

Quality of Life in Asia 4

Wei-Jun Jean Yeung
Mui Teng Yap *Editors*

Economic Stress, Human Capital, and Families in Asia

Research and Policy Challenges

 Springer

Economic Stress, Human Capital, and Families in Asia

Quality of Life in Asia

Volume 4

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Wei-Jun Jean Yeung • Mui Teng Yap
Editors

Economic Stress, Human Capital, and Families in Asia

Research and Policy Challenges

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Foreword

It has long been understood by social scientists that changing economic conditions at both the macro and micro levels shape and alter family forms and processes in predictable ways. The grand theorists of modern social science – Karl Marx, Max Weber, Adam Smith and Emile Durkheim – all posited in one way or another the proposition that economic systems are a primary determinant of how families are organized and how they operate in everyday life. These seminal writers have spawned long traditions of research exploring links between economic change and family adaptations in the contemporary disciplines of anthropology, sociology, psychology, and, of course, economics.

Despite this history spanning more than a century, many central questions remain unexplored. This excellent volume examining the consequences of recent economic events on families and individuals in Asia provides an abundance of fresh evidence and insights for both researchers and policy makers. The chapters provide a starting point for broader and deeper investigations into how global economic events set off a succession of changing conditions that challenge the workings of families and the wellbeing of individuals.

Translating theories and ideas conceived in the West to Asia is no simple matter because culture and institutional forms across regions of the world and specific countries moderate the nexus between economic events and responses by families and individuals. The spread of free market capitalism from the West is a powerful impetus for change everywhere, but the nature of the change at the family and individual levels may differ depending on local conditions. Or, put differently, we might say that individuals experience and define changing economic circumstances differently because they view it through particular cultural and institutional lenses. This collection demonstrates just how complicated the task of creating broad generalization about the link between economic change and individual behavior is when adaptations to change are refracted by conditions on the ground.

Jean Yeung's preface to this volume provides a brief history of the conference in 2010 that brought together scholars and policy makers from both the West and a large number of Asian countries to begin to think about how the Great Recession may be affecting cohorts of children and the elderly. She sets the ambitious goal

of providing “a systematic understanding of the experiences of families in Asia when under economic stress.” In one way or another, all the chapters share a common concern about how changing (typically declining) levels of resources ramify through family systems, affecting the welfare of both the next generation and older generations who rely on economic and social assistance from family members.

In fact, when the conference occurred, the Great Recession had already ended in a strictly technical sense. As we now know, the timing and severity of The Great Recession varied in countries in North America, Europe, and Asia complicating many of the analyses that attempt to examine cross-national impacts. Indeed, the lingering effects of the recession continue for families in the United States and Europe even 5 years after it ended. A cohort of young adults in a large number of countries in the West and the developing world continues to struggle to find secure working conditions. The most immediate impacts are high rates of unemployment, growing levels of poverty, and delayed home leaving. Accompanying these changes, we are beginning to notice that young adults are further delaying marriage and childbearing. The long-term effects of postponement of family formation have yet to be calculated, but they will surely aggravate secular declines in marriage and fertility.

These changes in turn may erode the already tenuous support that is being provided to the elderly in many Asian nations that lack the social security systems that are widespread in the West. In China, the crisis of the elderly, already acute, may become even worse in the next generation as the number of productive family members dwindles as a result of the one-child policy. The already heavy demands on adults at mid-life are likely to grow as they try to spread their limited resources between their parents and their children.

The growing body of evidence reported in the chapter by Duncan and Magnuson that an absence of resources in early childhood creates a form of cognitive stunting helps to explain the widening social class differences that are becoming more pronounced in the West, particularly in countries with inadequate family supports. While poverty broadly figures in this volume, the widening of social class differences is barely touched upon. However, it is clear that the ideal of meritocracy is seriously undermined when children begin life in such varying circumstances. Among the affluent both in the West and in Asia, children start out with enormous advantages that only widen as they enter the educational system. Poor children and even those from middle-income families, unless they are provided with considerable assistance, are likely to flounder in school.

The policy challenges of addressing a better system of managing the shocks of economic recession, not to mention economic crises brought on by natural disasters, are immense. Currently, the tools at the hands of policy makers are crude and insufficient. Clearly, the family cannot be left to shoulder the responsibilities of caring for the young and the elderly without more governmental assistance. However, it is challenging to put social insurance systems in place in nations that have traditionally relied on the family to care for its members. The family is not likely to be up to the task unless it receives greater help in the childbearing

and childrearing years. Indeed, in this sense, low fertility may be a predictable adaptation, as it appears to be in many of the more economically developed Asian nations such as Japan, Korea, and Taiwan.

