

**“REMITTANCES, LIVING
ARRANGEMENTS, AND THE
WELFARE OF THE ELDERLY
IN VIETNAM”**

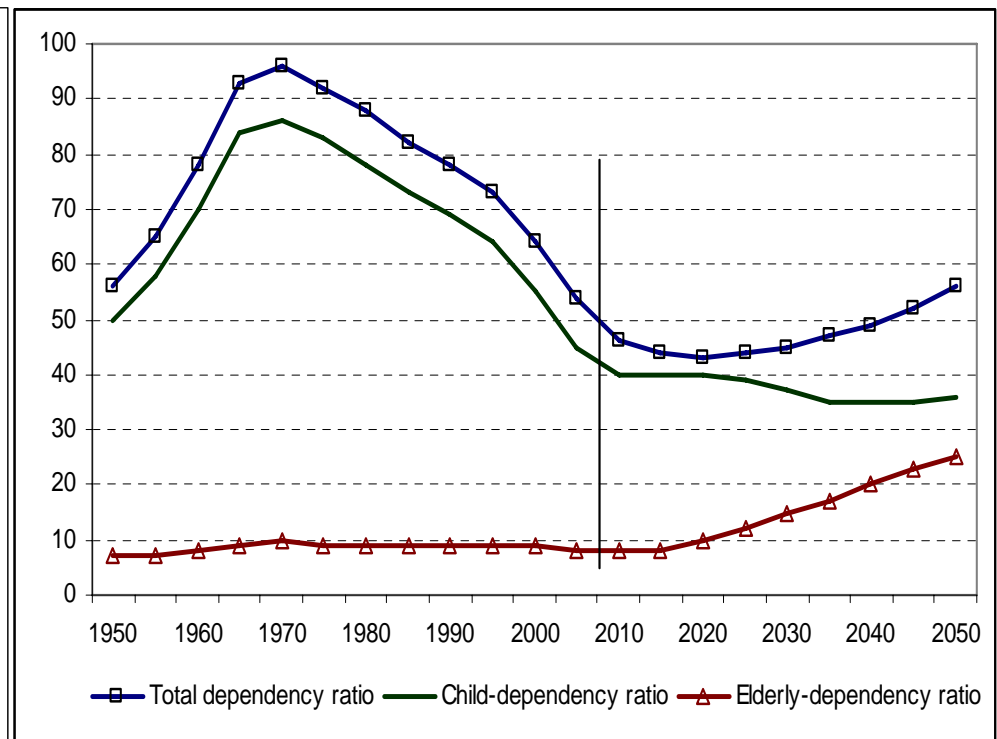
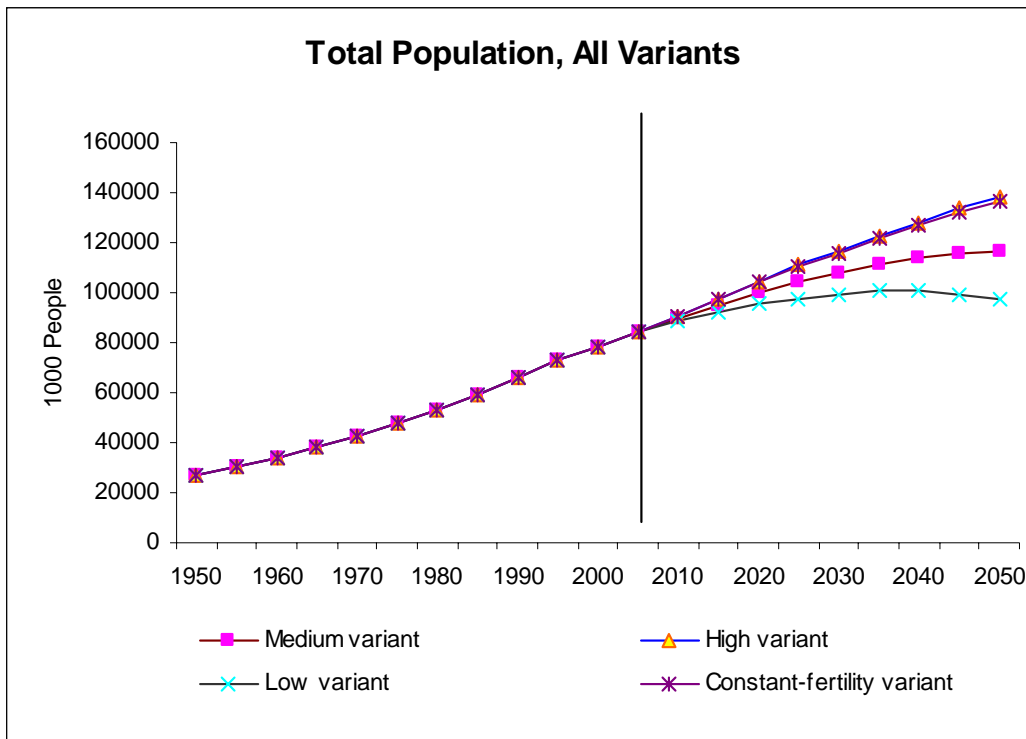
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Introduction

