Demographic and social trends affecting intergenerational relations in the MENA region

Paper presented at the conference on “Protecting Arab family from poverty: employment, social integration and intergenerational solidarity”
Convened as part of the preparations for the Twentieth anniversary of the Family, 2014
Expert Group Meeting,
Doha/Qatar
2-3 June 2013

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Abstract

This paper will focus on poverty in the MENA region and whether it can be alleviated by intergenerational support within and across households. Intergenerational relations are mediated through several institutions. The most prominent of these are households, state, civil society and market. Combinations of social arrangements, economic resources and cultural traditions govern these institutions. Whether or not family and households can provide the necessary supports for their poorer or disadvantaged members would crucially depend on household composition, its economic resources and its interaction with the institutions of state, civil society and market. This paper explores the trends in family formation and composition over time and household interaction with the above mentioned institutions either, e.g. through the labour market, or as recipient of welfare. The above trends as well as migration impact the intergenerational support within households. This paper will argue for improved social support in order to complement household resources as well as tackle some of the emerging issues in relation to population ageing and care economy in the region.
Generations and inter-generational relationship. Why does it matter?

• Production and re-production – economic and social (in part through generational relationship at the level of household and society)
• Inter-generational relationship is SOCIAL by definition
• Interaction between generations in private and public spheres
  – Private (household and family)
  – Communities (different types of communities based for example on a tribe, geographic settlement, religion)
  – Nation State
• Each build on the other and nation state includes all.
• Public support (through community and state) under-writes private/domestic sphere
• Examples: Income maintenance, poverty alleviation, free schooling and health
• Interaction between public and private sphere: consumption, production, employment, legal/social relationship
Dimensions of Generation

• Time/age: oraganising category of social process
  – Childhood
  – Adulthood
  – Old age
• Stages determined by biological (e.g. puberty) and social factors (e.g. military service and retirement)
• US: at 27 proper adult!? (Baby Boomers:60 new 40!)
• Common social experience (peers): education, work, war, political events.
• Transition from ‘traditional’ to ‘modern’: continuity and change shaped by inter-generational relationship
• Regeneration and social reproduction: continuity and change
Generations and demographic change in MENA: Stylized facts

• Fertility decline
• Mortality decline
• Gradual Decline in population growth rate
• Demographic transition
• Young age structure: 15-24 group 20 per cent of population (a legacy of past high fertility)
Generations...Re-generation...and the Family in MENA

• Family formation:
  – Increase in age of marriage
  – Delay in family formation due:
    – Economic reasons (cost, housing
    – Social reasons (autonomy and economic independence of women)
  – Smaller families (nuclear) over time:
    • Urbanisation (lower fertility, and low mortality)
    • ‘Modernisation’ and development
    • Convergence across the world (Bongaart, 2001)
    • Mortality rate < Fertility rate, housing costs → stable family size
### Family Size

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<th>Size</th>
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### No. Child

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</table>
...Family Size and Composition...

• Average family size by type (Bongaart, 2001):
  – Nuclear: 4.7, All: 5.6
  – Ratio of nuclear to all types: 0.85

• Stable family size for NOW:
  – Decline in child and infant mortality
  – More adult children at home for longer:
    • Rise in age of marriage
    • High youth unemployment

• ‘Dependency’ ratio within families stable
Family resource base and support vary in the region...

• Heterogeneous region:
  – mineral rich and poor
  – labour ‘abundant’ and labour short
  – Poverty (rural or urban?)
  – Poverty or vulnerability (sensitivity to poverty line)

• Migration and migrants

• ....refer to the following tables...
Percentage Poor at Alternative Poverty Lines (Iqbal, 2005)
Focus on Poverty or Vulnerability?
## MENA: Net-migration I

<table>
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MENA: Net-migration II

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<td>Western Sahara</td>
<td>27</td>
<td>90</td>
<td>48</td>
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</table>
...in short...

- Poverty (by any standard) high in labour abundant, resource poor countries
- Family resource base sufficient to cope with poverty and vulnerability? NO.
- Labour market and unemployment ...
Labour market imbalance

• Unemployment (2010): Middle East-10.1% (female-17%), N.Africa-9.8%(female-15%)
• Youth unemployment: MENA 27% in 2012,...MENA not unique anymore: e.g. Spain 46%, Greece 42%, Cyprus 20% (ILO,2012)
• Unemployment higher among educated youth
• High (educated) female unemployment: 40%
• Middle class?
• Low quality jobs: insecure, vulnerable
• N.B. Migration from Labour abundant to labour short countries
Family and ... inter-generational support?