As traditional Confucian values come into conflict with modern educational systems and job markets designed to maximize human capital, how can traditional gender roles be maintained or modified? Issues of gender lie at the heart of the crisis of the Asian family as it attempts to navigate new economic demands. Thus far, it is proving to be difficult in Asia to adopt the patterns of gender change followed in the West. Can Asian societies invent new ways of how men and women perform family roles that are distinctively different from Western models? It is simply too soon to tell.

One bright note in the rather gloomy picture that emerges from this volume about the current capacities of families to manage uncertain economic conditions is that we are developing far better ways of monitoring what is happening to families and individuals through data collection. Data does not necessarily solve problems, but it surely exposes them. I foresee a time when policy makers are equipped with much better data systems that permit researchers to examine how children and the elderly are faring in real time to current economic circumstances. There is an urgent need for systems of data that permit better country-level comparisons than are currently possible with episodic surveys and penetrating qualitative case studies. Common data systems across the region will heighten the ability of policy makers to compare the impact of particular interventions much as has been done with the growth of contingent cash family supplements in Latin America. Parallel panel studies in Asia will provide necessary information to help understand how families respond to economic vicissitudes and to craft policies that do a better job of assisting children and the elderly.

Some day in the not-too-distant future we will look back at this volume as a pioneering attempt to bring better alignment between the economic systems of Asia nations and the needs of their populations.

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July 2013

Frank F. Furstenberg, Ph.D.

Preface

Two months after I relocated to Singapore in 2008, the global financial crisis struck. As in other parts of the world, in Asia the crisis led to a reduction in economic growth and pushed millions more people below the poverty line. This financial crisis compounded the economic distress wrought upon families across Asia by the slew of natural disasters that had struck over the past decade. Together, these calamities exposed the extent to which Asian families bear the weight of economic stress, how vulnerable families in Asia can be to that stress, and how inadequate social safety nets are in the region. One may be quick to attribute the prevalence of and vulnerability to economic stress to seemingly chance disasters such as these, but in truth the perils exist even during economic good times.

The brunt of the financial crisis should awaken us to the fact that, at all times, a large proportion of the Asian population suffers from economic deprivation as a result of job instability, a rising cost of living, illness, death or absence of adult family members, marital dissolution, low-wage jobs, or natural disasters. The family unit is under duress. To ignore this is to ignore that when family falters, individuals' well-being and human capital erode and society is threatened. We must confront the danger by first taking the time to understand the experiences of these families.

Having spent much of my career studying the effect of poverty on family and individuals' life chances, I felt a pressing need to investigate the impact of economic deprivation on families in Asia. My prior research focused on families in the USA, which are considerably distinct from the family contexts in Asia. In general, compared to their American counterparts, the more prevalent extended families and religious practices here may provide Asian families buffers during economic hard times less available in the Western societies. However, Asian families are shrinking at a faster pace, have lower income, face weaker public safety nets, affected to a greater extent by migration, and live in societies that are ageing more rapidly. Moreover, I quickly learned after arriving in Singapore that there is no universal Asian family context; Asia consists of many incredibly diverse cultural and political systems and families across Asia are being challenged in vastly different ways. This distinct context demands a careful study of the unique experiences of families in various Asian countries.

My colleagues, Professor Gavin Jones, Associate Professor Angelique Chan, Dr. Mui Teng Yap and I raised funds to convene a conference, the *International Conference on Economic Stress, Human Capital, and Families in Asia: Research and Policy Challenges*, on 3 and 4 June, 2010, in the National University of Singapore, to explore how economic stress impacts human lives in this part of the world. About 200 eminent policy-makers, practitioners, researchers, academics, and non-governmental organisations from 18 countries, including Thailand, Korea, China, Indonesia, India, Vietnam, Australia, Singapore, the UK, USA, Sweden, Pakistan and the Netherlands, gathered to address challenges that Asian families face today under the changing family institution, financial crises, natural disasters and the revamping of social safety nets in the past few decades.

