Familialism and financial resources in old age. Setting the scene for the provision of care in Portugal

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Abstract. The paper examines some trends in the living arrangements and in the living conditions of the Portuguese elderly . The analysis draws on panel data from the European Community Household Panel and provides a sociological characterization of the living realities of the Portuguese elderly in order to ground in empirical evidence the discussion on the interest and viability of tele-care in the Portuguese context. The main argument of the paper is that in a society still strongly marked by traits of familialism, all mechanisms that are based on the idea of the elderly remaining in their homes are of potential interest in the sense that they can complement and improve the quality of the care provided by families. The second argument of the paper addresses the issue of the financial conditions of the Portuguese elderly and raises awareness for the limitations of any market-based solutions as potentially triggering further inequalities within the care system.

1 Introduction

Despite the erosion of the traditional modes of functioning of the Portuguese society, Portugal can be argued to remain a strongly familialist system in the ways it organises for the provision of welfare. This trait becomes particularly clear if analysed from a cross-national comparative perspective. By familialism one means a system of welfare provision where the families and the households are taken as the primary locus for social aid, but more than that, where families are assumed not to fail when performing that role.

The labelling of the Portuguese system as a familialist system shapes quite considerably the debate about the provision of care for the elderly in this country. While in other European countries the debate on care for the elderly often involves taking as a starting point the absence of family resources and in fact a majority of elderly living alone, in Portugal, similarly to other South European countries, that same debate has to take as a starting point the prevalence of traits of familialism in the ways elderly people organise their lives, namely the comparatively higher incidence of cohabitation between generations.

This paper aims at giving a contribution to the debate on the solutions for the provision of care for the elderly, by analysing the living arrangements and the living conditions of the Portuguese elderly. The focus is on the presence of strong familialist

traits in the ways the Portuguese elderly organise their lives. The argument that flows along the paper is that designing solutions for the provision of care in Portugal has to take into account those traits. In that sense, it is reasonable to expect that developing solutions that facilitate the lives of families as welfare providers may tackle one of the main problems related to care for the elderly in Portugal. Families are still there and are still a relevant welfare provider. The fact that they are experiencing increasing difficulties in performing that role should signal the need to invest in policies that alleviate that burden by promoting simultaneously a better quality of life both for the elderly and for their carers. The use of new technologies and in particular of long-distance assistance mechanisms can have a particularly fertile ground for implementation in the Portuguese context.

This question however has another side: the side of the financial implications of the solutions to be implemented. It is legitimate to ask who will pay for the application of home-based technologies to the provision of care for the elderly. What this paper tries to discuss is the impossibility of putting the financial burden on the elderly or on the families. By analysing the financial situation of the Portuguese elderly population and of their households the paper will demonstrate how generalised is the lack of financial resources to cope with any market-based solution. This has immediate and obvious implications for the state as welfare provider that can not be disregarded when debating this topic.

The paper is organised in four parts. In the first part it puts forward the key arguments underlying the analysis and identifies the core research questions being addressed. In the second part we find a brief description of the methods and data used in the analysis. This paper draws on data from the European Community Household Panel. The third part is the core of the paper and lays down the main findings of the analysis. It starts with some considerations on the living arrangements of the elderly followed by some analysis of the engagement of the Portuguese society in caring after the elderly. Both components of the discussion will support the argument about the importance of a familialist approach to the provision of care for the elderly in the Portuguese context. After that it moves on to some analysis of the financial situation of the Portuguese elderly and their households trying to capture, even if broadly, some indicators about the availability of financial resources in old age and about the feasibility of market-based solution within the context of the Portuguese society. The fourth and last part of the paper brings together some concluding remarks about the findings highlighting the policy implications of those when debating the introduction of new mechanisms of provision of care for the elderly in Portugal.

2 Arguments

In a context of increasing demands for caring services and solutions but, at the same time, of increasing constraints on the financial ability of the states to meet those needs, it has been argued that the search for alternative mechanisms of care provision that maximize the permanence of the elder person at home will be one of the most feasible ways to address the overall issue of care for the elderly in the near future [5]. That will respond not only to the limitations of resources available by developing solutions that can be potentially cheaper than institutional care, but also to the

demands for better quality of care and better quality of life in old age. Among these alternative mechanisms one can discuss the interest of tele-care solutions.

The interest of a paper on living arrangements and living conditions of the elderly in a workshop about tele-care is grounded in the fact that if we are to stand for mechanisms of care that are based on the elderly staying in their homes, we need to know where they are living, what are their living arrangements and their living conditions.

Living arrangements are one of the most important dimensions of quality of life and well being in old age. They are strongly correlated with the availability of family care, as well as social and economic support, therefore determining the ways the elderly will tackle old age related needs. It has been widely recognized that in order to plan care services it is very important to have information on patterns of living arrangements among the elderly, in order to better assess not only the nature of the needs of these but also the existing resources to tackle those needs [3] [7].

