

Delayed Transition to Independent Dwelling in Relation to Poverty and Unemployment in Fiji 2003 HIES

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It is well known that transition to adulthood is a multistep process with eventually reversals. Based on developed countries experience, marriage (or cohabiting union) is usually considered the final step of transition to adulthood. However, in developing countries, multi-generational cohabitation is frequent and consists mostly in married children living with their own or their spouses' parents. In such context, access to own/independent dwelling appears rather as the final marker of transition to adulthood. The reasons of multi-generational cohabitation are not only traditional, and the economic status of young married adults plays a major role. Lack of employment, for males as well as females, is a major cause of multi-generational cohabitation, because of the cost of housing and other costs associated with living independently. Therefore, stable or even increasing proportions of multi-generational households can be observed in relation to economic crisis. Multi-generational households even appear in cultures where they were not a traditional type of residence, like in Fiji.

This paper will present the process of transition to independent dwelling (as becoming household head), using data from Fiji 2003 HIES (Household Income and Expenditure Survey) in relation to work status of young married people. As HIES data provide only information for households, not for all families in households, it will also address the impact of delayed transition to independent dwelling on our knowledge of the poverty status of young married adults as well as single mothers and divorced females.

Data and methodology

We use data of the 2003 HIES in Fiji to estimate the proportions of young married males and females who are not household heads: still residing with their own parents, their spouses' parents or other relatives. Data will be disaggregated by residence (urban/rural) and ethnicity (Fijians/Indians).

We shall also consider the situation of divorced females according to headship status. It is often assumed (based on Western residence patterns) that divorced women are heads of households, but developing countries data show that they often reside with parents or, more frequently, with other relatives. This represents a reversal of transition to adulthood.

As regards work status, we shall calculate employment rates according to position in the household (heads vs. married son, and spouse of head vs. spouse of son) by age and sex to show the relation between employment and leaving parental home. If leaving parental home is dependent on young people's access to jobs, it is expected that the distribution of households by income quintile will reflect this situation. We shall also calculate dependency ratios of households by income quintiles to further assess the already well known relation between household dependency and income and have more information on the composition of female and youth headed households.

Although they can be affected by the above mentioned selection effects on household formation, we shall use logistic regressions to estimate the correlates of the poverty status (probability of being poor - below basic needs or food poverty lines) of households according to their generational status: multi-generational or one-generation households.

Finally, we shall briefly comment the implications of our findings on household based poverty indicators for young couples and lone females with children.

Results

Living arrangements of young married adults and divorced women

A majority of married youth (15-24 years old) are not household heads (figure 1). At ages 25-29 almost half of married males for Fijians and rural Indians do not yet live in own households. At ages 30-34, these proportions are still around 20 percent and as high as 42 percent for rural Indians. Urban Indians show more rapid transition to own dwelling, consistently with their higher economic status. It is noticeable that young (below age 30) Fijian married males are slightly more often living in multi-generational households in urban than in rural areas, which is contrary to the assumption of a more traditional society in rural areas. Moreover, cohabitation with parents was not traditional in Fiji where extended families lived in separate houses close to each others (Nayacakalou 1955; Pulea 1986).