We express our gratitude to Singapore's Ministry of Community Development, Youth, and Sports (MCYS) and the Family Research Network, NUS Changing Family in Asia Cluster, Asia Research Institute, the Faculty of Arts and Social Sciences, Institute of Policy Studies (IPS), Lee Kuan Yew School of Public Policy, and Department of Epidemiology and Public Health (EPH), Yong Loo Lin School of Medicine for their generous funding of this two-day conference. My heartfelt appreciation goes to the guest-of-honour then-Minister of Community Development, Youth and Sports, Singapore, Dr. Vivian Balakrishnan, NUS President Professor Tan Chorh Chuan, Provost Professor Tan Eng Chye, and the keynote speakers, Dr. Noeleen Heyzer, Professors Greg J. Duncan, Sheila B. Kamerman and Elizabeth Frankenberg, for their unwavering support of this conference.

At that time, there had not yet been much new data on the recent crises, but what was presented was an important start. The authors of the chapters explore an assortment of vital issues: Who is most vulnerable to economic stress? How does economic stress affect parenting behaviour and children's well-being? What is the aftermath of tsunamis and earthquakes in Indonesia and China? How has the birth rate been affected in Korea or other countries that are also struggling with an ultra-low fertility? How effective are the Singapore Work Support programmes for families under stress? How will China care for the financially distressed elderly given her plunged age structure and skewed sex ratio as a result of the one-child policy? Does financial stress trigger domestic violence in the family? To what extent do private and public social support networks buffer a family's economic stress? These chapters comprise the majority of this volume which is divided into five parts: an overview of how the recent financial crisis has affected families and children in the region and the lessons we have learned about the long-term effects of poverty; women, children and economic stress; economic stress and health; social support during economic hardships; and economic stress and public policy.

I am deeply indebted to Professor Gavin Jones, Associate Professor Angelique Chan, and Dr. Mui Teng Yap for collaborating with me and supporting me to organise the conference and to compile this volume. The contributions from all authors and participants of the conference cannot be overstated. I am most grateful to Ms. Saharah Abubakar who has provided expert and tireless assistance in editing and coordinating among authors and the publisher.

The primary goal of this collection is to provide a systematic understanding of the experiences of families in Asia when under economic stress. I hope the analysis will provide students and scholars in Asia and in other parts of the world, particularly those of family, poverty, education, health, and public policy, with a richer understanding of Asian contexts as they develop further research. Ultimately, the objective is to arm policymakers with a nuanced and deep insight that will guide them in supporting families through economic distress.

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June 2013

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Chapter 1

Economic Stress, Human Capital, and Families in Asia: Research and Policy Challenges

Wei-Jun Jean Yeung

Background

The changing demographic landscape, globalization, natural disasters, financial crises, and the revamping of social safety nets in many Asian countries in the past few decades have subjected countless people to economic stress (Cameron 2002; Fallon and Lucas 2002; Kim and Park 2006; Nobles and Bутtenheim 2006; Thomas and Frankenberg 2007; United Nations 2009). Job and income loss, volatile gasoline and food prices, and growing residential insecurity top the list of sources of family economic stress in recent years (Lokshine and Yemtsov 2004; Madhavan and DeRose 2008). Research has shown that economic stress is linked to poor human capital development, emotional distress, health problems, unstable marriages, curtailed family consumption, modified employment behavior of family members, changing union formation and fertility patterns, more frequent geographic movement, and harsher parenting behavior (Catalano et al. 2005; Conger and Conger 2008; Friedman and Thomas 2009; Frankenberg et al. 2005; Ruhm 2000; Stuckler et al. 2009). Falling incomes and rising poverty may also erode a family's social support networks, leaving them isolated and unable to engage in social exchange.

Previous research in western societies shows that changes in opportunity structure do not affect all households in the same manner. Family wealth, human capital, and support networks help buffer families from sudden economic shocks (Yeung and Hofferth 1998). Community resources, public assistance, and local labor market conditions also affect families' ability to cope with adversity. Certain groups, such as unskilled workers, the working poor, single-parent families, or

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ethnic minorities, are at greater risk of economic hardship. Families with multiple barriers are especially vulnerable to economic stress. However, research in the USA reveals that middle-class families or highly skilled workers are not immune to these economic uncertainties either (Duncan et al. 1996). Research also shows that family members carry unequal burdens, with more adverse impact typically on women, children, and the elderly. The ability of families and governments to adapt to changes in the economy has long-lasting implications for human capital development, intergenerational mobility, and future economic growth of a society.