- Rapidly aging population, mainly due to declining fertility and increasing life expectancy, will be continuing in the coming years. Particularly for developing countries that will grow old before becoming rich, population aging poses various pressures to governments' public policies for protecting the elderly.
- Under profound socio-economic changes stemming from modernization and urbanization, the weakening of family bonds suggests an urgent task for old age security in developing countries, where social security systems are underdeveloped with very low coverage (Schwarz, 2003).
- Recently, Vietnam is also experiencing such demographic changes. UN (2007) shows that elderly population will increase substantially in the next fifty years → *next page*

Population Projections for Vietnam, 2005-2050



Source: United Nations (2007)

Introduction

- *Doi moi* (renovation) has resulted in substantial improvements of living standards of the elderly, but the majority of them are still living in vulnerable conditions (Le *et al.*, 2005).
- Only a small part of the elderly are receiving social protection benefits, while the majority are living on their own and/or supported by families (MOLISA, 2006).
- The past decade also observed a decline in dependent elderly, and an increase in elderly living alone (Giang and Pfau, 2007a). Thus, declining family support may leave the elderly behind with further vulnerabilities.

Research Questions

- Are Vietnamese elderly able to maintain relations with their family members in spite of rapid economic changes?
- If so, how is it being done? Living together? Remittances? How do these two possibilities interact?
- What is the potential role for government policy in improving the situation for Vietnam's elderly?

Outline of Presentation

- Describe data and methodology
- Consider the demographics and living arrangements of Vietnam's elderly
- Consider the scope and role of remittances for Vietnam's elderly
- Use logistic regressions to understand determinants of remittance receipt and poverty for elderly

About the Data

- We use four different **Vietnam (Household) Living Standard Surveys**: 1992/93, 1997/98, 2002, and 2004.
- The surveys were conducted by the General Statistics Office of the Vietnamese Government, along with other international agencies.
- The data represents the entire Vietnamese population, both urban and rural and across regions. The number of elderly households and elderly people are in parentheses.

TABLE 1
Number of Households and Individuals
in the Vietnam (Household) Living Standards Surveys

Year	Number of Households	Number of Individuals
1992/93	4800 (1504)	24068 (2047)
1997/98	6002 (2121)	28633 (2860)
2002	29530 (8759)	132384 (11940)
2004	9189 (2784)	39696 (3806)

Note: The number of elderly households and elderly people are in parentheses.

Source: Own calculations from VLSS 1992/3 & 1997/8, and VHLSS 2002 & 2004

About the Data

- The surveys are organized by household, but also include some characteristics for individuals in the household (age, gender, relationship to household head, marital status, working status, salary, health, and education).
- For the households, extensive data is provided on sources of income, business and agricultural enterprises, detailed household expenditures, consumer durables, poverty incidence, poverty alleviation programs, and housing conditions.

About the Data – 1992/93 & 1997/98

- The 1990s surveys contain many details about remittances:
 - We know which household members sent and received remittances
 - For receipt of remittances, we know about the sender: the relationship to the recipient, the gender, the location (province or country), whether that place is urban or rural, and how much was sent
 - Conversely, when surveyed households sent remittances to others, we also know the above characteristics about the recipients.
- Also useful when studying remittances for the elderly, the 1997/98 survey includes a complete list of living children for each member of the surveyed household, regardless of whether or not they live in the household.

About the Data - 2002 & 2004

- Unfortunately, information about remittances in the 2002 and 2004 surveys is much less extensive:
 - We only know the total amount of remittance receipts per household from domestic and international sources. We do not know about individual receipt of remittances.
- We also don't know about children who live outside of the interviewed households.
- This means that our analysis of later surveys must be less detailed than the earlier surveys.

Logistic Regression Methodology

- The logistic model, which we will use to explain both the determinants of remittance receipt and the determinants of poverty for the elderly, allows us to determine which factors are significant after controlling for covariates.
- For each explanatory variable group, when compared to the reference, an odds ratio of less than one means that the category is less likely to receive remittances or be poor, while a value of more than one indicates a greater likelihood.
- Statistical significance is indicated for the 5 percent level.
- The reported probability is how the estimated probability of receiving remittances or of being poor changes for that category in comparison to its reference group value, when other explanatory variables are equal to their mean values.
- We use the individual and household weights so that the results are representative for the entire Vietnamese population.

Demographics and Living Arrangements of Vietnam's Elderly

TABLE 2
Demographic Characteristics of the Vietnamese Elderly Population
(Percentage of elderly across demographic categories)

	1992/93	1997/98	2002	2004
Age				
60 – 64	36.15	29.65	26.68	26.88
65 – 69	24.33	27.59	24.7	22.75
70 – 74	20.17	20.03	21.58	21.18
75 – 79	10.8	12.45	13.53	14.03
80 – 89	7.72	9.13	11.57	12.85
90 and older	0.83	1.15	1.94	2.31
Gender				
Male	43.19	41.93	42.79	41.58
Female	56.81	58.07	57.21	58.42
Marital Status				
Married	64.05	61.63	61.69	60.51
Widowed	33.9	35.81	36.44	36.99
Other	2.05	2.56	1.87	2.5
Urban / Rural Status				
Urban	22.27	25.94	23.17	26.67
Rural	77.73	74.06	76.83	73.33
Region				
Red River Delta	23.95	23.78	25.35	25.78
North East	13.11	13.73	10.89	10.46
North West	1.83	1.73	2.13	1.93
North Central Coast	13.06	14.48	13.87	12.59
South Central Coast	10.89	8.68	9.79	9.93
Central Highlands	2.03	1.85	4.01	3.4
South East	13.61	15.55	14.03	15.36
Mekong River Delta	21.52	20.2	19.93	20.55
Education Qualification				
No	63.48	62.28	60.57	58.41
Primary	20.77	21.46	22.16	22.34
Secondary	11.47	12.34	12.53	12.61
Vocational	2.19	2.03	2.8	4.04
Higher	2.09	1.89	1.94	2.6