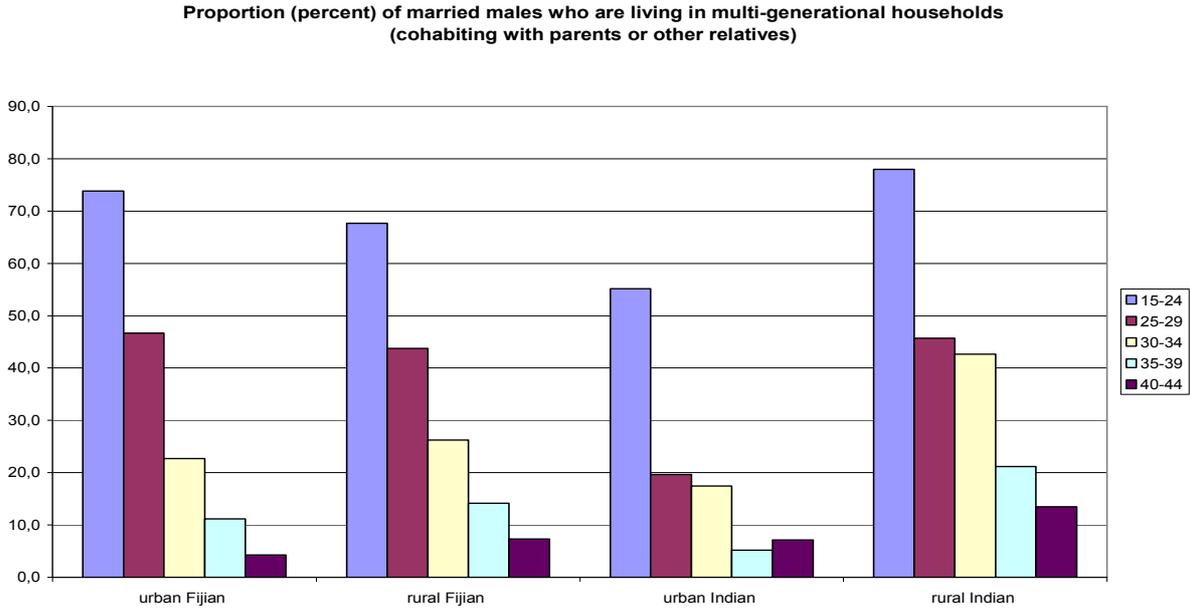


Figure 1: Proportion (percent) of married males by age group who are not heads of households, Fiji 2003 HIES.

Regarding divorced women¹, data show that a majority of them are not head of households in rural areas (figure 2)². This is also the case for more than 50% of urban Fijian divorcees

¹ Single lone mothers are difficult to spot in multi-generational households, because we cannot assess which women is the mother of grand children of the household head. Therefore, we consider only divorced women.
² There are small numbers of rural Indian divorced females and all of the younger ones live with their parents or other relatives.

below age 35. Divorced or separated females frequently live with distant relatives (uncles, aunts) rather than with their parents, probably to avoid conflicting family situation.

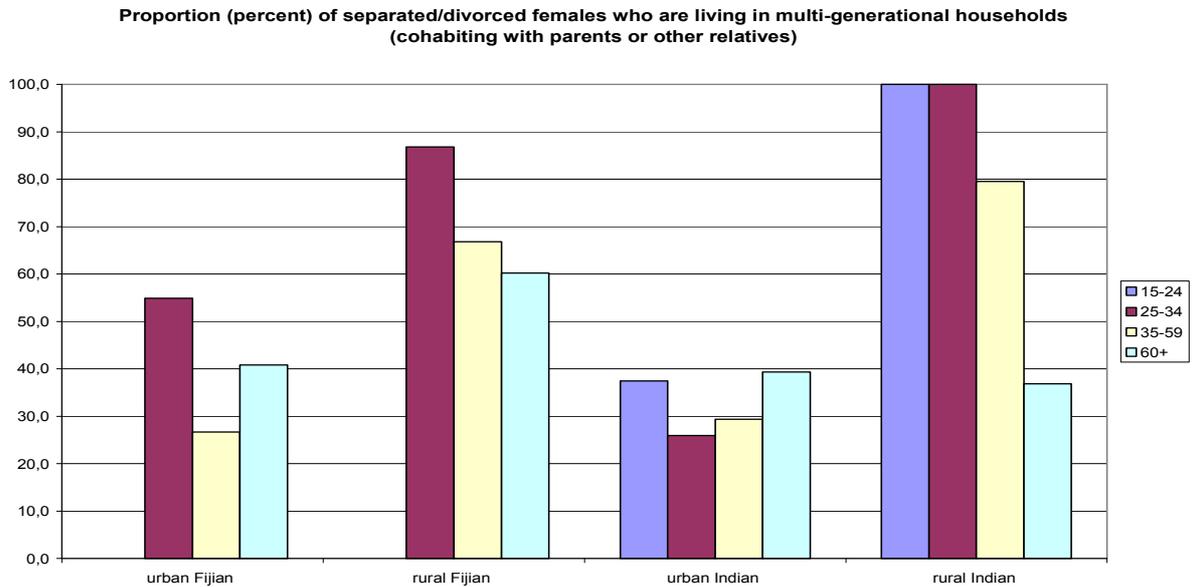


Figure 2: Proportion (percent) of divorced/separated females by age group who are not heads of households, Fiji 2003 HIES.

Access to cash sector jobs

As it is not traditional, the reason of multi-generational cohabitation in Fiji most probably lies in the lack of resources to access independent dwelling. Living independently is conditional on having a job in the cash sector and also on the level of wages.