This paper argues that mechanisms of care provision such as tele-care are particularly interesting in the Portuguese context because of the persisting traits of familialism that characterize the living arrangements of the elderly in our society. Families remain the main source of support in old age and therefore we are still in time to structure the provision of care to elderly taking the family as the starting point. If the traditional family support is under constraint and if families are experiencing more and more difficulties in acting as welfare providers it is largely because they are not being targeted as welfare providers. The dissemination of mechanisms that can help families deliver care and that can make it less burdensome to juggle care and paid work are argued to fit the sociological characteristics of the elderly population in Portugal.

However, designing solutions for the delivery of care is not dependent solely on the sociological profile of the living arrangements of the elderly people. It must take into account other factors, among which the availability of financial resources in old age. The paper tries to provide some evidence on the disadvantaged financial situation of the majority of old age people in Portugal and on the limitations that represents in terms of policy design. Any type of alternative solution to institutionalised care will necessarily involve state funding based programs. Any other approach would mean severe equity problems that would in any case respond to market imperatives but fail to address the main issue of increasing needs for care among the elderly. Provision of tele-care and other long-distance assisted care mechanisms has to consider the financial realities of the elderly and has to be thought of from the perspective of cost-effectiveness when the state is the likely fund provider.

3 Methods and data

The paper uses data from the European Community Household Panel (ECHP). The ECHP is a longitudinal panel covering the EU population, which commenced in 1994 and follows up its sample members annually. The ECHP has been interrupted after its 8th wave. At the time the analysis was carried out there had been released the 5 first waves of the panel (1994 to 1998). In the first 2 waves the panel did not cover the 15 EU member states (Austria joined in the second wave, in 1995, and Sweden and

Finland in 1996). Also, there were some problems of reliability with the data recorded for Luxembourg. In our research we only consider the national samples of 11 countries: Germany, Denmark, Netherlands, Belgium, France, United Kingdom, Ireland, Italy, Greece, Spain and Portugal.

The ECHP is the first cross-national panel survey that has been administered in a comparable way across the EU, to households rather than to individuals. It contains data on personal characteristics of all the members of each household, at the same time that retains data for the household as a unit. And these are the main advantages of the ECHP compared to any other survey available: because it is a household survey it collects information on all members of respondent households, which is particularly useful in the analysis of living arrangements. Because the same questions were asked in each country, the results are directly comparable overcoming the most common problems of harmonization of data in cross-country analysis. In addition, because it is a panel, it allows for some reliable analysis of trends over time, namely for the analysis of changes in living arrangements and of the factors that trigger those changes. Finally it is a relatively large panel compared to some other datasets. Wave 1 contains information on more than 9000 males and over 12000 females aged 65 or over.

The paper draws on some descriptive analysis of data from the last wave available (1998). At the time the paper was written the analysis of the longitudinal dimension of the panel was in progress and therefore still not available for dissemination. It was considered that the results to include in the paper should refer to the closest point in time, therefore focusing on 1998. Some glimpses of dynamic analysis are included in the paper and when that is the case data from previous waves are recovered.

The findings of the paper are organized in two main parts. The first part focuses on the characteristics of the living arrangements of the elderly people in Portugal highlighting the permanence of traits of familialism and setting the scene for the implementation of policies of care provision from a sociological perspective. The second part focuses on the analysis of the financial conditions of the elderly and particularly on some poverty analysis.

The numerical findings include some multivariate analysis with the estimation of some models for the likelihood of some specific types of living arrangements. This however responds more to an exercise of synthesis than to any real attempt to model realities. Along the paper, and for clarification purposes, information about the variables used for the analysis and the specific approaches developed will be put forward.

4 Findings

The argument put forward in this paper is two folded. On one hand it is argued that the permanence of strong traits of familialism in the ways the Portuguese elderly organise their lives makes it necessary to consider the family as a unit of welfare provision in any discussion about mechanisms of care. On the other hand it is argued that both the elderly and their families do not have the financial resources to purchase those mechanisms if they are implemented on a market-basis provision.

The section on findings is therefore organised according to these two axis. Firstly we will find some evidence about the importance of familialism in the living strategies of the Portuguese elderly. This is done by analysing their living arrangements but also by analysing the nature of the engagement in caring after the elderly by the Portuguese families. Secondly we will find some evidence about the financial conditions of the elderly and of their households.

The living arrangements of the Portuguese elderly

Where and with whom are the Portuguese elderly living?

The living arrangements of the elderly were classified according to a six categories typology, which is the result of the combination of theoretical criteria and data availability. The categories are as follows:
− living alone
− living with spouse
− living with spouse and adult children
− living just with adult children
− living in complex household with dependent children
− living in other complex household without dependent children

Different studies use different typologies, most of the times depending on the research questions being addressed. As for the first 4 categories they are self-explanatory. In this typology we would highlight the meaning of the last 2 categories. First, the term "complex household" was chosen to designate a household structure that is more complex than the nuclear family, either because involving the cohabitation of more than 2 generations - which is often the case of the complex households with dependent children, meaning that the elderly is living with at least one adult child, his or her spouse and grandchildren – or because involving bonds among the household members different from parenthood – some examples are daughters in law or other relatives such as brother/sister.

