

Poverty and Hardship Amongst the Aged in Urban China

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Background and Context

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- × China's Poverty Reduction record is impressive
- × But estimates of the level and trend in poverty differ
- × Most studies adopt an income approach
 - only total income matters
 - income-sharing assumption may be invalid (multi-generation households)
 - rudimentary (per capita) adjustment for differences in household need

Recent Developments in Poverty Research



- × Income poverty lines lack credibility (& no agreement on where to set them)
- × Important information provided by direct (as opposed to indirect, resource-based) indicators
- × Townsend's deprivation approach to defining poverty:
'Individuals, families and groups in the population can be said to be in poverty when they lack the resources to obtain the type of diet, participate in the activities and have the living conditions and amenities which are customary, or at least widely encouraged, or approved, in the societies to which they belong.'

Data and Methodology



- × Joint research between Social Policy Research Centre and Centre for Research on Ageing (Beijing), funded by the Australian Research Council (ARC)
- × Source of data: *Sample Survey of the Aged Population in Urban and Rural China (2000)*
- × Focus here on urban sub-sample (10,200 respondents)
- × Next survey (panel) currently in the field – will be analysed under new ARC grant

Limitations of Data

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- × Only collected income information for respondent
- × Possible to estimate missing incomes of spouses in couples, by assuming that they equal reported income of spouse, or imputed on the basis of age, province and region
- × Cannot estimate household poverty reliably where older people live with others – restricts the coverage of estimates of income poverty (but not of other indicators of hardship)

Income Poverty Rates in 2000 (Percentages - based on Minimum Living Standard poverty lines in each Province)

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Living Arrangement	Age:			Total
	60-69	70-79	80+	
Males living alone	3.4	7.4	7.3	6.1
Females living alone	23.0	27.0	29.0	25.8
Couples – equal incomes	10.4	11.7	19.5	11.2
Couples – imputed incomes	9.4	8.1	28.7	10.4
Total – equal incomes	11.6	14.6	22.1	13.5
Total – imputed incomes	10.8	12.1	25.8	12.9

Note: Totals refer to households, not individuals.

Direct Hardship Indicators – Broad Approach



- x Covers aspects of both deprivation (missing out on necessities) and exclusion (unable to participate in customary activities)
- x Overcomes limited income information for the household; based on reported responses of individuals, but assumed to apply to the household
- x Six broad areas identified, based on objective and subjective indicators
- x One key indicator identified in each area
- x Incidence of each indicator and combinations examined, as well as overlap with income poverty

Multi-Dimensional Indicators of Hardship



Economic Insecurity:

Unable to borrow from a bank; Has no savings; Savings inadequate; Has no pension; Has no insurance cover; Does not feel economically secure; *Not satisfied that food and clothing are adequate; 'Very worried' about resources for basic living*

Inadequate Housing Facilities:

Does not have: piped water; coal/natural gas; heating; indoor toilet; TV; washing machine; radio; electric fan; air-conditioner; tape recorder; refrigerator; own room; *Not satisfied with living conditions*

Health Status:

Has a chronic illness; *Health status is 'rather' or 'fairly bad'*; No health insurance; Very worried about not having enough money to see a doctor when sick

Multi-Dimensional Indicators of Hardship (continued)

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Social Exclusion:

Never visits neighbours; never invited for dinner; *Often feels lonely*; Has no one to confide in; Does not take part in community activities; No telephone; No one to care for them when needed; No private means of transportation

Relative Social Status:

Feels less economically secure than other retired workers; Falling behind society's development; Unhappier than other old people

Overall Well-Being:

Overall economic condition is 'very difficult'; is 'totally' or 'fairly' unsatisfied with life

Incidence of Deprivation and Exclusion - Males

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Indicator	Lives alone	Lives with spouse	Total
Economic Insecurity	3.433	3.044	3.098
Inadequate Housing	5.869	4.121	4.366
Poor Health	1.434	1.412	1.415
Social Isolation	4.460	3.432	3.576
Severe economic insecurity (%)	27.7	12.8	14.8
Severe housing problems (%)	46.8	28.0	30.6
Severe health problems (%)	14.6	10.7	11.2
Severe isolation (%)	40.7	17.4	20.7

Note: (a) The first four measures show the mean score (number of conditions experienced) in each area and the last four measures show the incidence of those who experience the key indicator in each area and at least two other conditions in that area.

