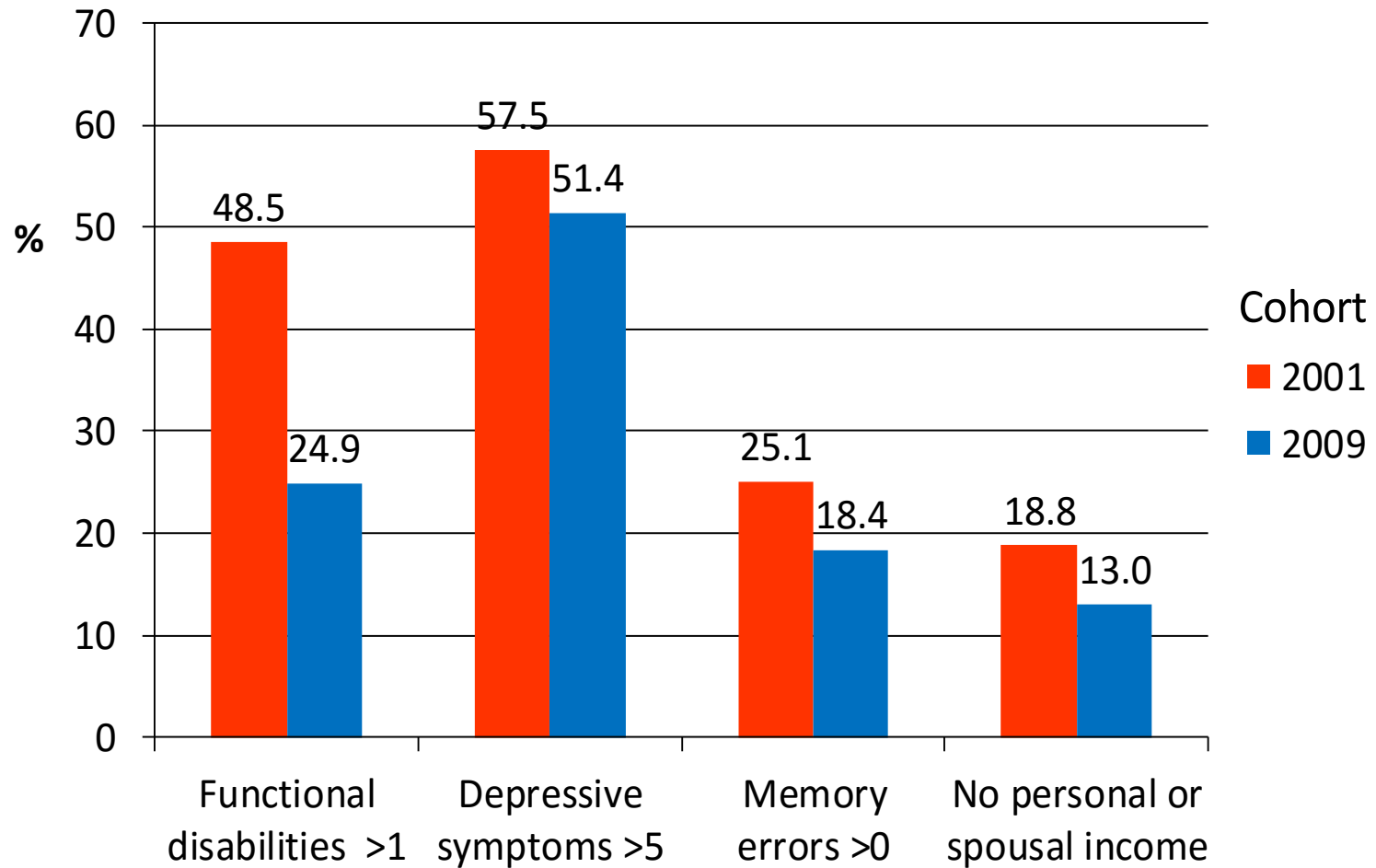
Significant Differences in Family Factors Between Two Cohorts of Grandparents



Resources Examined

- Functional disability (ADL/IADL problems)
- Depressive symptoms
- Cognitive impairment (memory, serial-subtraction, time/place orientation)
- Personal + spousal income (log)