As for the observed crude differences among countries our attention is drawn immediately to the South European cluster (to a certain extent followed by Ireland, but less clearly). It is in these countries that one seems to observe a clear trait of familialism reproduced in the elderly people's lives in the form of a relatively high share of individuals living in some kind of complex extended household. It is also in these countries that one finds the lowest shares of elderly living alone as well as signs of another well documented phenomenon in familialist systems which is the late departure from the parental home by the younger cohorts reflected in a proportionately higher incidence of adult children/parents cohabitation [2].

Focusing on the Portuguese elderly sub sample, we have tried to identify the profiles of the elderly according to their living arrangements. The interest of this analysis is more than merely descriptive. Understanding the characteristics of the different living arrangements from the perspective of the socio-demographic characteristics of the elderly should allow for some preliminary considerations on the potential factors associated to each living arrangement and on the implications of that in terms of policy design.

Table 1. Cross–sectional frequencies for the living arrangements of the elderly people in 11 ECHP countries, in 1994 and in 1998 (row percentages)

Countries	Year	Valid n	Alone	With spouse	With spouse and adult children	With adult children	In complex household[1]
					Living arrangements		
Germany	1994	1626	38.1	52.0	5.7	a)	2.2
	1998	1644	42.2	48.6	3.6	a)	3.9
Denmark	1994	557	39.4	58.4	a)	a)	-
	1998	558	48.2	50.0	a)	a)	a)
Netherlands	1994	1039	37.5	56.4	4.4	a)	-
	1998	984	43.5	52.6	a)	a)	-
Belgium	1994	731	41.4	45.6	7.2	a)	a)
	1998	740	45.9	43.0	4.2	a)	4.3
France	1994	1590	33.0	54.3	6.3	3.9	2.4
	1998	1614	37.7	49.1	4.3	4.0	4.8
UK	1994	1423	40.4	50.5	4.3	3.3	a)
	1998	1438	45.9	44.1	2.8	3.4	3.7
Ireland	1994	657	37.1	34.0	15.4	8.4	4.8
	1998	684	40.6	31.0	9.3	8.4	10.7
Italy	1994	2027	27.8	45.5	11.8	4.3	10.6
	1998	2019	31.9	39.3	9.0	5.2	14.7
Greece	1994	1336	21.5	46.4	10.4	4.0	17.6
	1998	1372	27.4	41.1	7.0	4.5	20.0
Spain	1994	1630	16.7	41.4	19.4	7.1	15.4
	1998	1709	19.4	35.9	15.4	7.7	21.5
Portugal	1994	1287	21.0	44.7	14.1	5.9	14.1
	1998	1236	26.9	38.1	9.5	5.1	20.3

Source: ECHP, waves 1 and 5 (1994 and 1998)
Obs. Cases are weighted
Notes:
[1] given the very low frequencies observed in the 2 categories defined for complex households (with or without dependent children), it was considered that the aggregation of both categories would bear more significance for the cross-national comparison. If not, the small numbers observed for those categories would make it impossible to display any data at all for a large number of countries.
a) the frequencies observed are below 40 (non weighted cases) (Eurostat regulations on data presentation determine that we do not present the respective proportions for those categories)

Table 2 below summarizes data on a set of variables taken as descriptors of the different living arrangements considered. In the next few paragraphs we will put forward some considerations on the meanings of those data.

Several studies have shown the strong association between gender and living arrangements in old age, as well as with the patterns of change in living arrangements as age progresses once reached old age. One should note that, at least partially, these features should not be imputed to any specific institutional or cultural milieu in the

Table 2. Individual-based variables describing the living arrangements of the Portuguese elderly, in 1998 (column percentages)

Individual-based variables		Living arrangement					
		Alone	Couple	Couple with adult children	With adult children	Complex household with dep. children	Complex household without dep. children
Gender	Male	23.8	57.5	66.7	18.9	30.6	30.7
	Female	76.2	42.5	33.3	81.1	69.4	69.3
Age group	65-69	4.9	9.5	15.6	12.2	9.6	9.3
	70-74	31.6	45.4	47.5	28.9	36.9	32.6
	75-79	31.6	28.5	26.2	20.0	28.0	23.7
	80-84	18.9	12.4	7.1	23.3	14.6	16.7
	85+	13.1	4.2	3.5	15.6	10.8	17.7
Marital status	Married	-	96.1	99.3	-	29.3	30.7
	Divorced/separated	2.7	-	-	-	1.9	3.3
	Widowed	87.1	1.8	-	97.8	66.2	43.3
	Never married	9.2	1.9	-	-	2.5	22.8
Hampered in daily activities	Yes, severely	24.0	25.1	30.5	26.7	33.8	26.4
	Yes, to some extent	25.2	25.1	17.0	23.3	17.8	24.1
	No	50.9	49.8	52.5	50.0	48.4	49.5
Engaged in caring after someone	Yes, after children	1.2	1.5	-	2.2	12.7	-
	Yes, after adult	-	4.2	9.9	10.0	2.2	7.5
	No	98.5	94.3	90.1	87.8	85.4	92.0

Source: ECHP, wave 5 (1998)

sense that they are often the "natural" consequence of the demographic behaviour of older cohorts.

