

by Susan A. McDaniel

## PUBLIC POLICY, DEMOGRAPHIC AGING AND FAMILIES

*Le degré d'interdépendance au sein des familles est fortement influencé par l'évolution des politiques et des marchés. Or, le vieillissement démographique met en évidence la faiblesse des mesures sociales actuelles, en particulier celle des politiques publiques destinées à compenser les échecs du marché. Les bases sur lesquelles reposent les programmes de protection du revenu sont très perméables et peu capables de résister aux chocs. Lorsque survient un choc — par exemple, la restructuration qu'a connue l'économie canadienne depuis une dizaine d'années —, les familles multigénérationnelles doivent absorber les coups. À mesure que baisse le niveau des transferts publics, les membres des familles doivent se rapprocher davantage, bon gré mal gré, afin de mettre leurs ressources en commun et de tirer le meilleur parti possible des occasions qui se présentent.*

"Voodoo demographics," a term coined by American economist James Schulz in the late 1980s, describes the belief that aging populations pose threats to life and society as we know it, particularly to social safety nets, education, public health care, as well as challenges to

families. Surprisingly, the oldest societies in the world, in Europe, do not see demographic aging as strongly worrisome. Researchers, for example, at the Netherlands Interdisciplinary Demographic Institute unequivocally conclude that "...it is not the aging of populations which primarily pose a threat to social protection systems." In Canada, however, the portraying of demographic aging as something to be feared and as justification, in part, for radical social policy adjustment persists. Why this is the case has been discussed elsewhere by others and by me.

Families have been closely tied to both the market and to public policy since "time out of mind," as social historians say. It is no surprise then that as markets shift and as the post-war Canadian welfare state shrivels, that families feel the tremors. Two examples might help make the historical point. In England in the 1671-1820 period, presumed to be traditional England, most widows were heads of their own households, households that included no other kin except for unmarried children. Widows' access to universal collective support, typically widows pensions, made them independent. Contrary to popular imagery of traditional, large, caring families in the past, the extended multi-generational family household within which the elderly received respect and care, was probably never a feature of family life in western societies. Instead, both family security and autonomy were maintained, paradoxically we might think, by collective state supports which diminished as industrialization took root.

A second example is the response of families to the upheaval of the onset of market capitalism. In Montreal in the mid- to late-nineteenth century, families doubled up, took in boarders and lodgers, and kept pigs, cows and chickens in an attempt to survive the changes the new market brought to their lives, and to maintain their autonomy and self-sufficiency. Changes in the market caused dramatic shifts in the shape and nature of families. To bring this example full circle, public policy responded with a "Death to the Pigs" campaign by which Montreal banned the keeping (in fact the animals were less kept than street-roaming) of farm animals in the city. The effect of public policy in reshaping families was strong and clear: families are to be nuclear and solely dependent on labour market earnings.

What is new today is the rapidity of changes in both the market and the welfare state simultaneously, accompanied by the changing demographic contexts in which families live. Elsewhere, in a paper entitled, "Serial Employment and Skinny Government...", I explore how the major cohorts of the twentieth century have been positioned very differently to absorb or to be impacted by the dual changes in the market and in public policy over the past decade. The pre-1926 cohort, for example, which was age 65 in the 1981-1991 period, at age 25, experienced high economic growth, very low unemployment, a family wage (enabling a family to live from the wages of one earner), low divorce rates, the benefits of being part of a small birth cohort, and the

beginnings of both family allowances and unemployment insurance. In comparison, the Baby boom cohort, during young adulthood, experienced lower but still high economic growth, higher unemployment rates, demise of the family wage, increasing divorce rates, and Canada's "Great Pension Debate." This cohort will be age 65 during the 2011-2020 period. The post-baby boom cohort, who come into young adulthood in 1990-2000, are experiencing sharply reduced economic growth rates, unemployment hovering around 10 percent, significant family insecurity and declining family incomes, and deep cuts to social programs. These three cohorts are not separate generations who compete in the public sphere for increasingly scarce resources, as some who focus only on public accounts argue. Rather, they are often related to each other in families. Interdependency in families, contrary to today's preoccupation with individual self-reliance (which few of us have or wish to have), goes to the very definition of what families are.

Demographic changes have been no less dramatic. More generations are alive at the same time now than at any previous time in history. This makes for greater involvement, usually very welcome involvement, with elders and children at the same time, and of elders with children. It makes for challenges too — greater numbers of familial relationships, greater demands for family time, greater stresses, and more family work for many, the "looking after" that families entail, including caregiving. There have been two emphases in policy and policy research with respect to these changes. The first is what has become known as the structural capacity to provide care, or how many potential caregivers exist for each elder in any given family. Attention has been devoted to caregiving as supply and demand: What is happening to the supply of potential caregiving children? Are women working outside the home and thus presumed to be unavailable for caregiving? In what degree of geographical proximity do the potential caregivers live? And how many elders are likely to need care? Sometimes policy is built on the presumption that a latent family caregiving supply is available into the future for any given cohort of elders, thereby implicitly justifying reduced hospital stays, fewer home support services, fewer services for the less able-bodied and reduced seniors benefits, because it is thought that families will take up the "bits and pieces" no longer covered by the state. Families may double up, out of lack of other alternatives, as family members come out of hospital "sicker and quicker," thereby being shaped by public policy, or more appropriately by its abrogation. Adult daughters may leave paid employment to care for ill or aging parents or parents-in-law. Families in midlife may be reluctant to look for work far away from aging parents. There are some hints that these patterns exist in today's increasingly insecure job market for many regions and sectors in Canada.