Research from western countries may not be applicable to Asia where many countries still have a relatively lower income, public safety nets are more tenuous than in many American or European countries, family ties are shrinking with low marriage and fertility rates, and populations aging more rapidly than in many Western countries. There is a pressing need to understand how Asian families are faring under economic stress in recent years.

This book presents findings about the consequences and policy implications of economic stress for human capital development and family well-being in Asia. These papers were originally presented in an international conference “Economic Stress, Human Capital and Families in Asia: Research and Policy Challenges” held in the National University of Singapore on 3rd and 4th of June 2010, convened by W. Jean Yeung, Gavin Jones, Angelique Chan, and Mui Teng Yap. The objective of the conference was to discuss the consequences of economic stress, adaptation behavior, and the policy implications for human capital development and family well-being specific to Asia Pacific countries. More than 50 professionals and academics from 18 countries presented a total of 37 papers featuring experiences of countries in the Asia Pacific region. A subset of these papers is included in this volume.

The scope of these articles goes beyond the impact of the recent financial crisis to include the effects of economic deprivation families in Asia experience as a result of job loss, marital dissolution, low-wage employment, and catastrophic natural calamities. It is important to note that economic stress affects a significant segment of the population not only during financial crisis but also during economic good times, although it does not usually receive due attention unless we are hit by a financial crisis. The papers address a wide spectrum of themes in different panels, including social safety nets; physical and mental health; vulnerability and resiliency; social support networks; children and youth well-being; parenting, gender, and family relations; natural disasters; and migration. Using both quantitative and qualitative methods, the papers bring perspectives from multiple disciplines such as sociology, economics, social work, demography, public health, anthropology, and public policy. The authors seek answers to questions such as what is the aftermath of the earthquake in China, how has the birthrate been affected in Korea or other countries that are also struggling with an ultra-low fertility rate, how has economic stress affected migrant women and their children’s well-being in Hong Kong, and how will China care for the elderly given her sharply altered age structure and a highly skewed sex ratio as a result of the one-child policy? It should come as no surprise that these questions defy simple answers. What we learn from previous

experience is that economic stress exacts many social and psychological costs on the quality of individual and family life, and if we ignore the potential consequences of economic stress, the cost is high. We hope findings from this collection of papers could inform future family and developmental policies and stimulate future research.

Main Questions Addressed

Economic stress is defined in this book to include substantial loss in work hours, income, or assets, the experience of material hardships such as food insecurity and inadequate housing or health care, or failure to make ends meet. Main questions addressed in these chapters include:

(a) The nature of economic stress

- To what extent have Asian families experienced economic stress in the last few decades?
- What types of economic stress have Asian families experienced?
- Who are most vulnerable to economic stress?

(b) Coping behavior

- What adaptation strategies do families use when they are under economic stress?
- To what extent have families' economic activities changed in terms of family member's employment behavior and how families manage their economic resources (income and assets such as savings and financial investment) or time?
- To what extent is economic stress related to family expenditures on children's development?
- How does economic stress affect health-care utilization? How might economic stress (food related or otherwise) contribute to health-care utilization or physical and mental health of family members?
- To what extent do private and public social support networks buffer family's economic stress, e.g., the availability and impact of assistance from family and friends or government assistance programs?

(c) Potential consequences of economic stress

- To what extent is economic stress related to the individual's physical and mental health status?
- To what extent is economic stress related to the individual's expectation and behavior in marriage and fertility?
- To what extent is economic stress related to family dynamics, for example, intergenerational relations and transfers?

Conceptual Framework

An overarching framework, depicted below, is used to summarize how authors in this collection conceptualize the nature and impact of economic stress. This framework integrates two theoretical traditions to examine the household response to economic setbacks: (1) the family stress theory that takes sociopsychological factors into account and (2) microeconomic theories that see family members pooling resources together and smoothing life course consumptions over time.