• Own income and support from outside
  – Self/Employment
  – Remittances
  – State (subsidy to basic consumption and health, income maintenance)

• Remittances
  • 10% world remittances directed at MENA and 20% originate in MENA
  • 7% remittance to GDP ratio for labour abundant countries in 2007.

• Vulnerability of population in labour abundant countries....
Vulnerability and the working poor...

- Working Poor - late 1990s 12-74% of working population (ILO):
- Why? ...Low skills and productivity...very low min. wage...
  - Yemen 74
  - Egypt 71
  - Algeria 30
  - Morocco 23
  - Jordan 13
  - Tunisia 12
Family...State...and HDI...

- HDI improvement in the region but inequality across region, within countries, social and demographic groups. (Salehi-Esfahani, 2010)
- Family livelihood based on the use of own resources and state support
- What next?
...Social Policy...and family... intergenerational support...

• If focus on family, note gender implications...
• Smaller families
• Objective: maintain family resource base...
• Inter-gen. support linked to Goods (necessities), Labour (emp.) and Money Markets (e.g. pensions)
• Improve the household budget constraint by:
  – De-commodifying (regulate market) basic necessities of life: food, housing and health)
  – Improving human capital: cheaper and better health and education (relate to labour demand)
  – Increasing labour demand: state and private sectors
  – Improving LFPR of women
• BUT ‘how?’ depends on country resource base...
Different (Arabian) horses for different courses!

- Resource rich, labour short (e.g. S.Arabia?, UEA, Qatar, Kuwait)
- Resource rich, labour abundant (e.g. Iran, Algeria, Morocco, Iraq)
- Resource poor, labour abundant (e.g. Syria?, Yemen, Jordan, Egypt)
- Resource poor, rich? Labour abundant: Tunisia; labour short: Lebanon?
Social policy in resource rich, labour short countries

- Best HDI record for nationals
- Little fiscal or foreign exchange problem
- State provides universal health and education
- State sector employment (N.B. youth unemployment limits future inter-generational support within family)
- BUT migrants (low skill, care, construction...) in worst conditions
- Population ageing, inter-gen. support and female LFPR up $\rightarrow$ need more care workers $\rightarrow$ stable demand for migrant labour
Labour Market Segmentation and Migrants

• Mobility and flexibility in the labour market?
• South Asian Migrant labour (‘temporary contractual labour’)
• Semi-skilled (in construction) and low skill (in domestic work)
• Segmentation: market divided by non-competing groups
• Sponsorship system (Kafeel) and abuse/control of migrants (re-enforcing segmentation)
• Nationals in the secure and well paid jobs, low skill immigrants in vulnerable/temporary/precarious jobs
• Integrate migrants in the labour market by allowing free movement of labour
Social policy in resource rich, labour abundant countries

- Improved HDI record for nationals
- Fiscal and foreign exchange problem? Depends on oil price.
- Fiscal policy space? Yes (but try to keep stable inflation?)
- State provides universal health and education (scope and scale vary, what goods? who gets?)
- High cost of housing and specialist health care
- Need to de-commodify (intervene in market for) housing and health
- High youth unemployment (future inter-gen. support?) → job creation
Social policy in resource poor, labour abundant countries

- HDI record varies and depends on social class
- Secular fiscal and foreign exchange problems
- Limited fiscal policy space
- State provides some health and education
- High cost of housing and specialist health care
- High youth unemployment (future inter-gen. support?)
- Vulnerable employment:
  - MENA region: 33% in 2008 (North Africa 37%)...exp. Up
- What families do to live and maintain living standards?
...Coping... needs...what to do?

- Migration and remittances
- Reliance on state for subsidised food and health
- Narrowing scope for inter-gen. support
- What needs to be done? Same as resource rich and labour abundant but with limited resources
- State to provide universal health and education (narrow scope and increase scale – e.g. free, primary health care and vaccination for all)
- Need to de-commodify (intervene in market for) housing and health
- High youth unemployment (future inter-gen. support?) → job creation
- Improve business environment but not by liberal policies of flexible labour market and low taxes but by improving market information, training, better education
Inter-gen. issues and Regional policies?

• Future generations will live in the same region
• Need for some cross-country support (de-politicise foreign aid)
• Integrate labour market at regional level for nationals and immigrants (de-politicise immigration policy)
• Towards regional economic cooperation and common market?
References I


References II

References III


