A Tale of Two Chinas: Family Change and State Policies in Rural China

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Aging of China

• China is aging at an accelerating rate
• **BUT** urban and rural China are not aging at the same rate
• Rural-urban difference is one of the most significant distinctions for an aging China
• Intra-national inequality is substantial
  – Shanghai has life-expectancy equivalent to Italy, but many rural counties have life-expectancy of Ghana
Growth of the Older Population in China

Percent of total population

- 1950: 4%
- 1960: 4.5%
- 1970: 5%
- 1980: 5.5%
- 1990: 6%
- 2000: 7%
- 2010: 10%
- 2020: 13%
- 2030: 17%
- 2040: 20%
- 2050: 23%

(Chart showing an increasing trend in the percent of the total population that is older from 1950 to 2050.)
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

• In rural China
  – Family size larger
  – Income lower
  – Life expectancy lower
  – Migration higher
  – Values, preferences, and practices more traditional
Paradox Through the Lens of Aging

- Economic growth, emerging middle class and more affluent children

- Health and social safety nets have emerged,

- But support and care for older adults is still a family matter, particularly in rural regions
Health and Social Care in Rural China

• **New Cooperative Scheme Medical Insurance**
  – Rural health insurance program, established in 2003 and expanded nationally
  – County-unit governments set user fees, premiums and reimbursement rates
  – Mostly acute care, little coverage of outpatient/preventive care (<10% of costs, Strauss, et al., 2012)

• Limited availability of long-term care services and social assistance (< 2%)

• Moral and legal obligation of children to provide family care, most long-term care comes from adult children (sons and daughters-in-law)
Economic Support 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)
Filial Piety: Confucianism

• “Filial piety consists in the practice of filial respect and care to parents, which has been a normative duty and obligation of adult children” (Sung, 1998)

• Romantic view: backbone of support system, steeped in traditional norms that promote family harmony

• Cynical view: ideology supported by government to minimize or delay state support
Filial Norms

• Generalized expectations of adult children for support and care in old age

• Often gender specific with son preference

• Includes money, time, housing resources
Purpose of Analysis

• To compare filial expectations between rural and urban China with respect to:
  – Monetary support from children
  – Coresidence with children
  – Gender preferences for support from sons
Longitudinal Study of Older Adults in Anhui Province, China

- Random sample of 1,798 older adults (60+) in rural villages in Chaohu region who were surveyed in 2001, 2003, 2006, 2009 & 2012, carried out with Xi’an Jiaotong University
- 80% rural and poor (28th of 34 in GDP)
- Data from 2009 wave with replenishment; N=1,206
Chinese Longitudinal Aging Social Survey (CLASS)

- National random sample of older population 60+ sponsored by Renmin University
- Full survey of 7-8K currently in the field
- Uses items and scales from Anhui Study
- CLASS Pilot conducted in 2013 on mostly urban sample; N=1,037
<table>
<thead>
<tr>
<th>Normative Statement</th>
<th>Percent Agree</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Rural Anhui</td>
<td>Urban CLASS</td>
</tr>
<tr>
<td>Elderly parents should economically depend on their children</td>
<td>49%</td>
<td>21%</td>
</tr>
<tr>
<td>Children should live with elderly parents</td>
<td>77%</td>
<td>62%</td>
</tr>
<tr>
<td>Sons are the best guarantee for old age support</td>
<td>90%</td>
<td>60%</td>
</tr>
</tbody>
</table>
Anhui & CLASS Comparison

- Odds ratios from logistic regression comparing Anhui to CLASS on filial items, with adjustments for:
  - Basic demographics: age and gender
  - Resources: marital status, self-rated health, education, coresidence with child, number of children, proportion of sons
Odds Ratios for Rural (vs. Urban)

<table>
<thead>
<tr>
<th>Condition</th>
<th>Rural (vs. Urban)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Should live with parents</td>
<td>2.0</td>
</tr>
<tr>
<td>Having sons is best</td>
<td>6.1</td>
</tr>
<tr>
<td>Should economically depend on</td>
<td>2.2</td>
</tr>
<tr>
<td>children</td>
<td>1.7</td>
</tr>
</tbody>
</table>

Control Variables

- Age & gender
  - Red
- Add: marital, health, education, live with child, number children, proportion sons
  - Blue

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Rural China is Not Static

• Better health = less need for care?
• Fewer children = less available support?
• Pension income = less need for money?
• Filial expectations of children weaker?
• We compare surveys in 2001 & 2012 standardizing on age
Has no or only minor disability

Has >3 children

Has pension income*

%  

2001 2012

51.5 75.1

69.1 43.2

8.9

*Median annual pension income = 1,440 RMB ($245)
Elderly parents should economically depend on their children.
Predicting Historical Change

- Logistic regression predicting endorsement of economic dependence of older adults on children, 2001 & 2012

- Those above median income had 31.8% lower odds of endorsing economic dependence (OR = .682) explaining some of the historical decline

- Number of children and health were not significant
Filial Support Still Important

• Despite pensions, private economic transfers from adult children a powerful influence on well being of older people

• Economic transfers from children and purchasing power of older adults
Impact of Money from Children on Health Care Utilization

Marginal Increase in Outpatient Visits: 2006-2012

Outpatient visits

0 0.5 1 1.5 2 2.5

Financial transfers (ln+1)

0 1 2 3 4 5 6 7 8

Self rated health
fair/poor

Self rated health
good/excellent
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.

• As pensions grow will they crowd out economic support from children or replace declining support?

• Declining fertility means fewer children…but richer children?

• Despite reduced family size filial piety has been explicitly promoted by government policy, but is it sustainable?
Policy Issues and Questions

• Will filial expectations and behaviors change with rural development and plans to move 900 million into cities by 2025?

• What will be consequences for displaced rural elders who hold traditional values toward filial care?

• Family support will likely continue in importance but perhaps more supplemental than before.
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