Evidence suggests, however, that only seven percent of adult daughters actually provide direct personal care

to aging relatives (it is far less for adult sons). This could indicate that policy attention to the frailties and neediness of elders, based as it can be on presumptions as much as hard evidence, is misguided or overestimated. The proportions of those over 65 living alone has increased in recent decades in Canada, from 33.7 percent in 1981 to 35.6 percent in 1996. As well, the number of household maintainers over the age of 65 increased from 17 percent in 1981 to 20 percent in 1996. Seniors today, like widows in 17th and 18th century England, research evidence suggests, may be able to maintain independent living in part because of the availability of public pensions. That approximately 60 percent of older women live entirely from public pensions lends evidence to the effects on families of public policies, as does the evidence that public transfers including public pensions, but also social assistance and disability pensions, have been effective in preventing an even deeper erosion of family incomes during the recent decade. As those transfers diminish, family income inequalities will likely increase.

The second policy and policy research concern has been what additional seniors living extra years will cost the economy and society. The public policy answer seems to be that the costs are more than society can afford or is willing to pay for. Its solution is that a combination of self-reliance and judicious planning by individuals for all possible eventualities, accompanied by family as a fallback option, is to be encouraged. This policy response has shaped families by generation in recent years. The 1996 Census of Canada, for example, found that young adults are living with their parents in unprecedented numbers: 55 percent of those aged 15-29 lived with their parents in 1996, up from 47 percent in 1981. This parallels a strong decline in household maintainers under age 30 in Canada, from 20 percent in 1981 to only 12 percent in 1996. The reasons, suggest the research, are high youth unemployment, increasing poverty, high housing costs, as well as non-economic motivations such as postponed marriage, and the emotional security and supports needs by youth and by other family members. The family home, in other words, is increasingly utilized by younger Canadians as a social safety net in the face of shifting markets and transforming public policies. Shared housing with adult children is also, interestingly, embraced by mid-life Canadians as co-insurance against policy and market risks as well as a means of emotional support. Families are being reshaped by current policies, both social and economic, to be more multigenerational in living arrangements as well as to provide the kinds of intergenerational supports that they seldom provided historically.

In the public domain, the spectre of intergenerational strife is increasingly raised. In Canada, this has not been as much of an issue as it has been in the United States with its "greedy grannies/geezers" imagery. However, intergenerational equity issues are being heard with some frequency in the late 1990s in Canada. Much

of the focus on intergenerational equity has been on public transfers and the notion that some measurable accounting equity should exist between payouts and returns by generations. Along with others, I have argued that this is too narrow a conceptualization of generational equity. It omits family and private exchanges and transfers which tend, by their nature, to be inequitable. Inequity is not synonymous with injustice in families. Time spent with children or aging parents is generally not perceived as an investment on which a clear return is expected. It occurs within a different realm, one of family caring and collective altruism. What is interesting for the purposes of this essay is the degree to which shrinking public transfers might be substituted for by increasing private transfers in kind or in money. Although a crucial policy question, it is not one for which there is an easy answer as yet. It does seem, however, that familial transfers tend, as they have historically, to be from elders to children for the most part rather than from children to elders. The degree to which elders, as a function of cohort, historical accident or long-held values, continue to support their children well into adulthood and sometimes into the children's own retirement, remains one of the gifts of families to public policy. In this sense as well as others, intergenerational sharing promotes social cohesion rather than promoting tensions, as mutual reciprocal obligations cement social solidarity and continuity from one generation to the next.

It may not be so much that demographic aging is undermining social policies in Canada or elsewhere in the world, or changing the structure and nature of families, as it is laying bare the weaknesses of existing social arrangements, particularly public policy for covering market failures. The principles on which our society has built so-called social safety nets are laced with holes and far from shockproof. This means that when shocks occur such as the economic restructuring Canada has experienced over the past decade, or various recent recessionary periods which has seen intractable high unemployment particularly among youth, families in multiple generations become the shock absorbers. As public transfers shrink even more, families may huddle ever more closely, for good or bad, to share resources and to maximize opportunities. The contours of familial interdependencies are very much shaped by policy and market changes. We have explored some of the various and at times contradictory ways by which recent policy shifts along with market changes, have reshaped the nature and structure of Canadian families.

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