The crisis model originally developed by Hill (1949) forms the central concept of the family stress theory. The model begins with certain stressor events such as job loss which precipitate changes in patterns of one or more of the following: family interaction, family goals, roles of family members, and values. Such changes potentially may destabilize the balance in the family necessary for effective family functioning. The objective economic stress, measured by indicators such as major income or assets loss, often triggers a certain level of subjective economic strain/pressure among family members. The degree to which a family adjusts depends upon the family's social-psychological and financial resources to meet the changes and the family's subjective perception of the stressor events. Stress theory also considers the social context of the family and community resources. This basic framework was later extended by McCubbin et al. (1982) in a longitudinal study of family stress and crisis and elaborated upon by other researchers (George 1993; Zimmerman 1988). Empirical research in the USA shows that economic problems may alter the socioemotional balance in the family which may result in marital discord and conflict and, perhaps, lead to divorce (Conger et al. 1990; Elder et al. 1984; Elder 1999; Liem and Liem 1988). Conger and his colleagues further developed the family stress model to show the adverse effect of financial difficulties on parents' emotions, behaviors, and relationship, which, in turn, affects their parenting behavior and children's developmental outcomes (Conger and Conger 2002, 2008; Conger and Elder 1994).

In microeconomic theory, a family is viewed as an economic unit in which family members pool resources and make joint decisions about consumption to achieve their optimum well-being or utility. Economic theory emphasizes the concept of permanent income (Blau and Ferber 1992), which states that a family's level of consumption is based upon the potential flow of income through time. The concept of permanent income also states that a family's level of consumption typically is indicated by the educational level of the head of the family or by the family's income averaged over a number of years rather than by the family's income at any point in time. Thus, families save in good times and borrow in times of need. Families also manage by modifying the labor supply of family members. Wives and older children historically have been a source of additional income when needed by the family economy, which is the added worker hypothesis (Sassier 1995).

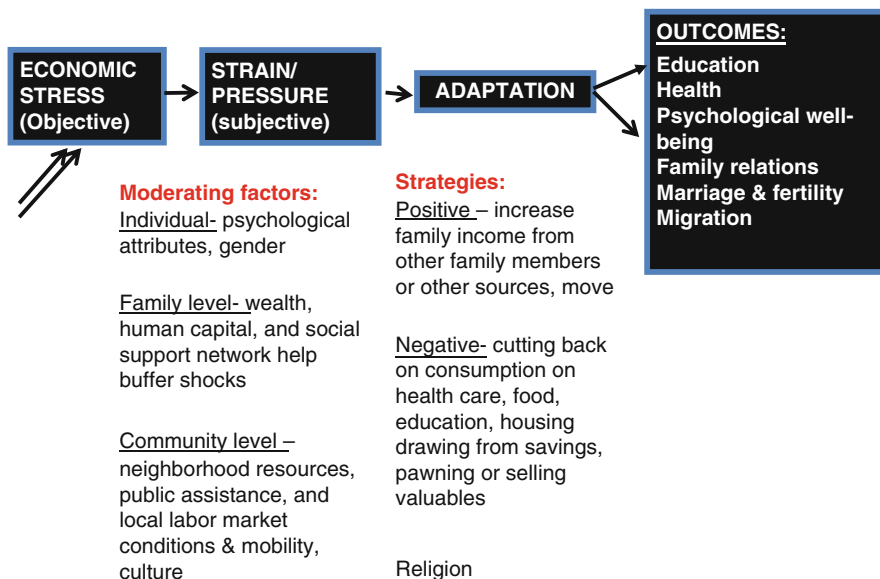


Fig. 1.1 Conceptual framework

When a family experiences economic stress, family members tend to adapt to the change with various strategies, such as cutting back on consumption on health care, food, education, or housing, going on public assistance, drawing from savings, borrowing money, obtaining a loan, or selling assets (Yeung and Hofferth 1998). They may also seek alternative sources of income, move to a different location, send other family members to the labor market, or seek spiritual support. Throughout this process, family members’ life satisfaction and outlook to the future may change.

Figure 1.1 depicts a set of moderators at individual, family, and community levels that may shape how economic stress affects a family. These moderators include the psychological attributes of the individual and family members, stock of family wealth (savings and assets) and human capital, and social support networks that may buffer the economic stress, as well as community resources such as public assistance or local labor market conditions.

Many of the chapters in this volume examine the factors that influence a family’s adaption strategies and how these changes in resources and adaptation behavior relate to family members’ physical and mental health, education, family relations, marriage and fertility behavior, and patterns of geographic moves. In the remainder of this chapter, we summarize the main findings from these chapters and discuss their policy implications.