Source: Own calculations from VLSS 1992/93 & 1997/98, and VHLSS 2002 & 2004

Some Trends

- Average age of elderly is increasing
- More female and widowed elderly over time
- Rural elderly still dominate, but decreasing over time

TABLE 3
Living Arrangements of the Vietnamese Population
Percentages Across Demographic Categories

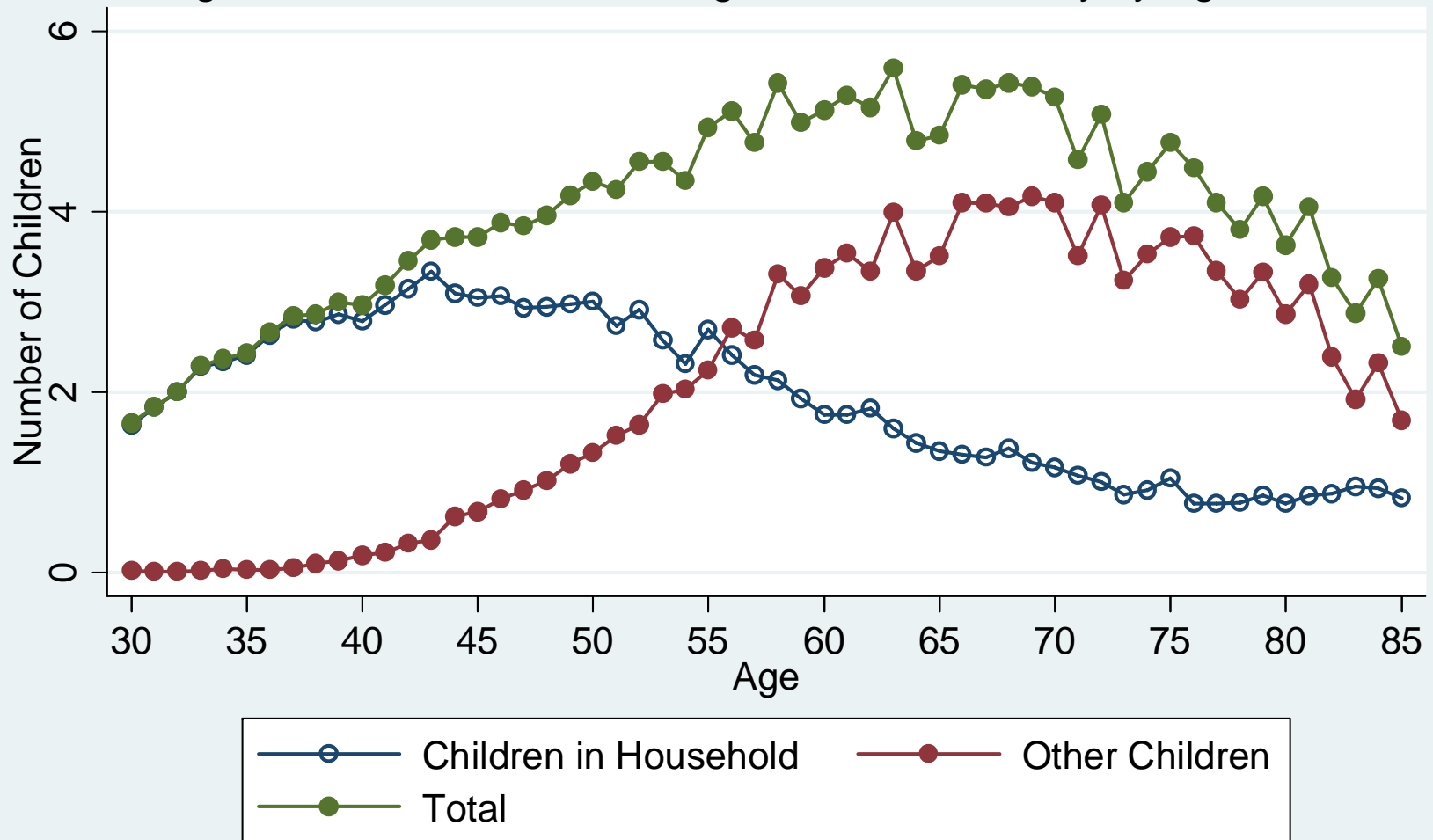
	1992/93	1997/98	2002	2004
Percentage of Total Population Living in Each Type of Household				
No Elderly	67.8	66.0	70.0	68.8
Elderly Head with Nonelderly	18.8	18.4	19.6	20.2
Dependent Elderly	12.3	13.8	8.6	9.0
Only Elderly	1.1	1.9	1.7	2.1
Percentage of Elderly Living in Each Type of Household				
Elderly Head with Nonelderly	59.4	54.9	63.4	61.6
Dependent Elderly	27.2	26.7	18.0	17.7
Only Elderly	13.4	18.4	18.6	20.7
Elderly Living Arrangements				
Only One Elderly Person	3.5	4.9	5.3	5.6
Only Elderly Married Couple	9.5	12.7	12.5	14.4
Other Group of Only Elderly	0.5	0.7	0.8	0.6
Elderly Spouse of Nonelderly	2.6	2.3	2.6	2.3
Elderly Head, Unmarried Son	6.6	7.1	7.1	8.2
Elderly Head, Married Son	9.8	10.7	15.9	4.1
Elderly Head, Unmarried Daughter	6.4	5.5	7.2	6.0
Elderly Head, Married Daughter	1.4	1.4	2.2	1.3
Elderly Head with Multiple Children	27.8	23.6	23.5	35.5
Elderly Head, Other Situation	4.7	4.3	4.8	4.5
Elderly Dependent, Unmarried Son	1.0	0.9	0.5	0.3
Elderly Dependent, Married Son	17.7	17.6	14.3	13.3
Elderly Dependent, Unmarried Daughter	2.0	2.3	0.9	0.8
Elderly Dependent, Married Daughter	1.0	1.5	1.2	1.4
Elderly Dependent, Grandchildren	0.7	0.7	0.8	1.1
Elderly Dependent, Other Situation	4.8	3.6	0.4	0.5