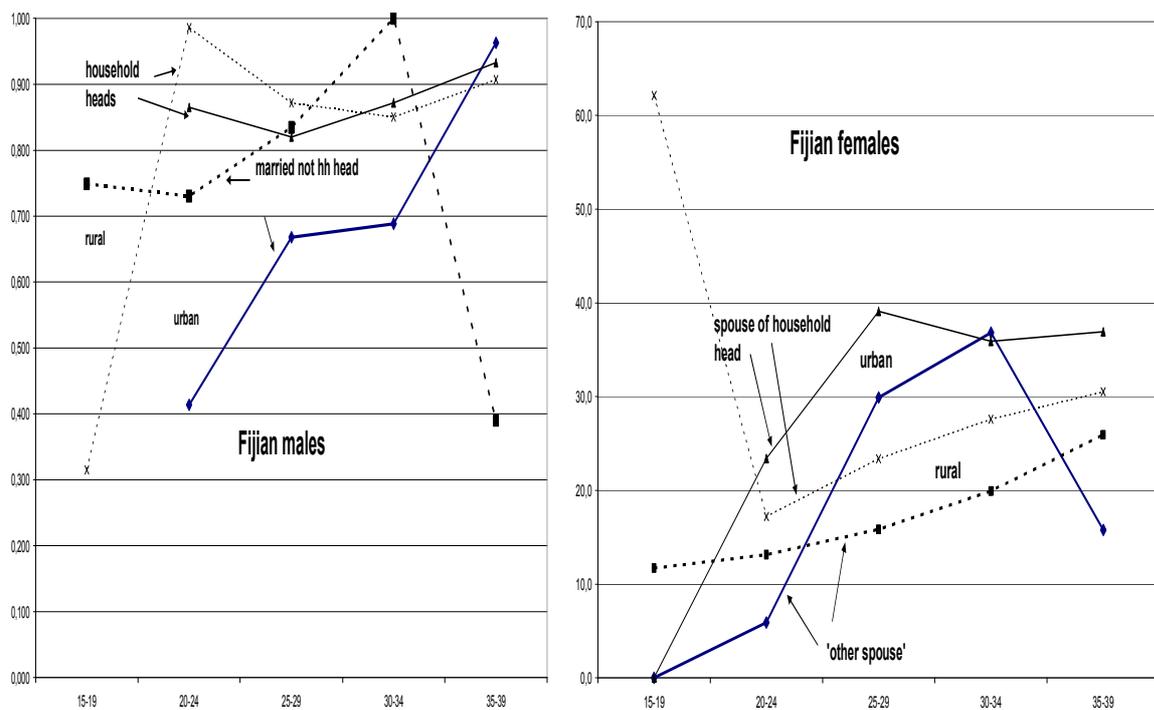


Figure 3a: Employment rate in the cash sector of married males and females according to position in the household, Fijians, Fiji 2003 HIES.

Employment rates in the cash sector appear to be lower for Fijian married males who are not heads of households than for household heads (figure 3a). The gap between household heads and other married males appears to be much higher and extends to older ages in urban than in rural areas. However, whenever high proportions of rural married males who are not household heads work for cash, they may have low income³. Selling part of agricultural production is included with cash income in HIES data and many people in rural areas are both subsistence and commercial growers. A similar gap is observed for Fijian females. It is more constant than for males in rural areas, because of less cash work opportunities for females out of towns.

For Indian males, there is little difference in access to cash sector jobs between household heads and married males who are not household heads (figure 3b). Then, the reason of multi-generational households for Indians is not lack of cash sector jobs, but rather low wages. Rural Indians are mostly poor sugar cane growers living on plots leased by Fijians. The poorest Indians are only ‘sugar cane cutters’⁴, working for other Indians.