Incidence of Deprivation and Exclusion - Females

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Indicator	Lives alone	Lives with spouse	Total
Economic Insecurity	3.975	3.545	3.709
Inadequate Housing	6.114	4.190	4.921
Poor Health	1.954	1.751	1.829
Social Isolation	4.287	3.442	3.763
Severe economic insecurity (%)	51.7	33.7	40.5
Severe housing problems (%)	43.9	29.8	35.2
Severe health problems (%)	22.6	16.4	18.8
Severe isolation (%)	41.3	17.2	26.4

Note: (a) The first four measures show the mean score (number of conditions experienced) in each area and the last four measures show the incidence of those who experience the key indicator in each area and at least two other conditions in that area.

Main Findings

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- × Restricted to first four (more objective) areas of hardship
- × Those who live alone are more vulnerable than those living with their spouse – particularly in relation to housing and social isolation
- × Those who live alone are far more prone to experience severe economic insecurity and severe isolation
- × Women fare worse than men (whether or not they live alone or with their spouse) particularly in relation to economic insecurity and poor health

Incidence of Multi-Dimensional Hardship by Gender and Living Arrangements

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	Lives alone	Lives with spouse	Total
Males:			
Any 1 key indicator	36.1	33.4	33.8
At least 1 key indicator	79.7	56.4	59.7
At least 2 key indicators	43.4	23.0	25.9
At least 3 key indicators	18.3	6.1	7.8
All 4 key indicators	5.8	0.7	1.4
Females:			
Any 1 key indicator	28.6	32.8	31.2
At least 1 key indicator	84.2	66.3	73.1
At least 2 key indicators	55.5	33.6	41.9
At least 3 key indicators	26.5	11.0	16.9
All four 4 indicators	6.0	2.4	3.8

Main Findings

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- ✘ Only around 40% of men and 27% of women experience no hardship; the female-male hardship ratio tends to increase with the number of key indicators (reaching a maximum when at least two are used)
- ✘ Those who live alone are more likely to experience multi-dimensional hardship
- ✘ Very few experience hardship across all four areas – which suggests that this extreme measure does not provide a useful way to examine the issue

Overlaps between Income Poverty and Indicators of Deprivation and Exclusion (assumes equal incomes)

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Indicator	Lives alone:		Lives with spouse:		Total:	
	Poor	Not poor	Poor	Not poor	Poor	Not poor
Males:						
Economic situation is 'very difficult'	29.4	4.7	12.5	1.0	15.7	1.5
Has no pension	94.4	24.8	90.7	10.6	91.4	12.5
Has no indoor toilet	50.0	47.5	53.3	27.6	52.7	30.3
'Very worried' about money to see doctor	70.6	28.2	54.3	25.3	57.5	25.7
Feels lonely 'often'	72.2	39.6	25.0	18.2	34.4	21.1
Females:						
Overall economic situation is 'very difficult'	16.9	4.2	5.2	1.1	10.1	2.2
Has no pension	95.2	37.7	96.3	16.4	95.9	24.3
Has no indoor toilet	52.9	41.1	39.8	27.4	45.2	32.5
'Very worried' about money to see doctor	42.6	30.3	34.2	29.5	37.7	29.8
Feels lonely 'often'	54.0	39.0	24.0	17.5	36.5	25.5

Main Findings

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- ✗ Again, those who live alone are worse off than those who live with their spouse
- ✗ Incidence of deprivation and exclusion is always greatest among those who are income poor, but the differences vary greatly
- ✗ Very high overlap between access to a pension and being income poor
- ✗ High overlap also between poverty and concern about being able to afford to see a doctor
- ✗ Low overlap between 'objective' and 'subjective' poverty measures (particularly among women)
- ✗ Loneliness is related to poverty, particularly for those living alone

In Conclusion

- x Need to examine more than just income poverty**
- x Results presented here illustrate the value of alternative paradigms (deprivation and social exclusion) and portray a richer picture of vulnerability among China's urban aged**
- x Within the aged, the incidence of single and multiple hardship is most severe for those who live alone and for women**
- x Clear implications for policy, in relation to the provision of pensions and health care**