It is not surprising to find in that respect that among the elderly living alone a bit more than 75% are females. This is undoubtedly related to the fact that women have a higher life expectancy than men and tend to be because of that proportionately more exposed to widowhood, adding to the fact that women tend to marry older men, reinforcing the effect of their higher life expectancy.

Although this is a far too well recognised trait of the living arrangements of the elderly, it is important to highlight it once more from the perspective of the implications of gendered patterns of living arrangements for policy design. If one looks at the distribution within each gender category, it should be almost self-evident the importance of recognising that more than 60% of the male elderly are living with a spouse, while among females that group hardly reaches 40%. When it comes to discussing the provision of care for the elderly, it becomes evident that for males the most likely provider will be a spouse, frequently an elderly herself. As for females, that likelihood is significantly reduced, while it increases the likelihood of living alone and therefore the exposure to the risk of absence of an informal carer if in need and the need to resource to descendents or other kin. We will come back to this issue, but what the gender divide seems to suggest is that the issue of living arrangements is

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largely an issue for females. Women are far more often confronted with changes in living arrangements here reflected in a larger variety of living forms than men.

The same way as gender, age seems to be a significant discriminator element of living arrangements in later life. We would highlight in particular the age distribution among those living alone. It is very relevant that 95% of those living alone are 70 or more years old (undoubtedly an effect of their exposure to widowhood), and that a bit more than 30% are actually over 80. If one accepts that the likelihood of developing age-related needs increases with age, this group of old people living alone must be a special target in terms of policy design. However, and from a comparative perspective, the age distributions of the other living arrangements also show how relevant is the presence of the very old elderly in the households where extended family resources are available (around 30% among the 2 types of complex households).

The gendered divide mentioned above is largely reinforced by age, which shows as referred before the effect of the demographic behaviour of older cohorts, namely in terms of male and female life expectancy. The graphs that follow provide a very intuitive description of this phenomenon.

If for both men and women the likelihood of living alone increases with age, the growth is more marked among women. In fact, all along the age line males show as the most frequent living arrangement living with a spouse (with or without adult children). A further cross-tabulation with marital status would show that even among those men in other living arrangements, namely in complex households, the share of individuals that cohabit with a spouse if far greater that among women.
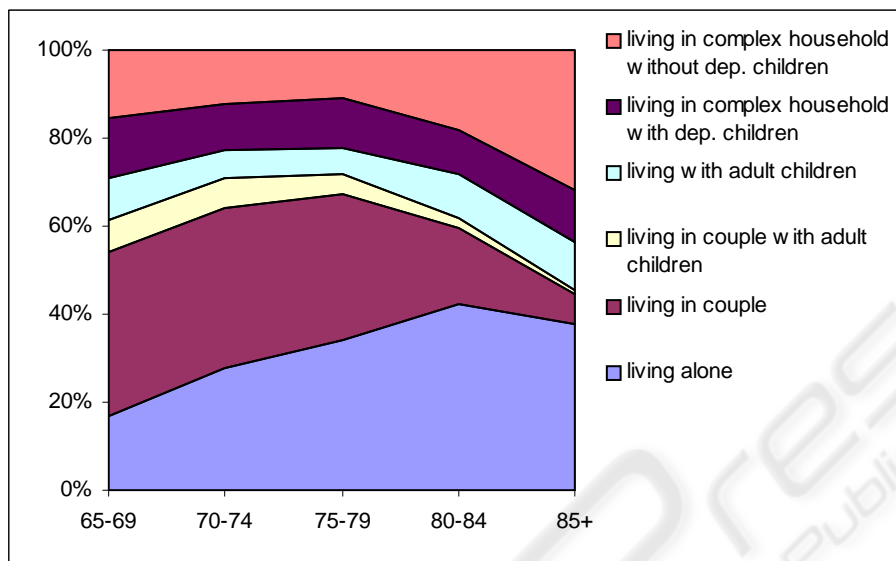
Fig. 1. Living arrangements of Portuguese male elderly by age, in 1998
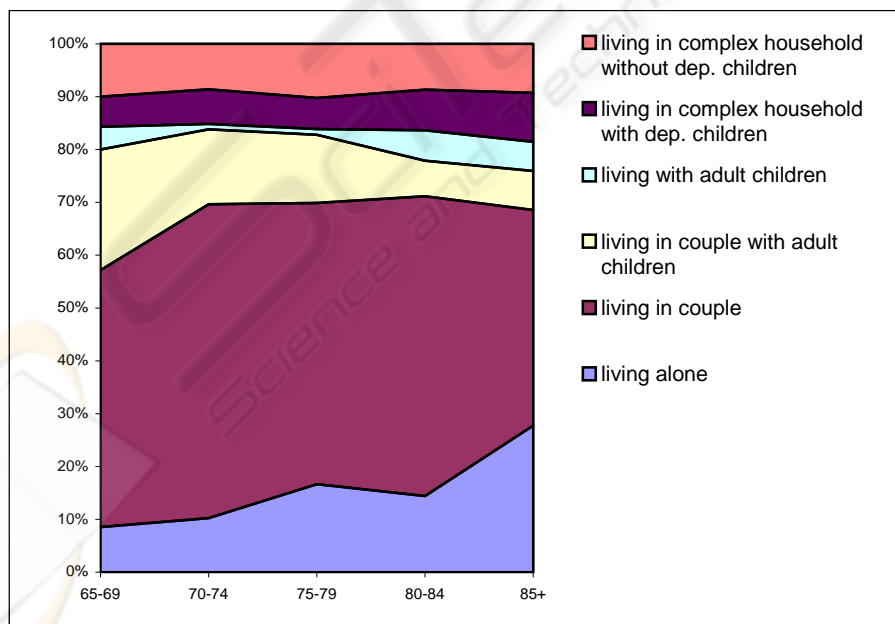
Source: ECHP, wave 5 (1998)