Some Trends

- About 70 percent of elderly live with at least one child
- About 60 percent of elderly live in households with an elderly head
- More worrisome is the shift from households with dependent elderly to households with only elderly
- Dependent elderly prefer living with married sons

FIGURE 1

Average Number of Children Living at Home and Away by Age in 1997/98



Source: Own calculations from VLSS 1997/98

TABLE 4
Distribution of Number of Children Living In and Out of Household
For Vietnamese Elderly in 1997/98

Age Group	Children Living in Same Household: Percentage Distribution			
	0	1	2-3	4+
60-64	21.4%	33.9%	35.1%	9.5%
65-69	26.8%	43.4%	24.2%	5.6%
70-74	30.7%	51.8%	15.3%	2.2%
75-79	32.4%	57.0%	9.7%	1.0%
80-89	28.8%	63.9%	7.1%	0.3%
90 +	25.4%	67.5%	7.2%	0.0%
Elderly Total	26.9%	46.1%	22.0%	5.0%

Age Group	Children Living in Different Households: Percentage Distribution			
	0	1	2-3	4+
60-64	9.2%	9.2%	27.7%	53.9%
65-69	8.9%	7.6%	24.5%	59.0%
70-74	15.1%	7.6%	20.9%	56.3%
75-79	20.2%	5.2%	24.7%	49.9%
80-89	35.1%	6.9%	27.8%	30.3%
90 +	59.1%	11.8%	11.6%	17.5%
Elderly Total	14.6%	7.7%	24.9%	52.8%

Age Group	Total Number of Children: Percentage Distribution			
	0	1	2-3	4+
60-64	2.9%	3.7%	15.7%	77.7%
65-69	3.0%	4.6%	16.0%	76.5%
70-74	3.3%	11.2%	15.9%	69.6%
75-79	2.8%	17.9%	19.6%	59.7%
80-89	8.6%	26.4%	20.0%	45.0%
90 +	17.5%	38.5%	21.8%	22.3%
Elderly Total	3.6%	9.7%	16.8%	69.9%

Source: Own calculations from VLSS 1997/8

Some Trends

- Only the 1997/98 survey has information to make this table
- Only 3.6 percent of elderly do not have any living children
- 26.9 percent of elderly do not live with children.
- 69.9 percent of elderly have at least 4 living children.
- As one ages, there is an increasing tendency to live with one child

Scope and Role of Remittances for Vietnam's Elderly

Some Trends

TABLE 5
Percentage of Households Receiving Remittances
Based on Origin of Remittances

	1992/93	1997/98	2002	2004
Households Receive Remittances From:				
No Remittances	79.3%	77.3%	20.0%	12.3%
Domestic Remittances	16.1%	17.8%	77.3%	86.7%
International Remittances	5.6%	5.6%	5.9%	7.3%

Note: Table columns do not sum to 100 percent because households receiving both domestic and international remittances are counted twice.

Source: Own calculations from VLSS 1992/3 & 1997/8, and VHLSS 2002 & 2004

- Over time (between 1992 and 2004), the percentage of households receiving overseas remittances remains steady at around 5-7 percent of the population.
- During this same time, domestic remittance flows have expanded greatly. About 16 percent of households received them in 1992/93, and about 87 percent received them in 2004.

Some Trends

TABLE 6
Vietnam's Flow of Remittances by Origin
(Percent of Total Value of Remittances)

	1992 / 93	1997 / 98
Source of Remittances		
Within Same Province	18.9%	25.8%
Between Provinces	9.4%	17.0%
International	71.7%	57.3%
Source of International Remittances		
North America	47.3%	63.8%
Europe	22.0%	15.6%
Australia	7.3%	8.6%
Asia	4.2%	5.6%
Other	19.2%	6.5%
	2002	2004
Source of Remittances		
Domestic	61.3%	63.2%
International	38.7%	36.8%

- Remittances flow to Vietnam from throughout the world, though the United States is the most important source.
- As domestic remittances become more important, the percentage of total remittances from overseas has fallen from about 72 percent in 1992/93 to 37 percent in 2004.