Part I: Overview

Addressing the Economic Crisis on Communities and Families in Asia Pacific: Toward a More Inclusive and Resilient Development

Noeleen Heyzer, Under Secretary General, UN and Executive Secretary, UNESCAP, begins with an overview of how the recent economic crisis has affected the communities and families in Asia Pacific and suggests how this region can move toward attaining a more inclusive and resilient development. She highlights how the global financial crisis had, by the third quarter of 2008, affected Asian economies, leading to rising unemployment rates in this region. Exports dropped sharply at rates that were almost twice as large as and more widespread than those experienced in past crises. Heyzer shows that since the first global economic contraction hit Asia and the Pacific late in 2008, economic growth among developing economies of the region decelerated sharply from 9.1 % in 2007 to 4.0 % in 2009. The growth rate remained positive as a result of the continuing rapid growth in China (8.7 %) and India (7.2 %). She points out that if these two powerhouses are excluded, growth of developing economies in the rest of the region actually contracted to 0.6 %, not unlike the rest of the world.

The decline in growth rates was followed by massive job losses in many of the key export manufacturing industries in the region. According to UN estimates, by 2009 the number of unemployed in the Asia Pacific region had increased by ten million relative to 2007, thus increasing the unemployment rate to 5.0 %. These trends, combined with the weakening family and community support structure in the context of increasing urbanization, migration, and aging populations, could result in adverse social consequences that will take many years to reverse.

Heyzer cautions that while the region is experiencing a healthy recovery, this recovery has several downside risks, including premature withdrawal of the fiscal stimulus, protectionism, return of inflation, and financial and exchange rate instability. She notes that the recent global financial crisis has revealed the limits of this region's export-oriented, low-cost, labor-intensive growth model. She argues that the region has to address its own macroeconomic, social, ecological, and development imbalances and development gaps and that this could be done by empowering the poor and generating growth which is more inclusive of the poor and which is more ecologically sustainable. She also makes the following suggestions:

- First, strengthening social protection should be a high priority. If poor households can rely on social protection systems that will automatically trigger social safety nets at times of adversity, they will be able to maintain food intake and continue to use education and health services.
- Second, as the majority of the poor live in rural areas and derive most of their income from agriculture, they are likely to benefit from agricultural growth.

Thus, a more knowledge-intensive green revolution that combines advances in science and agricultural engineering with the region's unique traditional knowledge and makes agriculture more environmentally resilient is needed.

- Third, the Asia Pacific economies should develop new and greener industries and businesses based on innovations that will save energy and materials. This will provide more affordable products for the poor while maintaining growth and promoting environmental sustainability.
- Fourth, the financial system has to be more inclusive so that millions of the unbanked can gain access to modern financial services and small and medium enterprises can be assisted to contribute to development.

In addition, a more resilient and inclusive social protection system is needed and the state and the private sector need to rethink how it could invest in new human capacity development. A change is needed in the way social protection strategies are formulated and implemented, and the goal and structure of social protection programs and interventions must be transformed from a welfare strategy to an investment one.

The Impact of the Economic Crisis on Children in East Asia and the Pacific: A UNICEF Perspective (2009–2010)

Samman J. Thapa and Mahesh S. Patel present a UNICEF perspective on the swift and severe impact of the financial crisis since 2008 on children in East Asia and the Pacific (EAP), threatening to reverse progress toward the Millennium Development Goals. They note that children face more severe risks than adults during economic crises and caution about the adverse impact on children's health and education and the increase in child labor. In particular, they call for special attention to countries that have low income, are most affected by the financial crisis, and have minimal fiscal cushions to cope with shock.

They note that the different countries in EAP were affected at various levels by the crises and the recoveries have been similarly varied. This has important implications for the abilities of different nations to maintain social commitments for the poor and vulnerable, especially children.

They highlight the crucial role of China in the recovery of Asia. For instance, its US\$ 600 billion stimulus program and monetary easing that led banks to dole out US\$ 1.2 trillion in 2009 have been effective in ensuring the growth it experienced in 2009 (*The Financial Times* 2009). Emerging Asia too grew by over 5 %, while Advanced Economies contracted by 3.2 % (IMF 2010). The growth gap between these two groups has never been wider (*The Economist* 2009). The report also shows that EAP economies overall have made a “V” shaped comeback, largely due to China's strong performance.

Despite the overall bright long-term growth prospects in East Asia and the Pacific (EAP), the authors point out that countries such as Cambodia, Mongolia, Papua New

Guinea, and the Pacific Islands that are hard hit but have minimal fiscal ability to recover are facing severe challenges. The situation is particularly dire for children in these countries.