Fig. 2. Living arrangements of the Portuguese female elderly by age, in 1998

Source: ECHP, wave 5 (1998)

One should also note from the graphs above that the likelihood of living in complex/extended households increases with age, this for both gender groups. This increase is however more pronounced among females, again undoubtedly an effect of their greater exposure to widowhood.

As for marital status variations the single most evident trait to highlight is obviously the strong correlation between widowhood and living alone. This is the single most impacting event in old age as has been largely demonstrated [3]. Widowhood often means that the individual changes to living alone status. That is what our data seem to suggest with more than 87% of those elderly living alone declaring being widowed. Yet, it seems to be equally significant to highlight that within the distribution of widowed elderly around 40% are not living alone, cohabiting with other kin. Around 30% are actually living in some type of complex extended household.

One of the crucial variables to analyse in this paper is the effect of the existence of some type of health problem that may impose some limitations in the normal life of the elder person, in that sense acting as a proxy indicator for the existence of specific needs for care. One would expect to find a higher proportion of elderly living in some form of extended household among those who declare some hampering condition limiting their daily activities. Interestingly enough we do not observe such a clear pattern in our data. In fact, and in a similar way across all types of living arrangements, around 50% of the elderly declare having some hampering condition, either severe or moderate.

However, this does not mean that the distributions found in our data are not substantially significant. It is our belief that the data may be biased (to what extent we could not say) by the way the variable is measured. The assessment of the existence

of an hampering condition is made on the basis of the self-perception the elder person has on his/her condition. It is documented how one's self-perception of health status is a culturally determined construct [1]. It would be a legitimate hypothesis to rise that elderly living alone tend to perceive themselves as more frail and in a worse health condition than those that benefit from some type of family network. In that sense we could expect to inflate our results in both directions according to the elderly sub-group we are focusing.

Our interpretation of the trend of no association between the existence of an hampering condition and the type of living arrangement of the elder person displayed in our data is that it could also be reflecting the increasing difficulties of families to cope with the demands falling on them and in that sense leaving severely exposed to the risk of social exclusion a significant portion of our elderly population. In any case it is worth highlighting that the majority of people who actually declare some hampering condition are living with a spouse. This substantiates what other researchers have been claiming about the couple as the main unit of care provision in old age.

This idea results reinforced by the analysis of the engagement in caring after other people among our sample of elderly. From table 2 we would highlight two main aspects. On one hand it seems quite clear that the extended household tends to work as the locus for the exchange of care. This means that if it is true that by living with his kin, the elder person is benefiting, at least in theory, form a support network that will help dealing with old age related problems, it is also true that in these households the elderly tends to have himself a role as carer, namely of children. The second aspect to highlight is precisely the reinforcement of the couple as a care unit.

Table 3 below summarises the relative impact of this set of factors when trying to understand what are the structuring elements of living arrangements among the Portuguese elderly. We have estimated 2 relatively simple logistic regression models for the likelihood of finding a Portuguese elder person living in a specific type of household. Model 1 estimates the likelihood of living alone, model 2 the likelihood of living in some type of extended household (with or without children). We have elected these two types of households as they can be considered the antipodes of a familialist society.

The first summary measure to highlight is the non-significance of the gender divide in the likelihood of finding the elder person either living alone or in complex/extended households. This does not contradict our initial comments on the gender differences. Those differences exist in absolute numbers. What our model reinforces is the idea that those absolute differences among men and women do not have a gender origin and are simply the result of the differentiated incidence of other socio-demographic phenomena in the two groups (particularly widowhood and life expectancy).