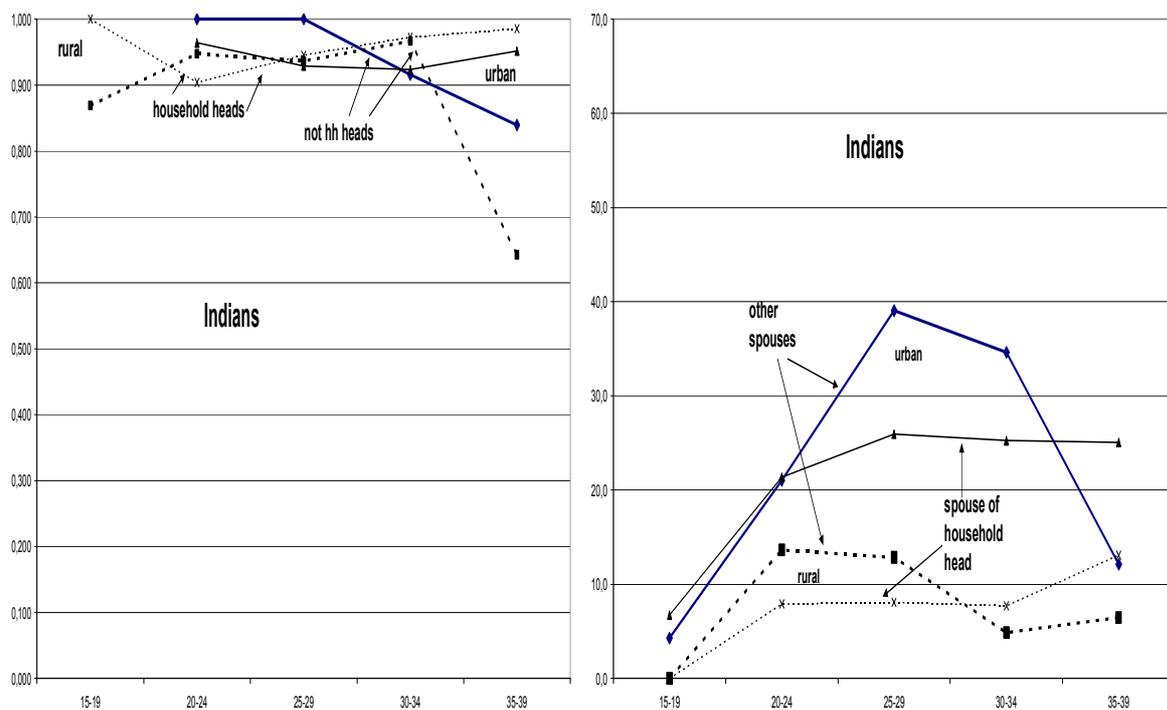


Figure 3b: Employment rate in the cash sector of married males and females according to position in the household, Indians, Fiji 2003 HIES.

The employment situation of Indian females is opposite with spouses of household heads having lower employment rates in the cash sector than other spouses. Indian female labour force participation is traditionally low in Fiji, being much lower than for Fijian females, mostly for rural females - but urban Indian females have also lower employment rates than urban Fijians. This is specifically the case for spouses of heads whereas spouses of married

³ In HIES, income is recorded at household level and cannot be disaggregated by individuals or families.

⁴ They also work at other stages of sugar cane growing.

males living with parents work more often and have rates similar to Fijian spouses of household heads. High employment rates for women in this situation are probably an attempt to prepare accessing independent housing, unless patriarchal behavior leads household heads' spouses not to work and benefit from child's spouse income.

Correlates of poverty by household type

We shall now use logistic regressions to assess the impact of cash work on poverty status of households. Odds ratios of logistic regressions on poverty status⁵ of households show that residing in urban areas is associated with lower risk of poverty, mostly as regards food poverty line (table 1). Household size is an important factor of poverty with both one-generation and multi-generational large (6 or more people) households being more likely to be poor. However, both small and large multi-generational households are more likely to be poor than one-generation households of similar size under both food and basic needs poverty lines. And the effect is stronger as regards food poverty line, representing more severe poverty.

The proportion of cash earners has the strongest effect on poverty, with households with less than 20% of their members earning cash being five times as likely to be poor as those with 60% or more cash earners (reference). The effect of cash earning household head in escaping poverty is lower than that of the proportion of household members being cash earners, and it is also lower (for BNPL) than the effect of cash earning spouses.

Table 1: Odds ratios of being under basic needs (BNPL) and food poverty line (FPL).

		below BNPL	Below FPL
Intercept		-1,0879 ***	-2,7419 ***
Ethnic origin	Fijian	0,6442 ***	
	Indian (ref.)	1	
Area	Urban	0,6121 ***	0,3697 ***
	rural (ref.)	1	1
household type	1G >= 6 ⁽¹⁾	1,8476 ***	1,7857 c
	2G < 6	1,1629 *	1,1659
	2G >= 6	1,8799 ***	1,9768 ***
	1G < 6 (ref.)	1	1
head cash earner	no	1,4984 ***	2,0905 ***
	yes (ref.)	1	1
% members earning cash	<20%	5,3037 ***	3,0222 ***
	20%-39%	3,9169 ***	2,1119 *
	40%-59%	2,0666 **	1,2297 *
	60 + % (ref.)	1	1
spouse cash	no	1,7623 ***	2,0101 ***
	lone male head	1,2919	1,0650
	lone female head	1,5893	1,8047 c
	yes (ref.)	1	1
N		4977	4977
-2LL		453,23 ***	212,44 *

significant*** at 0.001; ** at 0.01; * at 0.05; (c) at 0.10;

(1) One-generation - 6 or more persons household

⁵ We use food and basic needs poverty lines (Abbott 2006) to estimate the factors associated with poverty of multi-generational and one-generation households.

