

The Implications of Family Systems and Economic Context for Intergenerational Transfers in Indonesia and Bangladesh

Elizabeth Frankenberg
Duke University

How do intergenerational relationships evolve in the face of development?

- Ideal data don't exist
- Can we learn anything from cross-society comparisons of societies whose macro-features differ?

Bangladesh and Indonesia

- 1890-1960: “traditional agrarian” societies characterized by “static expansion” of the rural economy
- 1960-76 Indonesia industrialized more rapidly, subsequently pace was similar
- 1995: per capita GDP was \$980 in Indonesia, \$240 in Bangladesh
- Economic opportunity within Indonesia is higher, Considerably more overseas migration in Bangladesh
- Family systems are patrilineal and joint in Bangladesh, versus conjugal, with bilateral kinship in Indonesia

Data / Analytical Sample

- Indonesia Family Life Survey (1997) and Matlab Health and Socioeconomic Survey (1996)
- Identical questions on receipt and provision of transfers between parents and each adult non-coresident child
- Parent-child dyads
- Parents' receipts and outlays in aggregate

Summary Statistics on Transfer Flows

	Bangladesh		Indonesia	
	Dyad	Agg	Dyad	Agg
% involved in transfers	25%	50%	68%	79%
% for whom net flow is >0	19%	40%	40%	58%
Median amt received (+)	\$44	\$100	\$15	\$41
% for whom net flow is <0	6%	10%	12%	16%
Median amt given (+)	\$16	\$17	\$17	\$33

Regression Analysis

Multinomial logit of direction of flow

OLS amounts transferred

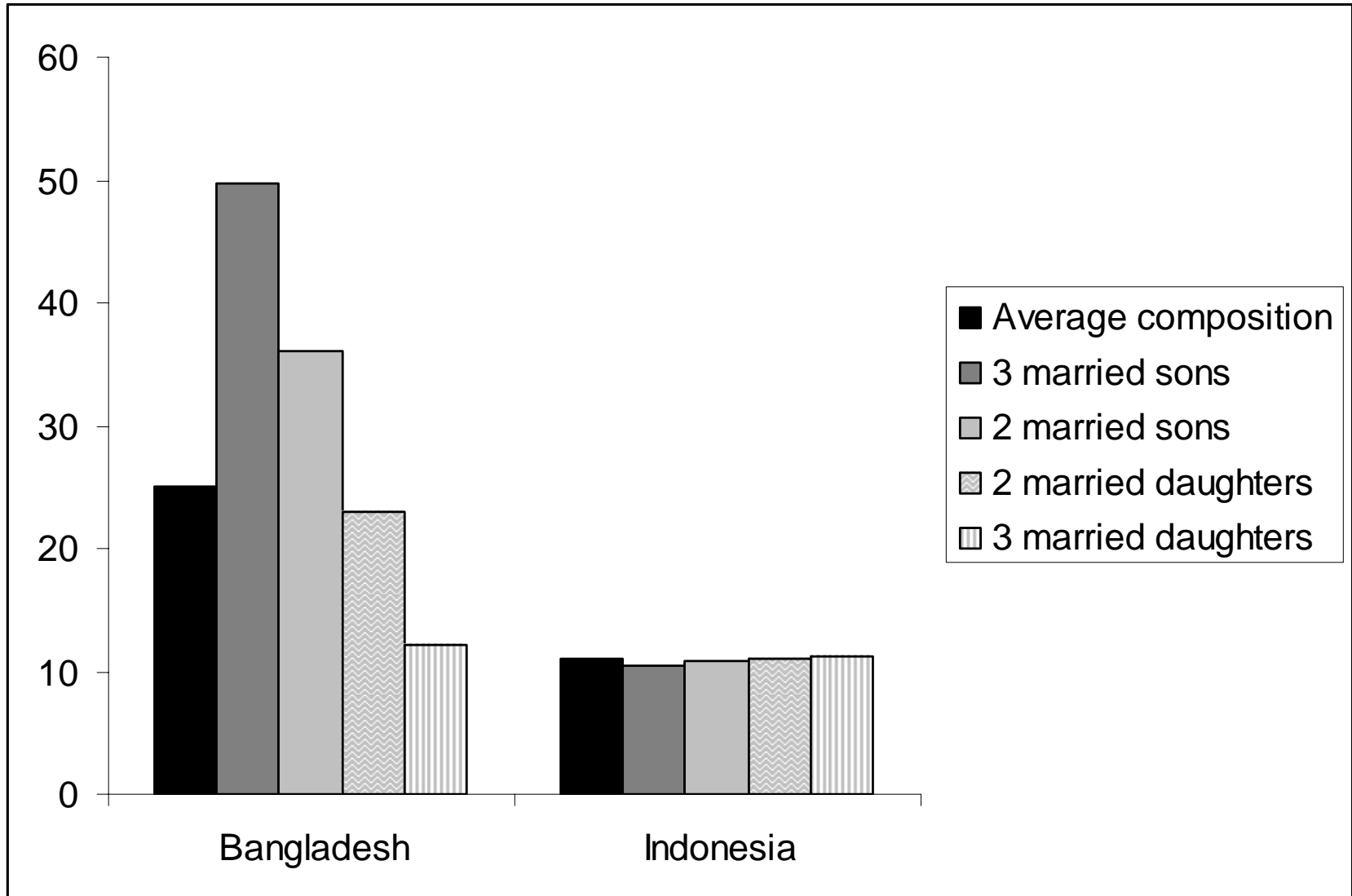
Parent-child dyads as level of analysis:

- Sons and daughters behave very differently in Bangladesh, particularly after marriage. Not so in Indonesia
- Child's location matters a lot, with migrants much more involved in transfer relationships
- In Indonesia, resource flows from parents to children may be supporting education
- In Bangladesh, a small number of parents have made large outlays to international migrants

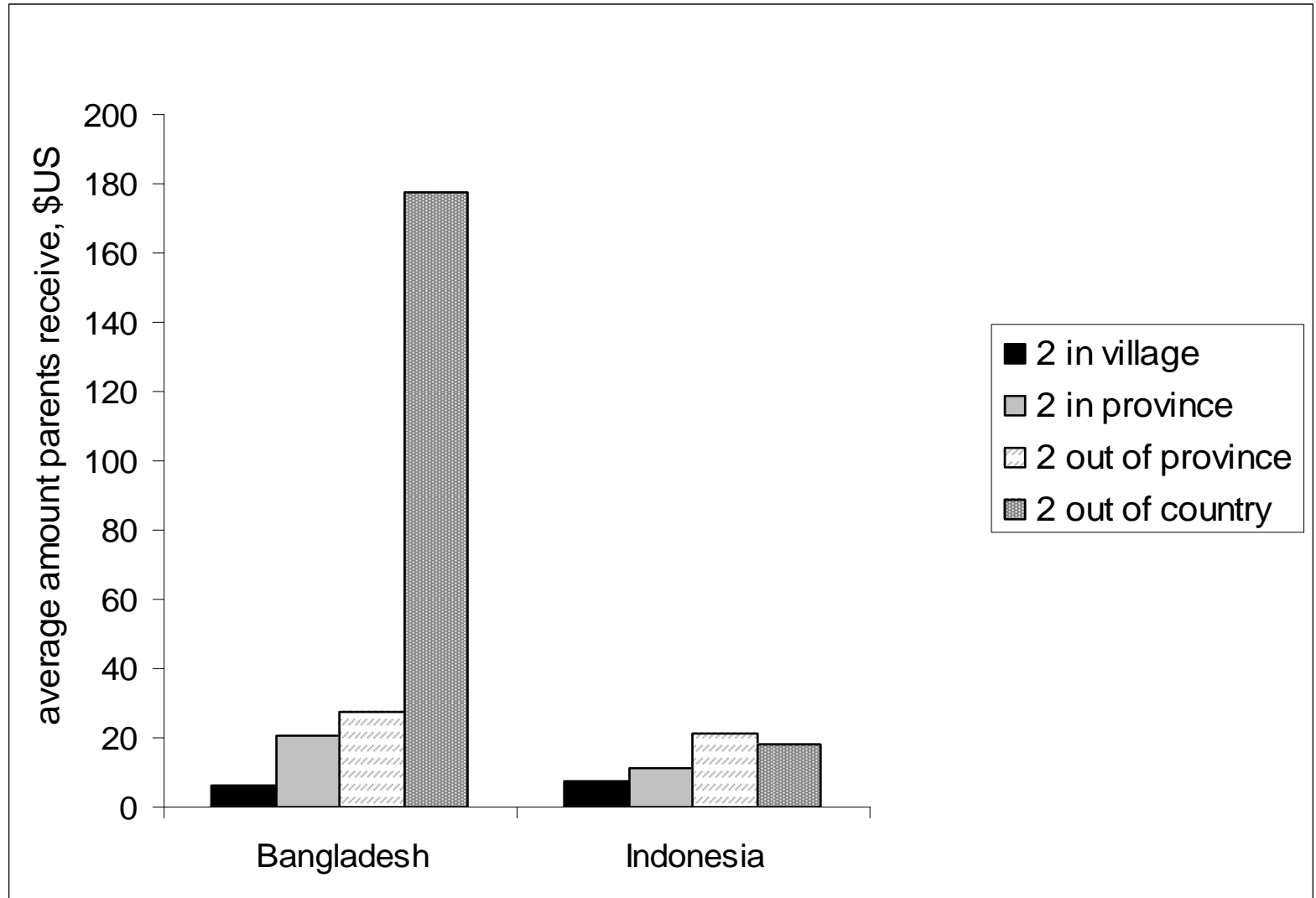
Parents and their Offspring in Aggregate

- Covariates describe the composition of children in terms of gender and marital status and in terms of location
- Many other controls (parents' characteristics, household economic resources)
- Use coefficients to explore relationship between mean level of net transfers received and changes in offspring composition (holding # of offspring, and other characteristics constant at the mean)

Variation in Net Transfers Parents Receive by Composition of non Coresident Children



Variation in Net Transfers Parents Receive by the Location of non Coresident Children



Conclusions

- Traditional patterns of family organization leave an strong imprint on transfer patterns in Bangladesh
- Migration by adult children away from their parents isn't associated with lack of participation in transfer flows
- With more rounds of data, we can truly examine the evolution of patterns over time
 - Does child gender diminish in importance in Bangladesh?
 - What happens when migrant children return, and/or when economic conditions in destination countries deteriorate?