Contrary to gender, age and marital status do show a very significant impact in both our models, although in different ways. As for age, younger cohorts of elderly are more likely to be living alone (corresponding to the age interval where it is more likely for the bereavement of a spouse to take place). Older cohorts of elderly show more likely to be living in some type of complex household (one could infer that with age the likelihood of needing specific care increases therefore the likelihood of getting that care from the extended family network).

Table 3. Summary models to estimate the likelihood of finding an elder person living alone and living in a complex household in Portugal, in 1998

Factors associated to living arrangements in old age	Living alone			Living in complex household		
	Coefficient estimates *(t-statistic)*		Odds ratio	Coefficient estimates *(t-statistic)*		Odds ratio
Age group in 1994						
65 – 69 (base)						
70 – 74	0.761**	*(2.44)*	2.141	-0.116	*(0.51)*	0.891
75 – 79	0.899***	*(2.84)*	2.457	-0.117	*(0.50)*	0.889
80 – 84	0.394	*(1.20)*	1.483	-0.089	*(0.34)*	0.915
85 +	0.157	*(0.46)*	1.170	0.478*	*(1.76)*	1.613
Gender						
Male (base)						
Female	-0.243	*(1.36)*	0.785	0.162	*(1.14)*	1.175
Marital status						
Married (base)						
Widowed	5.857***	*(11.33)*	349.595	0.973***	*(6.53)*	2.646
Never married	5.066***	*(9.26)*	158.488	1.970***	*(8.87)*	7.167
Separated/divorced	5.407***	*(8.28)*	222.930	1.610***	*(3.76)*	5.003
Hampering condition						
No (base)						
Yes	0.070	*(0.48)*	0.932	0.068	*(0.55)*	1.073
Caring status						
Not caring (base)						
Caring after children	-1.645***	*(3.23)*	0.193	1.256***	*(3.88)*	3.512
Caring after adult	-3.544***	*(3.46)*	0.029	0.298	*(1.04)*	1.347
Constant	-5.994		-	-2.136		-

Source: ECHP, wave 5 (1998)

Notes: * significant at 0.1; ** significant at 0.05; *** significant at 0.01

Marital status has a strong effect, as expected. We would call the attention to the effect of widowhood as increasing both the likelihood of living alone and of living in complex household.

Suffering from an hampering condition does not show any significant effect on the choice of living arrangement, which should be read along the same lines as what was argued before about the same topic.

Finally, we observe a significant impact from the caring status variable. It is important to remember that we are focusing here on the elder person as a carer and not as a recipient of care. The relevant bit of information to highlight once more seems to be the exchange of care implied in the cohabitation of the elder person with the extended family (the granny phenomenon).

How much are Portuguese families looking after the elderly?

So far we have looked at where do elderly people choose to live (be that a free choice or a constrained choice). Now we suggest looking at familialism from the perspective of those that engage in caring after an elder person. In familialist systems the household appears as the main locus for the provision of social welfare. The question to ask follows logically and addresses to what extent do Portuguese families and households reflect that trait of familialism when we focus on taking care of the elderly.

Table 4 summarises data for the amount and the nature of engagement in care after an elder person in 11 ECHP countries in 1998.

One could be initially surprised by the absence of any significant overall incidence of engagement in caring after an elder person among the South European countries (traditionally labelled as the familialist countries). That should not be the case in the sense that it is well documented that the rates obtained for this type of broad question are heavily influenced by concepts of care that vary enormously across countries[4]. The reality of the Northern European countries in particular is significant to illustrate this phenomenon. Caring and the figure of the carer are well established in the public arena of these countries, making it more straightforward for their citizens to identify themselves as carers, even if the amount of care delivered is very reduced and most of the time only in the form of visits to give some emotional support to an elder person living alone. In familialist systems, on the contrary, care is usually identified with

Table 4. Descriptive variables on the amount and nature of the engagement in care after elder people in 11 ECHP countries, in 1998 (percentages within each country)

Country	% caring after an elderly	Intensity of care giving (% of those engaged in care)			Location of care (% of those engaged in care)		Effects on paid work (% of those engaged in care)		% females among those engaged in care after an elderly
		Less than 14 hours per week	14 up to 28 hours per week	More than 28 hours per week	Cared after person lives in household	Cared after person lives elsewhere	Caring prevents from taking paid work	Caring does not prevent from taking paid work	
Germany	3.0	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Denmark	6.9	66.9	19.7	13.4	30.0	69.3	15.5	84.5	63.2
Netherlands	7.5	45.9	44.9	9.2	29.9	70.1	15.3	84.7	58.4
Belgium	6.8	68.7	15.6	15.7	30.2	68.7	13.5	86.5	57.1
France	4.1	64.3	22.2	13.5	35.6	63.3	6.8	93.2	63.8
UK	15.4	n.a.	n.a.	n.a.	31.4	64.4	n.a.	n.a.	58.0
Ireland	5.1	31.2	17.5	51.3	56.9	42.6	33.3	66.7	67.6
Italy	6.6	41.6	30.7	27.7	45.7	49.8	15.9	84.1	64.3
Greece	4.1	34.0	46.1	19.8	65.2	32.2	14.8	85.2	78.4
Spain	5.8	17.3	25.9	56.8	66.6	32.3	20.3	79.7	72.8
Portugal	5.1	23.8	23.0	53.2	83.0	15.7	32.7	67.3	85.1
ECHP	6.2	53.5	22.5	24.0	49.2	48.6	18.1	81.9	64.8

Source: ECHP, wave 5 (1998)

Obs. Cases are weighted

Note: n.a. means data were not available for the particular country on the variable

more demanding tasks of support in daily activities.