Thapa and Patel also illustrate how economic crisis can potentially turn into a crisis for children with Mendoza's framework (2009) that captures how the world economic crisis can transmit through different channels to children. When exogenous shock in the form of financial crisis hits the world economy, the goods and services trade, private investments, foreign aid, and other linkages in the national economy are adversely affected. At the microlevel, the household economy is in turn affected when it is deprived of access to public services, employment, financial services and basic goods, and remittances. The increased deprivations caused by these transmission channels of exogenous shocks in turn have the potential to exacerbate child poverty in the region.

For the poorest and most vulnerable, the twin shocks of higher food prices and falling or lost incomes could result in adverse coping strategies such as withdrawal of children from school, delay in school payments, or reduction in health-care expenditure, further worsening life conditions of vulnerable children. In terms of health outcomes, they quote another study done by UNICEF Cambodia which revealed that wasting among poor urban children in the country increased from 6 % in 2005 to 15.9 % (above the 15 % threshold of a "humanitarian emergency") in 2008, primarily due to rising food prices (Cambodia Anthropometrics Survey 2008).

They explain how wasting, stunting, and underweight levels among children in EAP are very high once the regional aggregates for these indicators are decomposed. Stunting rates of 40 % or above in countries such as Indonesia, Cambodia, and Lao PDR are comparable to levels observed in countries in South Asia and sub-Saharan Africa. Poor households in the region spend up to 75–80 % (ADB 2008) of their income on food, and lowered purchasing power due to higher food prices, reduced incomes, and higher fuel/commodity prices could lead families to adopt adverse coping strategies such as cutting down on their food intake that may permanently jeopardize the healthy development of their children.

The authors also use data collected from real-time monitoring initiatives from countries such as Indonesia, Lao PDR, Vietnam, and Mongolia to highlight notable government responses that can potentially avert or mitigate the impact of financial crisis on children. UNICEF has played a key role in supporting these initiatives. They note that the EAP region has borne significant social costs for children during the 1997 Asian crisis and argue that it is critical to invest in social protection of children, which not only is morally desirable but makes economic and political sense, during the recent global economic recession.

The Long Reach of Early Childhood Poverty

Greg J. Duncan and Katherine Magnuson bring the lessons learned about the long-term impact of poverty on adult outcomes based on experiences primarily from

western societies. They note that international comparison shows that the USA has one of the highest poverty rates among industrialized countries. Drawing the poverty line at 50 % of median disposable income (about US\$29,000 for a family of three in today's dollars) classifies 16 % of the US population as poor. Poverty rate is lower in the UK and continental Europe and lowest in Scandinavian countries. The authors note that the two Asian countries that participate in the Luxembourg Income Study program – Taiwan and South Korea – have poverty rates that are in between those of the USA and most other Western countries.

More striking, the child poverty rates in the USA are particularly high, with nearly one-quarter of US children classified as poor, using the 50 % of median standard. In particular, deep poverty for US children is considerably more pervasive than among children in most Western industrialized countries.

Duncan and Magnuson investigate the question of whether childhood poverty compromises one's life chances and how it does so. They examine the relationships between early childhood income and later adult outcomes based on data from a longitudinal study in the USA – the Panel Study of Income Dynamics – on children born between 1968 and 1975. Adult outcomes were collected between ages 30 and 37.

Compared with children whose families had incomes of at least twice the poverty line during their early childhood, the authors note that poor children completed two fewer years of schooling, earned less than half as much, worked 451 fewer hours per year, received US\$826 per year more in food stamps as adults, and were nearly three times as likely to report poor overall health. Poor males were more than twice as likely to be arrested. For females, poverty was associated with a more than fivefold increase in the likelihood of bearing a child out of wedlock prior to age 21. Their analysis shows that for families with an average early childhood income below \$25,000, a \$3,000 annual boost to family income was associated with a 17 % increase in adult earning.

A \$3,000 annual increase in the prenatal to age-five income of low-income families was associated with 135 additional work hours per year after age 25. In contrast, increments to early childhood income for children in high-income families were not significantly associated with higher adult earnings or work hours.

They also find long-term impact of early childhood income on adult attainment measures. Income increases in early childhood were generally favorable in terms of earnings, work hours, the absence of receipt of welfare income, and “on-time” completed schooling in adulthood. In contrast, most adult behavior and health measures were more likely to be responsive to income increases later in childhood as well, although the patterns were not nearly as consistent as those found for the attainment measures.