It was unexpected to see that lone parents headed households, mostly for female heads, are not significantly more likely to be poor than households with both head and spouse earning cash (reference). This is due to the above mentioned income based selection of divorced and lone mother household heads. But, it does not translate the situation of all lone mothers. However, they are much more likely to be poor under food poverty line. It is also surprising that age and age squared were not significant while it could be expected that households of younger and older heads are more likely to be poor. This is also related to income based selection effects that will be presented below, using other data.

Thus, the theory that multi-generational households are a strategy to avoid poverty is somewhat contradicted by these results. Or at least, if generational cohabitation contributes to reducing poverty, it is not enough to avoid it. Multi-generational households that often include married children or divorced/separated women are more likely to be poor, whenever these people may reduce the severity of poverty when they have cash earning employment.

These results translate the situation of households and they are affected by selection effects relating to leaving parental home or maintaining independent dwelling for divorcees. One-generation (one family) households are less likely to be poor, because they can afford to live independently from parents/relatives. But, this is not the case of all families.

Distribution of households by income

The distribution of households by income quintile show very different situations according to age and sex of household heads.

The income distribution of youth-headed households contrasts strongly with that of other households. Young adults (below age 30) headed households are rarely in the lowest income quintile and much more often in the highest quintile than other households (figure 4). This is still more the case for females than for males, mostly for urban Indians, but it applies to both ethnic groups in rural areas. Thus, the selection effect of income on living in independent dwelling appears to be very important for young people.

At ages 30-49, the rather small difference between the proportions of male and female headed urban households in the highest quintile and the advantage of female heads in rural areas should also be interpreted cautiously in relation to the high proportions of divorced females living with parents or relatives, mostly in rural areas. Only those who can afford independent dwelling/living appear in household data. The higher proportion of elderly heads in the highest quintile for urban Fijian females than for males is also related to the fact that mostly widows with pensions lived in independent dwelling in the 2003 HIES.

