Economic Stress
and
Policy Implications

Asian Family Matters

Changing Family in Asia Cluster
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This brief is intended to provide an overview of research produced by the Changing Family in Asia Cluster at the Asia Research Institute.
Background

This book presents findings about the consequences and policy implications of economic stress for human capital development and family well-being in Asia.

The changing demographic landscape, globalisation, 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. 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.

The scope of the articles in this book goes beyond the impact of the 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. The various contributors in this volume highlight the vital role of social safety nets for various groups of the vulnerable, including children, women, the elderly, migrants, the economically distressed and people in disaster situation.

This research brief focuses on the policy aspects of dealing with the challenges caused by economic stress on society due to economic failures and natural disasters that appear to be occurring with increasing frequency in the region.

Empowering the Poor and Generating Growth

Dr Noeleen Heyzer, Under-Secretary-General of the United Nations, notes that since the first global economic contraction hit Asia and the Pacific late in 2008, economic growth among developing economies of the region had decelerated, followed by massive job losses in many of the key export manufacturing industries in the region. These trends, combined with the weakening family and community support structure in the context of increasing urbanisation, migration, and ageing populations, could result in adverse social consequences that will take many years to reverse. She notes that the global financial crisis has revealed the limits of this region’s export-oriented, low-cost, labour-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 can be done by empowering the poor and generating growth which is more inclusive of the poor and which is more ecologically sustainable. She suggests:

1) Strengthening social protection so that social safety nets are activated in times of adversity and poor households are able to maintain food intake and continue to use education and health services; 2) Fostering agricultural growth and the need for 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; 3) The Asia Pacific economies should develop new and greener industries and businesses based on innovations that will save energy and materials; 4) 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.

Dr Heyzer suggests that 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. The goal and structure of social protection programmes and interventions must be transformed from a welfare strategy to an investment one.

Public Welfare as Investment for the Future and “Many Helping Hands” Approach

Dr Yap Mui Teng points out that at the macro level, governments may be forced to cut their budgets for welfare programmes in times of economic stress, but they should heed the suggestion of Dr Heyzer that such expenditure be viewed as investment for the future. This is because of the long term negative consequences that economic stress can have, particularly on children. This is particularly important as parents tend to dis-invest in their children’s education and even pull them out of school totally in times of economic crisis. Food and healthcare expenditure may also be cut, affecting child development. These have long term implications for human capital development and population health.

Support should also be extended to the young adults at the age of family formation as under conditions of economic stress and greater labour market competition, they are unable to achieve their desired family sizes. This in turn has implications for old-age care and security. Such situations apply to countries like China, Japan, Singapore, Taiwan and Thailand which have undergone rapid fertility decline and population ageing and where there is strong emphasis on family care for the elderly. At the same time, families are often stressed by multiple factors, of which economic crisis may only be one aspect. Thus safety nets need to look after the long-term needs of families and not just needs due to financial crisis.
Should the task of social protection be left to governments and policy makers alone? During the China Wenchuan earthquake, social networks played an important role in delivering support. Thus, a “many helping hands” approach, involving self-help as well as help by the community, the government and even international agencies, would be most effective in such situation. Local communities may be able to respond to emergencies more rapidly because they are closer to the ground and for this reason, are also more knowledgeable about the needs of those affected.

Finally, in a highly inter-connected world where economic distress in one nation or region can spread rapidly to another, it behoves the better off in the international community to come together to support the less well-off developing economies in caring for the vulnerable in their midst.

Details of this book are available here: http://www.springer.com/us/book/9789400773851

Cluster Activities

Upcoming Conference

Caring for Elderly in Asia: Long-term Care in the Familial Context, 1-2 March 2016

Call for Papers — Deadline extended to 31 August 2015

This international conference focusing on the care and well-being of elderly in Asia aims to explore issues relating to the ensuring of quality and adequacy of long-term care in the familial context. Some issues it seeks to cover include:

• How have sociodemographic changes in the family impacted on government role in long-term care?
• What are the barriers older men and women face in accessing long-term care in the family?
• What barriers do caregivers face in providing long-term care for the elderly?
• To what extent does the cultural value of filial piety impact differently on men and women as “carers” and the kind of quality of care they provide to their elderly?
• How does the cultural meaning and social practice of filial cohabitation express themselves in urban areas versus rural areas and impact on the quality of long-term care provided to the elderly?

For further details, visit: https://inetapps.nus.edu.sg/ari/events_categorydetails.asp?categoryid=6&eventid=1664

Conference Paper Presentation