With regard to policies, Duncan and Magnuson conclude that we should ensure that sanctions and other regulations do not deny benefits to families with very young children. Providing income support to working poor parents through wage supplements has been shown to improve children's achievement, according to data from experimental welfare reform evaluation studies undertaken during the

1990s. Thus income may play a causal role in younger children's achievement, and beneficial welfare reform programs should increase both income and parental employment.

Part II: Impact of Economic Stress on Women and Children

How economic stress affects parenting behavior and children's well-being is the theme of several papers at the conference. Among them, Doo-Sub Kim explores the effects of the 1997 Asian economic crisis on the levels of achieved and desired fertility of Korean couples. Janet Arnado describes another strategy to cope with economic stress employed frequently by Filipino women – going abroad as migrant workers. She argues that such coping strategy is strongly intertwined with gender relations at home. Adam K. L. Cheung and Susanne Y. P. Choi examine how financial stress could trigger domestic violence in the family.

The Recent Economic Crisis, Changes in the Pattern of Achieved Fertility and Ideal Number of Children in Korea

Based on data from the 2006 Korean National Fertility Survey, Doo-Sub Kim's research examines the extent to which the 1997 Asian economic crisis has affected the level of desired and achieved fertility for couples of different socioeconomic status. He finds that the economic crisis has had a significant negative impact on the number of children ever born (CEB) to Korean couples even though it has not reduced Korean women's ideal number of children (INC).

He compares fertility between women married before 1997 and those first married in 1997 or thereafter. The gap between INC and CEB became wider after the 1997 Asian economic crisis. For those who were married before 1997, the gap between INC and CEB was not found to be meaningful and did not appear dependent on the socioeconomic status of the couple (measured by wife's level of education). However, for those who were married for the first time in 1997 or thereafter, the gap between desired and achieved fertility turned out to be widest among those with the lowest socioeconomic status and the narrowest among those with middle or upper-middle status.

Kim notes that the economic crisis appeared to have altered the causal mechanisms of Korean fertility. The post-crisis fertility shows a different pattern from before, according to the socioeconomic status of the couple. In the ultralow fertility context after the economic crisis, level of recent fertility was highest among those with upper-middle socioeconomic status, followed by those with the highest socioeconomic status, and finally those with the lowest socioeconomic status.

These results suggest that the economic crisis has likely created the greatest economic stress for the segment of the population that has low social capital and income to the extent that they are unable to have as many children as they desire to. Kim notes that the current level of lowest-low fertility in Korea is mainly due to a strong sense of job insecurity among young couples in an uncertain economic environment. To encourage young people to marry earlier and have children, the author contends, overall improvements in the security of the labor market is needed. In addition, Kim argues that policy makers should focus pro-natal programs on least educated couples to effectively boost fertility and priority should be given to selected groups that show a wider gap between achieved and desired fertility.

Economic Stress, Gender Relations, and Migration of Filipinas to Singapore

In the Philippines, economic stress takes yet another form. The Philippine President admitted in 2001 that the local job market was tough and that the national economy relied on remittances from overseas workers as the country had not been able to recover from its recession since the seventies. Arnado cites Faist's study in 2000 that shows that the Philippines has a disproportionately high emigration level, with roughly 10 % of its total population (about eight million) working overseas as compared with the 2 % total world migrant population.

Arnado illustrates with ethnographic data that many Filipino families cope with economic stress by sending family members abroad to work and strive for survival through the remittances from their labor and the global structural opportunities. She argues that such coping strategy is strongly intertwined with gender relations at home. For example, past researchers have found an association between economic stress and domestic violence, such as marital violence and engagement in vices such as drugs and alcohol. And economic stress and domestic violence affect marital relations and parent-child relationships. Thus, the need to cope with family economic stress and strained gender relations motivates Filipino women to migrate to Singapore, even when they have very little information about the country. Having been abandoned or husband abandonment is often a hidden reason behind the migration for work among these women. This strategy provides economic relief and space for emotional recovery for them.

In view of the country's high unemployment rate, Arnado speculates that labor will continue to dominate the Philippines' export commodity in the future. Many family members will continue to live apart and rely on technological devices to communicate. Abused women may find solace in other countries or they may be victimized by their employers. Women who have never been married are very likely to have a harder time finding a marital partner given the sexual, time, and space restrictions in their workplaces in Singapore.