Source: Own calculations from VLSS 1992/3 & 1997/8, and VHLSS 2002 & 2004

Some Trends

TABLE 7
Flow of Remittance Receipts in Vietnam
Based on Age of Household Head

Age of Household Head	1992-93			1997-98			2002			2004		
	Percent of Population	Percent of Remittances Received	Ratio of Remittances to Population	Percent of Population	Percent of Remittances Received	Ratio of Remittances to Population	Percent of Population	Percent of Remittances Received	Ratio of Remittances to Population	Percent of Population	Percent of Remittances Received	Ratio of Remittances to Population
20-29	10.7%	3.1%	0.3	5.4%	3.4%	0.6	5.0%	4.9%	1.0	3.2%	3.0%	0.9
30-39	29.6%	29.2%	1.0	28.3%	20.4%	0.7	26.2%	19.5%	0.7	23.1%	13.5%	0.6
40-49	22.5%	12.5%	0.6	29.4%	25.1%	0.9	31.5%	25.8%	0.8	32.4%	29.7%	0.9
50-59	18.3%	23.6%	1.3	17.8%	17.3%	1.0	17.0%	17.7%	1.0	20.0%	22.5%	1.1
60-69	13.1%	15.4%	1.2	13.4%	18.4%	1.4	11.5%	15.4%	1.3	11.5%	14.7%	1.3
70-79	4.9%	11.5%	2.4	4.9%	11.2%	2.3	7.0%	12.9%	1.9	7.4%	12.7%	1.7
80-89	0.7%	2.8%	3.8	0.8%	4.2%	5.5	1.7%	3.3%	1.9	2.1%	3.3%	1.5
90 and older	0.1%	0.0%	0.0	0.1%	0.1%	2.2	0.2%	0.3%	1.7	0.3%	0.5%	1.9

Source: Own calculations from VLSS 1992-3 & 1997-8, and VHLSS 2002 & 2004

- Households headed by those aged 50 and older receive a disproportionate share of remittances compared.
- This is a trend that weakens rather than strengthens over time as the proportion of elderly-headed households increase.

TABLE 8
Relationship of Sender to Receiver: Domestic and International Remittances in 1997/98
Weighted by Remittance Amount

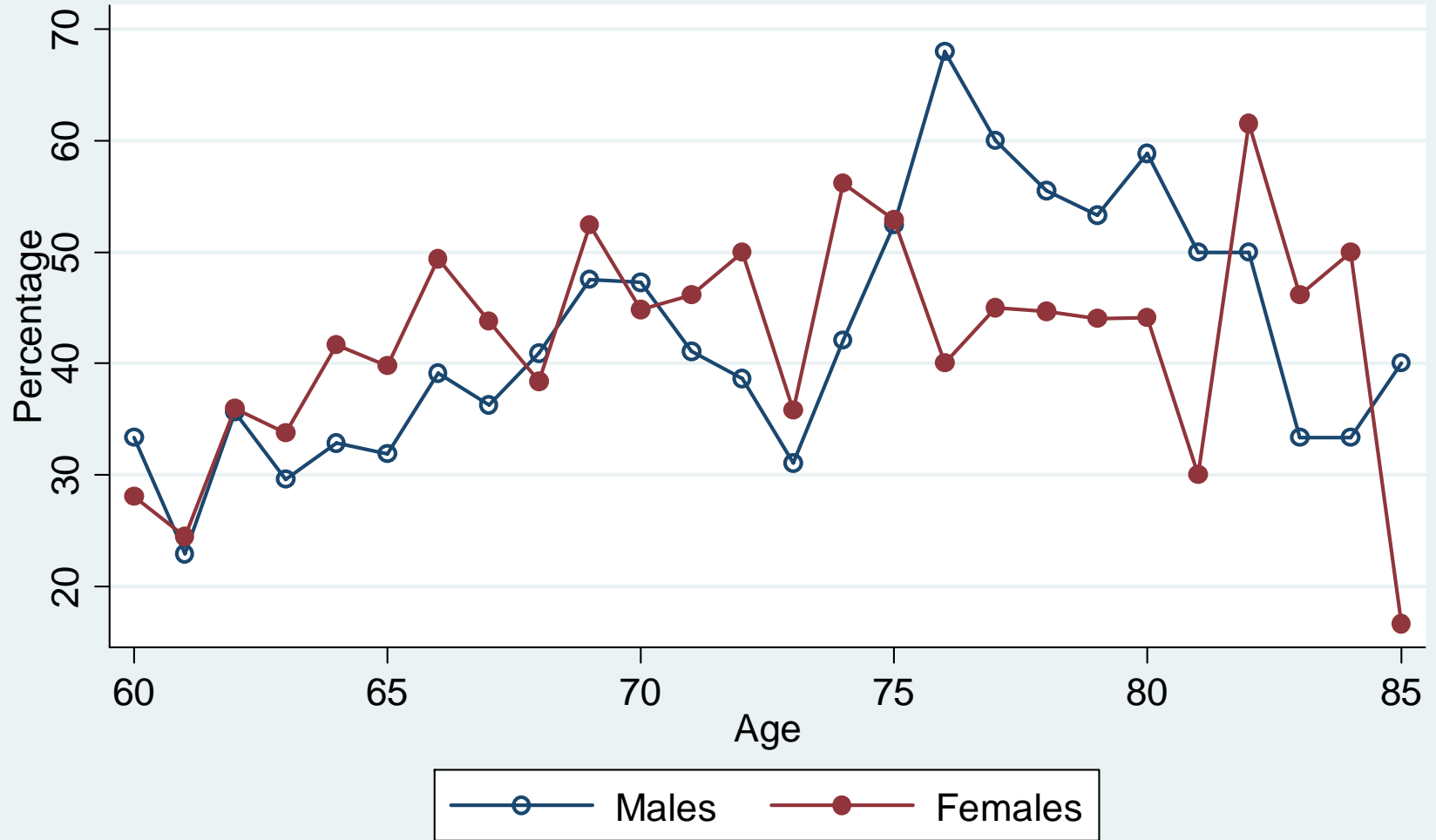
Domestic Remittances		Age of Recipient						
	Total	20 - 29	30 - 39	40 - 49	50 - 59	60 - 69	70 - 79	80 - 89
Relationship of Sender to Receiver								
Grandchild	0.5%	0.0%	0.0%	0.2%	1.7%	0.2%	1.0%	2.9%
Child / Child-in-law	44.8%	1.5%	2.7%	10.5%	65.9%	88.5%	87.0%	86.2%
Spouse	8.9%	13.7%	8.1%	27.8%	8.3%	0.4%	0.0%	0.0%
Sibling, Sibling-in-law, Niece or Nephew	18.7%	13.6%	41.6%	21.1%	16.9%	6.1%	1.8%	4.8%
Parent / Parent-in-law	17.9%	54.0%	34.8%	26.0%	1.8%	1.3%	7.7%	2.2%
Grandparent	0.6%	3.9%	0.1%	1.1%	0.0%	0.2%	0.4%	0.0%
Other relatives	4.9%	11.0%	5.5%	8.0%	2.6%	2.1%	1.3%	3.9%
Nonrelatives	3.7%	2.4%	7.2%	5.4%	2.8%	1.2%	0.8%	0.0%