To support our argument we should analyse in detail the data on the nature of the provision of care in the subsequent columns of table 4. There we will find significant variations across countries and patterns of care provision that clearly reinforces the familialist character of the Portuguese society.

Our general remark on this would be that in Portugal caring after an elder person is definitely a household matter, meaning that engaging in care after an elder person usually involves cohabitation between the carer and the recipient of care. This is associated to a proportionately higher intensity of care giving, which in turn seems to have a stronger impact on the carer's ability to participate in the labour market.

Although put forward in a very simple way, this is a pattern of care giving that has lots of implications both for the elder person receiving care and for the household providing care. The immediate consequence to raise is of a financial nature and has to do with the income losses caused by the inability of at least one household member to participate in the labour market as a consequence of his or her engagement in care giving. Other consequences will cover aspects related to the burden on the carer and on the entire household and on the emotional consequences the care giving context often has. There is no research of a kind in Portugal on this topic, but research carried out in other countries has shown how important it is to include in policy design not only the needs of the elderly but also the needs of their carers [6]. In that sense any mechanisms that can somehow alleviate the burdens on the informal family carers making it more flexible to juggle care with other social roles, namely paid work and leisure activities are expected to have positive effects in the overall quality of life of the household engaged in care giving and, if not directly at least indirectly, in the quality of life of the elder person receiving care.

The last column in table 4 adds up on this by showing how comparatively strong is the gender bias in the Portuguese pattern of engagement in caring after an elder person. This, if not surprising within a familialist context, does raise some worries about the availability of informal carers in the near future. The behaviour of younger cohorts of females as far as their participation in the labour market is concerned has been changing significantly, with increasing levels of participation but also, as surveys on values have been demonstrating, with a increasingly stronger orientation towards values of self-fulfilment and individual economic independence. The joint effect of the impact caring has on being able to keep paid work and the decreasing availability of females to sacrifice their professional lives, may pose serious problems of availability of carers in the near future.

Financial conditions in old age

The analysis of the financial conditions of the Portuguese elderly sub sample has made use of rather aggregated information. We work with household income as a more reliable alternative to personal income. By considering household income we account for the transfers within the household and therefore get a more accurate picture of the effective resources available for the elder person. Since the overall goal of our analysis is to assess, even if in a crude way, the living conditions of the elderly, the equivalent adult household income appears as the most reliable measurement. In terms of calculations this means that the summary variable for the household income

is transformed according to the number of equivalent adults in the household. To equalise the income variable we have used the modified OECD scale[1].

The income distribution problems that characterise the Portuguese population in a comparative perspective, namely within the EU, are well know and are well documented. We will not focus on that. The same can be said for the problems of income distribution within the Portuguese society. Evidence has been put forward on the inequality problem associated to the income distribution across the Portuguese society. A good reference for that is the work of Rodrigues, where among other conclusions, it is demonstrated the comparative weak situation of the elderly [8].

Table 5. Measures of inequality within the income distribution of the elderly Portuguese sub sample, in 1998

Measures of Inequality[1]	
Deciles Ratio (P90 / P10)	4.50
Share Ratio (S80 / S20)	5.74
Gini Index	0.37

Source: ECHP, wave 5 (1998); own calculations

[1] The measures used are:

Deciles ratio: the ratio between the 90th percentile and the 10th percentile of the distribution.

Share ratio: the ratio between the total amount of income of the 20% of the population with higher incomes and the total amount of income of the 20% of the population with lower incomes.

Gini index: it is a widely used measure of inequality particularly sensitive to transfers in the middle of the distribution.

Table 6. Proportion of total equivalent adult income in each decil of the distribution

Decil	Proportion of total income	Lorenz Curve Coordinates
1st	0.0328	0.0323
2nd	0.0464	0.0792
3rd	0.0537	0.1329
4th	0.0612	0.1941
5th	0.0679	0.2620
6th	0.0770	0.3390
7th	0.0913	0.4303
8th	0.1132	0.5435
9th	0.1534	0.6969
10th	0.3032	1.0000

Source: ECHP, wave 5 (1998); own calculations

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[1] The OECD equivalent modified scale for computing the household income per equivalent adult gives a weight of 1.0 to the first adult in the household, 0.5 to the other adults and 0.3 to each child. By dividing the total household income by the OECD equivalent modified scale we take into account in the analysis the differences in dimension and composition of households.