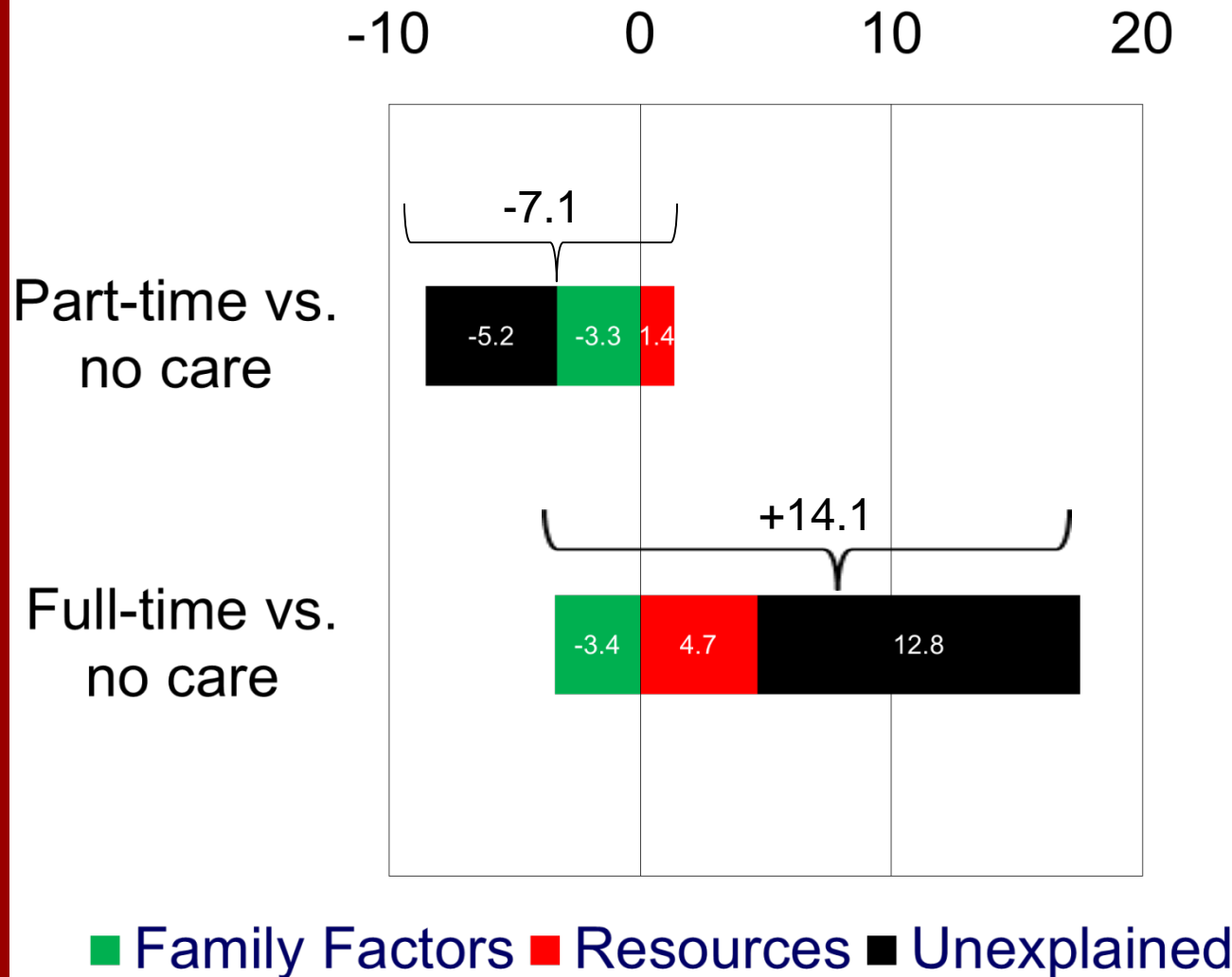
Significant Differences in Resources Between Two Cohorts of Grandparents



Analytic Technique

- Multinomial logistic regression with Oaxaca-Blinder decomposition used to attribute the percent of change in care due to:
 - Change in family factors
 - Change in resource factors
 - Unexplained change

Decomposition of Cohort Change (%) in Grandchild Care Explained by Family Factors and Resources