International Remittances		Age of Recipient						
	Total	20 - 29	30 - 39	40 - 49	50 - 59	60 - 69	70 - 79	80 - 89
Relationship of Sender to Receiver								
Grandchild	4.2%	0.0%	0.0%	3.5%	4.8%	5.1%	9.8%	4.6%
Child / Child-in-law	36.7%	2.0%	0.7%	11.8%	48.8%	69.7%	78.6%	84.7%
Spouse	5.6%	53.7%	11.6%	6.0%	0.0%	0.0%	0.2%	0.0%
Sibling, Sibling-in-law, Niece or Nephew	33.2%	22.1%	36.8%	55.1%	34.4%	19.4%	5.7%	1.5%
Parent / Parent-in-law	5.6%	0.0%	23.6%	2.0%	3.8%	0.9%	4.3%	8.8%
Grandparent	0.0%	0.0%	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%
Other relatives	12.7%	18.5%	22.8%	20.7%	3.7%	4.8%	0.5%	0.6%
Nonrelatives	2.0%	3.7%	4.6%	1.0%	4.5%	0.1%	1.0%	0.0%

- Family members such as children, spouses, and siblings are the main sources of remittances.
- Only a very small amount of remittances come from people who are not family members.

FIGURE 2

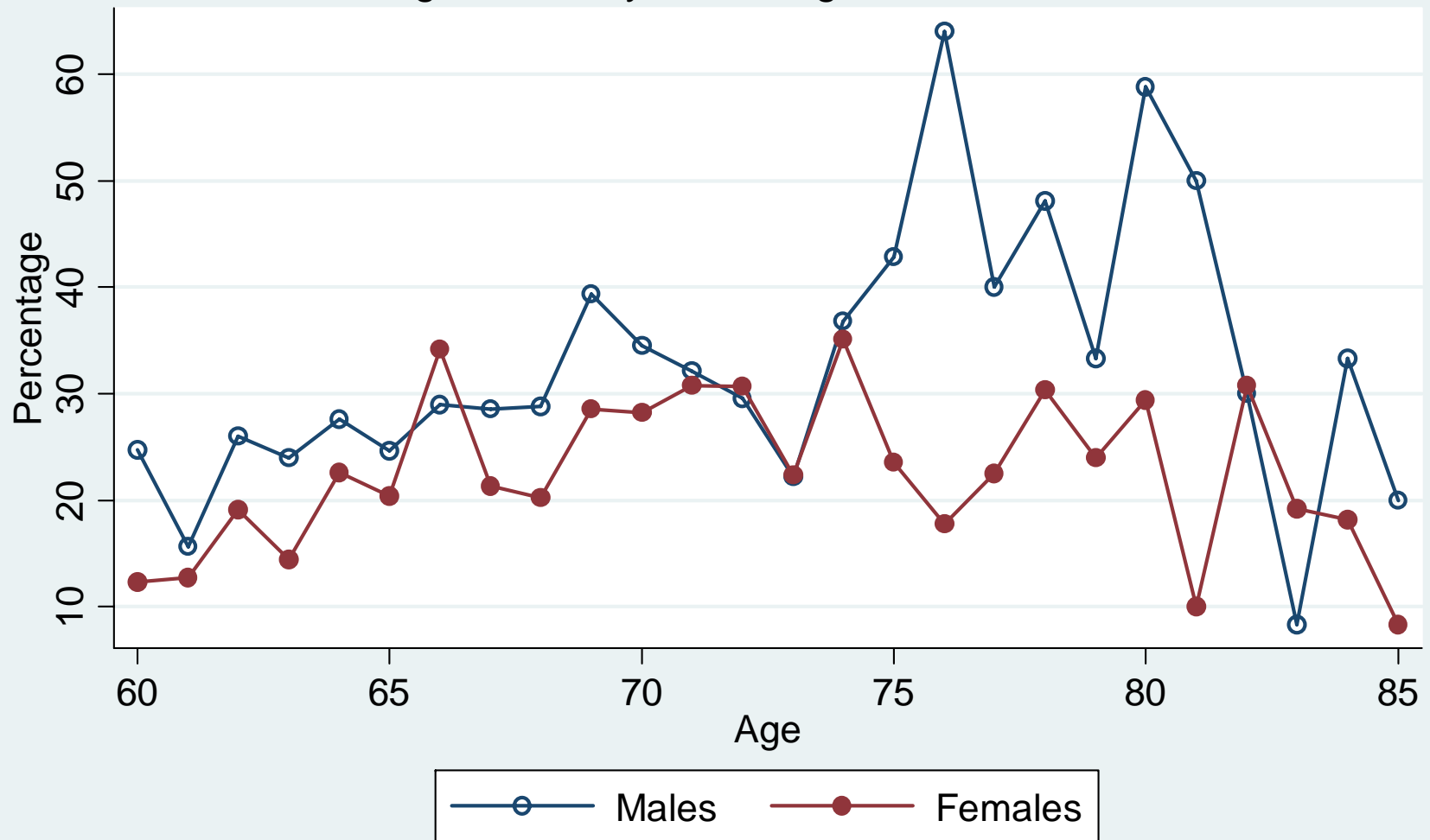
Percentage of Elderly in Households Receiving Remittances in 1997/98