In this paper we focus on the distributional aspects within the elderly population. The reason for this approach is the belief that one of the main challenges when designing policies for any group is to offer solutions that maximise the equal access of all to whatever goods are being offered. In the field of care provision this argument seems more relevant than any other.

Tables 5 and 6 provide for some summary data about the income distribution inequalities within the elderly sub sample.

The information contained in both tables is self-evident and gives us a clear picture of the deep inequalities within the elderly population. The Gini index (0.37) and the Lorenz Curve coordinates are particularly clarifying in that respect and show how unequal is the income distribution among the elderly, with more than 45% of the total income concentrated in the 20% better off elderly. This becomes more significant if we remember that the income variable we are analysing refers to total income after social transfers. We are talking about the final disposable income of the elderly.

What this picture reinforces is the idea that when targeting elderly people we need to take into account profoundly distinct segments of elderly. More than that, we need to keep in mind that any solution that involves a substantial provision of care solutions by the market will raise serious equity problems in such an unbalanced income distribution.

Our interest though, and because we are tackling the problem of care provision from the perspective of a familialist framework, involves some more detailed analysis that focus on the variations of income across different living arrangements. It is argued that the choices of the elderly in terms of living arrangements are often responding to financial constraints, in that sense working many times as strategies to alleviate poverty. Table 7 below displays summary income data for different types of living arrangements.

The comparison of both the mean and the median incomes of different types of living arrangements give us a first idea of how important the family network can be in the life of the elder person as a mechanism to alleviate poor financial conditions.

Table 7. Mean and median equivalent adult income by type of living arrangement among the Portuguese elderly, in 1998 (in thousand escudos)

Type of living arrangement	Mean income	Median income	Valid n
Living alone	693.4	504.0	408
Living in couple	858.8	584.2	674
Living in couple with adult children	1009.4	819.0	141
Living with adult children	1034.6	783.6	88
Living in complex households with dep. children	1026.6	854.8	157
Living in complex households without dep. children	1012.4	811.2	215
Total elderly sample	875.8	629.2	1716

Source: ECHP, wave 5 (1998); own calculations

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Table 8. Proportion of individuals below the national poverty line by type of living arrangement, in 1998

Type of living arrangement	Proportion of poor by living arrangement	Proportion of the total population of poor
Living alone	52.7	12.8
Living in couple	36.5	14.6
Living in couple with adult children	22.7	1.9
Living with adult children	26.1	1.4
Living in complex households with dep. children	13.4	1.2
Living in complex households without dep. children	20.0	2.6
Total elderly sample	34.7	-

Source: ECHP, wave 5 (1998); own calculations

We would highlight in particular the better off situation of the elderly living in complex households with dependent children.

If we add to the table above information about the relative position of the elderly in terms of the national poverty line, the effect of different living arrangements as poverty alleviators results even more clear.

Having defined the national poverty line as 60% of the national median income, table 8 above shows how strong the effect of the family resources is for the elderly in alleviating poverty. One should note in particular the extremely high proportion of elderly below the poverty live among those living alone and, although less, among those living in couple. In any case, for both living arrangements we have elderly people on their own. These are the groups that contribute more to the total amount of poor. By contrast, those living in extended households seem to benefit from transfers of family resources that significantly reduce their exposure to poverty.

These are all extremely important elements to take into account when discussing the potential of any mechanism of care provision. Not only we have to take into account the average disposable income of families and of the elderly in particular (signalling clearly the unfeasibility of pure market solutions) but also the differences among groups of elderly and the risks of introducing further inequalities in the system if the solutions developed target the small segment of those that are better off.

5 Closing remarks

We have seen that the living arrangements of the Portuguese elderly, and despite some signs that the traditional models are under increasing pressure, are still of a markedly familialist nature. This in itself is of major interest when discussing care solutions based on the elderly staying at home. The majority of the elderly in Portugal are not living alone, although that is a living arrangement in clear expansion (therefore to be taken into account in terms of policy design).

The consideration of the people with whom the elderly are living is in that sense a very important issue when debating the characteristics of the technologies to

implement and the extent to which they require interaction with the human element. This human element is very likely to be there in the Portuguese case so it should be triggered as a resource available. This seems to be equally important from the perspective of the existing carers, making it worth to discuss the potentially complementary character of these new technologies to the care provided by the families.

However, any serious discussion on the advantages of implementing a particular solution to care after the elderly has to go hand in hand with considerations about the financial viability of that solution. In this paper we have limited our contribution to putting forward the existing financial conditions of the Portuguese elderly, highlighting their limited resources to deal with any market-based solution. The overall income asymmetries of the national population are clearly reproduced (if not reinforced) among the elderly sub sample. Debates on policy design must always be based on equity principles. It is our belief, given the data available, that there is a clear danger of reinforcing existing inequalities if we are to base the provision of these new mechanisms of care on market forces.

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