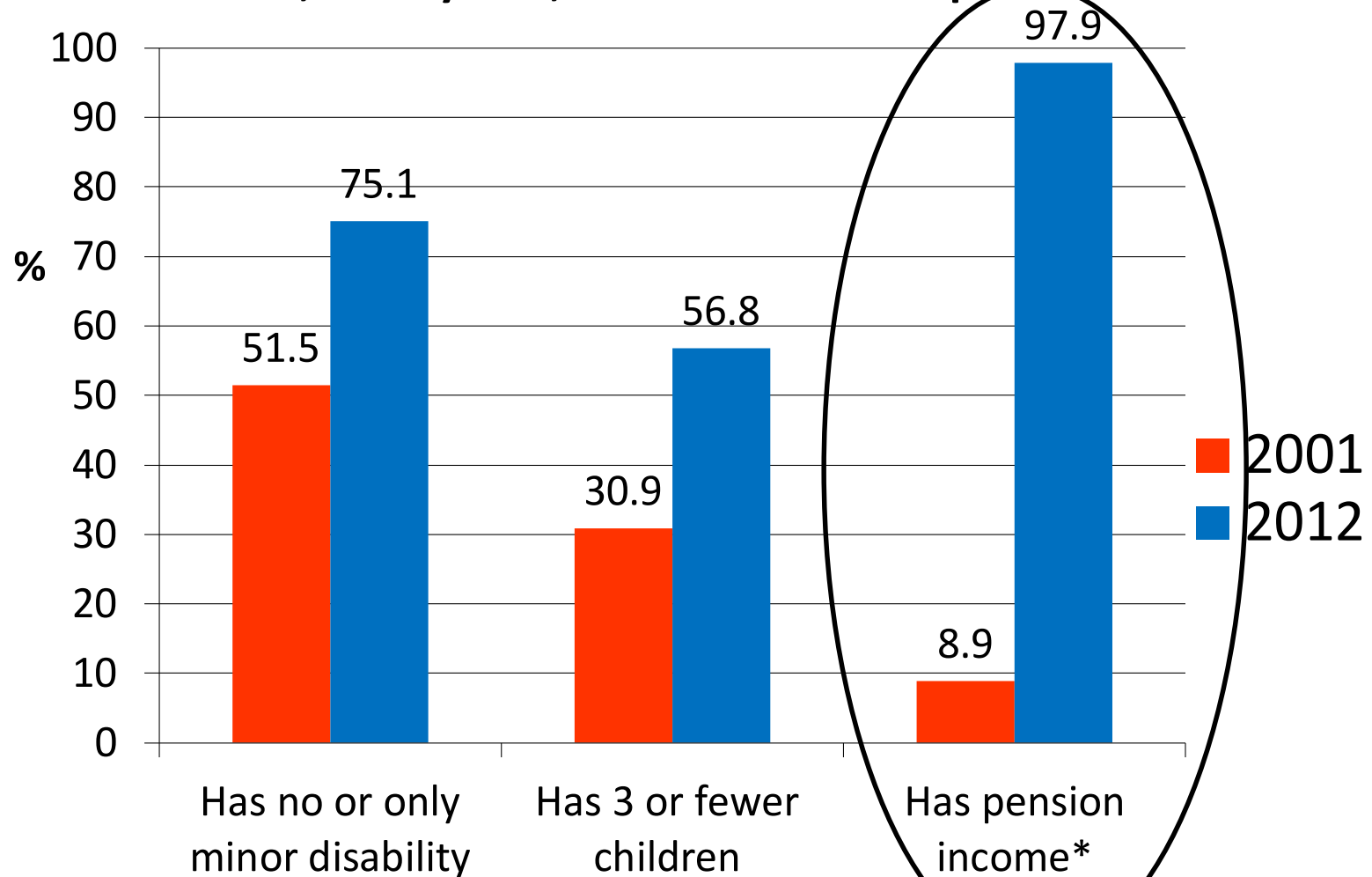
7. Policy Issues and Questions

- Pensions have changed the economic landscape for older adults in rural China where most of the country's aging will occur.