Own calculations from VLSS 1997/98

FIGURE 3

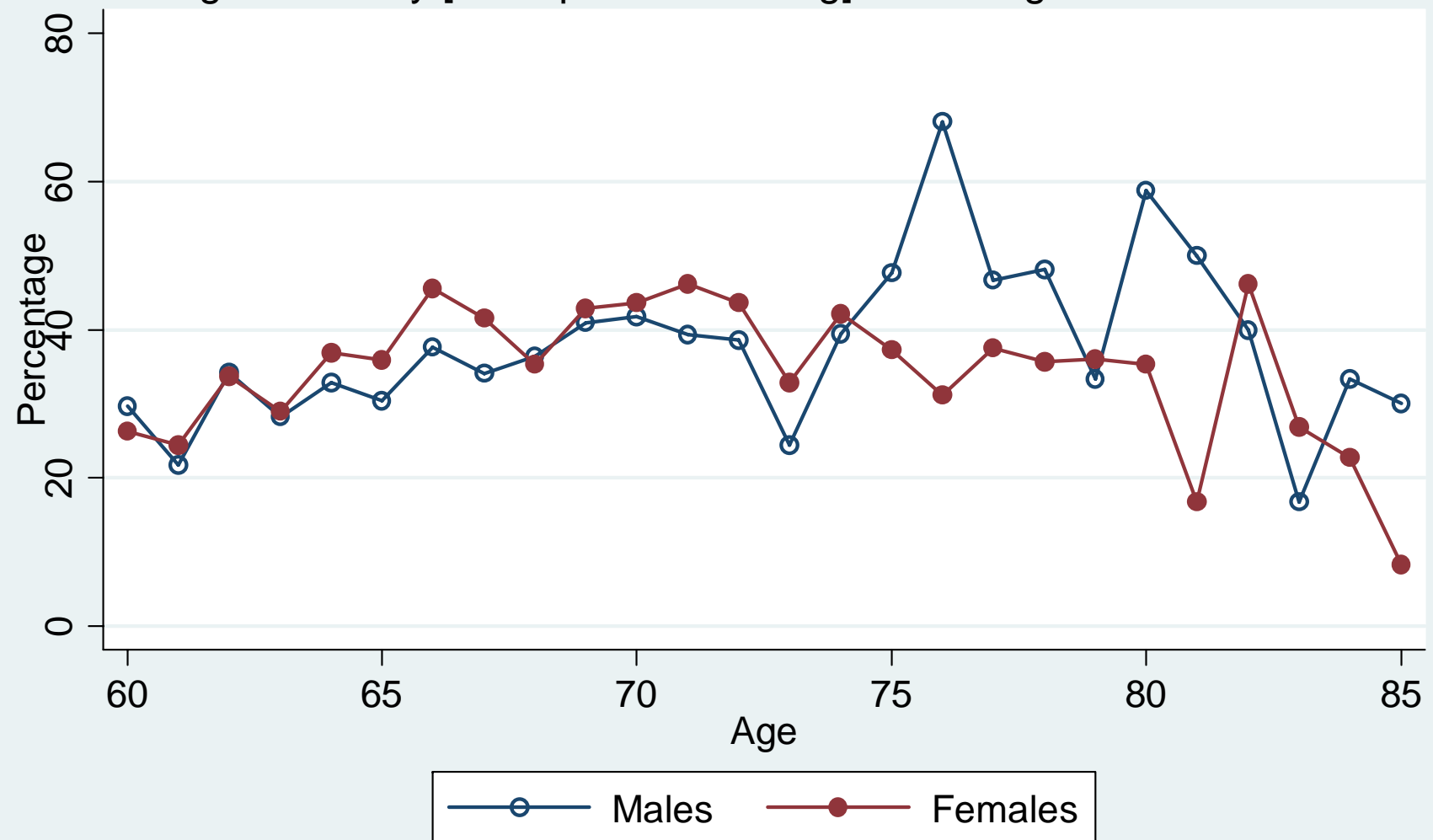
Percentage of Elderly Receiving Remittances in 1997/98



Own calculations from VLSS 1997/98

FIGURE 4

Percentage of Elderly [with spouses sharing] Receiving Remittances in 1997/98



Own calculations from VLSS 1997/98

TABLE 9
Logistic Model of Remittance Determinants
for Vietnamese Elderly People in 1997/98

	Percent of Elderly Receiving Remittances = 25.3%		"Spouses Share" Modification Percent of Elderly Receiving Remittances = 34.8%	
	Odds Ratio	Prob.	Odds Ratio	Prob.
Region				
Red River Delta	0.798*	-0.037	0.820*	-0.042
North East	0.577*	-0.083	0.599*	-0.103
North West	0.580*	-0.079	0.440*	-0.149
North Central Coast	1.593*	0.086	1.834*	0.14
South Central Coast	1.011*	0.002	1.058*	0.012
Central Highlands	0.449*	-0.107	0.457*	-0.144
South East (reference)	1	---	1	---
Mekong River Delta	0.711*	-0.054	0.717*	-0.07
Urban / Rural Status				
Rural (reference)	1	---	1	---
Urban	1.468*	0.068	1.620*	0.109
Marital Status of H. Head				
Married (reference)	1	---	1	---
Widowed	2.318*	0.151	0.632*	-0.097
Otherwise Not Married	2.388*	0.179	0.776*	-0.052
Gender of Household Head				
Male (reference)	1	---	1	---
Female	0.423*	-0.146	1.126*	0.026
Age				
Age	0.956*	-0.008	0.957*	-0.009
Age Squared	1.297*	0.044	1.336*	0.063
Number of Children				
# Living in Household	0.727*	-0.054	0.724*	-0.07
# Living outside Household	1.249*	0.038	1.271*	0.052
Pension Receipt				
None (reference)	1	---	1	---
Yes	0.994*	-0.001	1.015*	0.003
Position in Income Distribution (Income Modified to Exclude Remittance Receipts)				
1st Income Quintile (reference)	1	---	1	---
2nd Income Quintile	1.119*	0.019	1.251*	0.05
3rd Income Quintile	1.542*	0.078	1.531*	0.096
4th Income Quintile	1.944*	0.123	1.909*	0.148
5th Income Quintile	2.556*	0.18	2.942*	0.25
Work Status of H. Head				
Not Working (reference)	1	---	1	---
Working	0.785*	-0.041	0.774*	-0.055
Unweighted Sample Size	2841		2841	
Pseudo R²	0.127		0.136	

Source: Own estimates from VLSS 1997/8

Notes: * indicates significance at the 5% level. Probabilities are calculated at the mean values of the explanatory variables. "Spouses share" represents our modification in which spouses who live together share the remittance with one another.

Some Trends

For married couples, males are more likely to receive remittances. Once spouses share remittances, females do receive more remittances than males.

Living with children results in less remittances; have more children living outside the household results in more remittances.

While statistically significant, the impact of pensions on remittance receipt is small; i.e. there is little evidence of crowding out effects from pensions

Wealthier elderly are more

TABLE 10
Logistic Model of Poverty Determinants
for Vietnamese Elderly People in 1997/98
(Poverty Measure is Modified to Consider Expenditures Net of Remittance Receipts)

Mean Modified Poverty Rate of Elderly = 37.9%

	Odds Ratio	Prob.
Region		
Red River Delta	3.149*	0.268
North East	5.975*	0.419
North West	16.226*	0.569
North Central Coast	3.605*	0.305
South Central Coast	3.105*	0.27
Central Highlands	3.452*	0.298
South East (reference)	1	---
Mekong River Delta	2.956*	0.254
Urban / Rural Status		
Rural (reference)	1	---
Urban	0.353*	-0.207
Marital Status of H. Head		
Married (reference)	1	---
Widowed	0.725*	-0.069
Otherwise Not Married	0.857	-0.033
Gender of Household Head		
Male (reference)	1	---
Female	1.147	0.03
Age		
Age	1.03	0.007
Age Squared	0.938	-0.014
Number of Children		
# Living in Household	1.143*	0.029
# Living outside Household	0.895*	-0.024
Pension Receipt		
None (reference)	1	---
Yes	0.392*	-0.179
Work Status of H. Head		
Not Working (reference)	1	---
Working	0.742*	-0.064
Percentage of Household Aged 15-59	0.202*	-0.348
Percentage of Household Aged Under 15	12.278*	0.545
Log of Household Size	0.867	-0.031
Remittance Receipt		
None (reference)	1	---
Yes	1.782*	0.131
Unweighted Sample Size	2841	
Pseudo R²	0.162	

Source: Own estimates from VLSS 1997/8

Notes: * indicates significance at the 5% level. Probabilities are calculated at the mean values of the explanatory variables. "Spouses share" represents our modification in which spouses who live together share the remittance with one another.

Some Trends

As elderly live with more children, their poverty rate increases

As elderly have more children living outside of household, the poverty rate decreases

Pension receipt does have a large and significant impact on poverty

The positive and significant coefficient on remittance receipt means that poor households are more likely to receive remittances than non-poor households

Concluding Remarks

- Many elderly still live with their children. Some also receive remittances. But a number of trends confirm that we should worry about the future situation of the elderly as economic transformation continues
- We find that expanding the pension system may have beneficial impacts for reducing poverty; and pensions do not seem to crowd out remittances.