Rural Pensions in Rural China

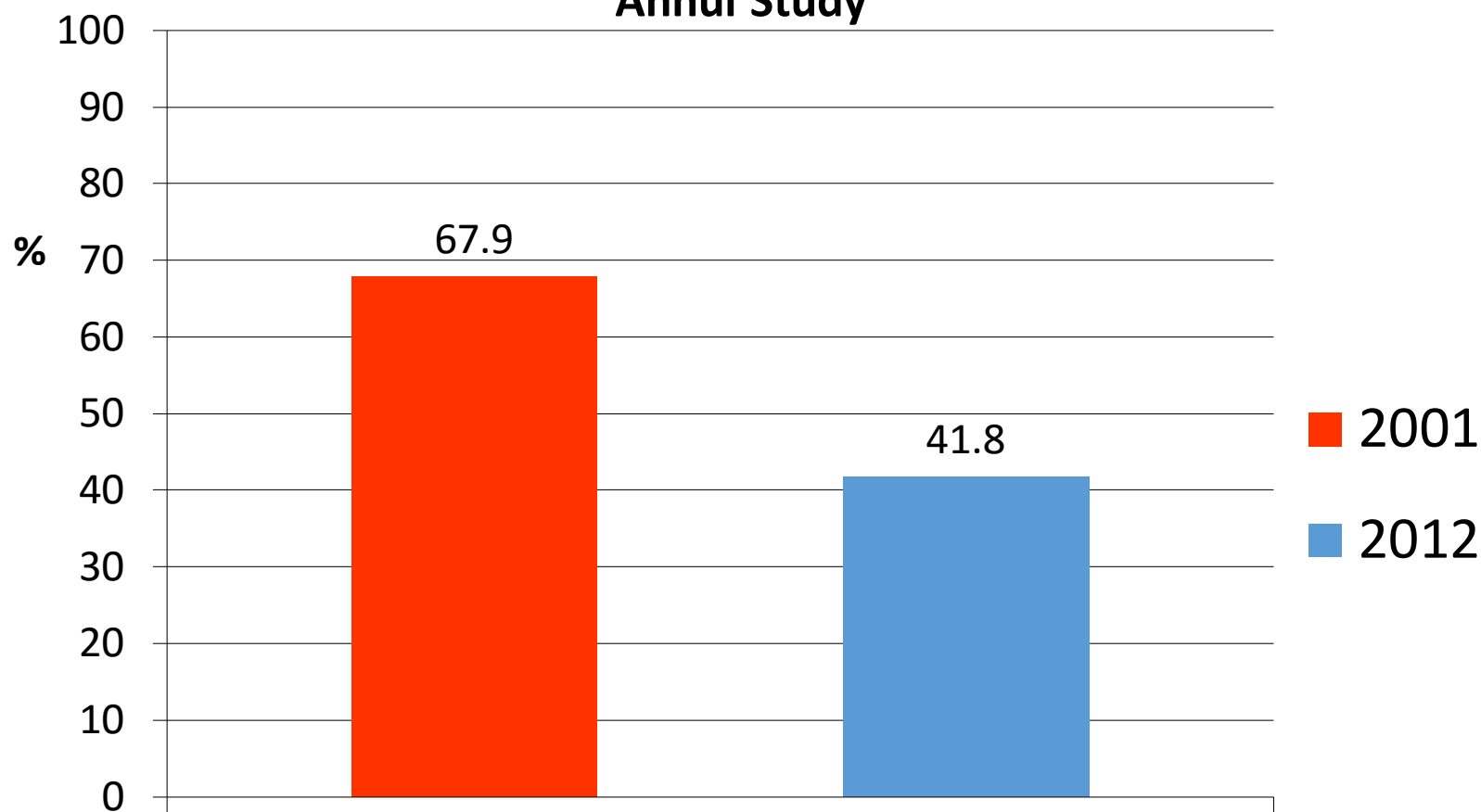
- *New Rural Social Pension Scheme*, beginning in 2009, universal, decentralized, and modest (averaging 100 RMB = \$17 per month)
- Large variation between wealthier coastal and poorer western provinces, as well as within provinces
- In some rural counties the basic pension can be as low as 55 RMB (= \$8.75) per month
- Most income of older adults in rural China still comes from adult children (remittances of migrants)

Health, Family Size, and Pension Receipt 2001-2012



*Median annual pension income = 1,440 RMB (\$245)

Norms of Economic Reliance on Children 2001-2012: Anhui Study



Elderly parents should depend on their
children for economic support.

Future Issues in State-Family Balance

- Rural pensions may allow greater consumption of needed goods and services by older rural Chinese. Will pensions crowd-out economic support from children or replace declining support?
- Pensions will likely play more important role with smaller family size.
- Government has incentive to reinforce filial piety as long as possible.

Implications of Social Change

- Smaller family size may change role specialization that now allows some adult children to migrate (and send back money) and others to stay behind (and help instrumentally).

Final Thoughts

- Family is highly adaptive – left-behind grandparent caregivers serve an important function that benefits the family system and the economic vitality of the society.
- Older adults are useful providers to their families, who, in turn, benefit from their contributions.
- Left-behind grandparent caregivers are the unacknowledged foundation on which China's economic growth rests.