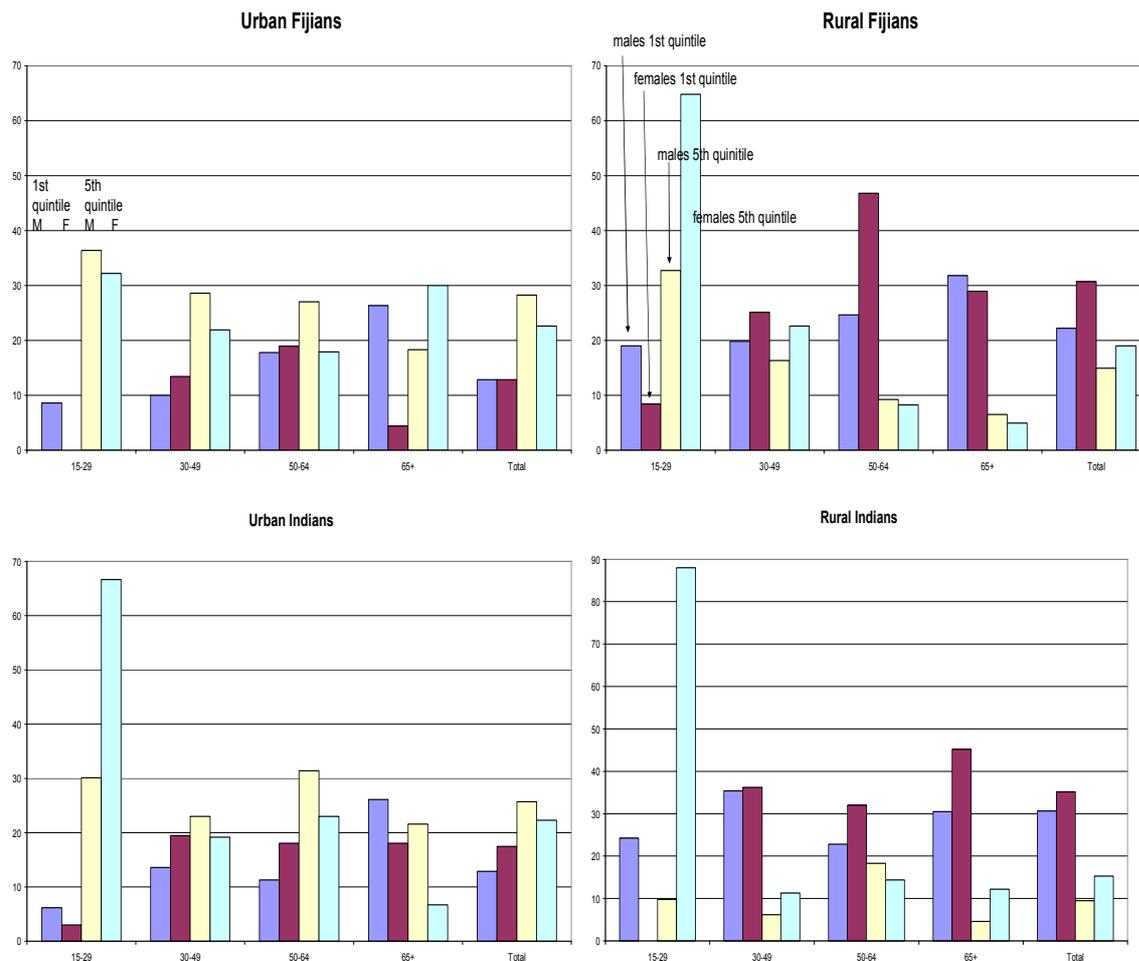


Figure 4: Distribution (%) of households by lowest and highest income quintiles, by sex, age, ethnicity and residence of head, Fijians, Fiji 2003 HIES

Dependency and economic status

Dependency ratios⁶ of households by income quintile, sex and age of heads show another aspect of household formation. As usually, dependency declines when income increases. This is typically the case for male heads in all age groups⁷ (table 2). Dependency ratios are lower for Indians than for Fijians due to their low fertility. Most interestingly, household dependency ratios translate a specific situation of young household heads below age 30, with much bigger difference between first and fifth quintiles than for older household heads : dependency ratio of 5th quintile is almost half that of 1st quintile for young heads while it is only one third or less lower for older heads. The difference is still much higher for young female headed households, with extremely low ratios for females in the highest quintile (18%) and very high ratios in the two lowest quintiles (106% and 198%⁸). Many single female headed households in the top quintile actually consist of a few females living together, nearly all of them being employed in the formal sector. In rural areas, single female heads are often urban migrant working in administration and living in small apartments in 'government quarters'. Female heads in lowest quintile consist mostly of females with children who have

⁶ Ratio of 0-14 years old and 65 and over population to the 15-64 years old.

⁷ Except for elderly Indians, but their high dependency in the highest quintile is affected by small numbers.

⁸ The large difference between 1st and 2nd quintiles is mostly due to small numbers

chosen to live independently although some of them have low income. Older lone mothers benefit sometimes of the income of their working children.

Table 2: Dependency ratios of households by income quintile, sex and age of heads.

	Fijians					Indians				
Income quintile	1	2	3	4	5	1	2	3	4	5
Males										
15-29	85,7	74,2	73,9	60,7	43,9	60,9	62,6	42,5	31,1	20,0
30-49	91,2	88,9	80,2	77,4	63,8	60,0	57,3	48,5	43,0	43,3
50-64	44,9	42,5	41,2	34,5	29,1	25,0	26,7	21,9	14,1	11,4
65+	104,9	100,8	101,0	97,4	92,2	93,8	88,8	101,0	101,1	186,2
Females										
15-29	105,7	197,8	43,4	60,9	18,1	100,0	164,6	63,3	51,0	14,1
30-49	71,7	47,7	39,6	41,8	54,6	39,8	35,3	22,5	28,8	32,1
50-64	55,9	30,6	56,0	34,1	17,2	41,1	29,6	24,1	23,2	8,4
65+	118,3	92,1	82,8	99,8	122,2	73,1	71,3	73,3	55,3	123,0

Source : author's calculation from Fiji, 2003 HIES

Poverty indicators for youth and females

The strong role of income on transition to independent dwelling raises questions on the adequacy of data on household income to estimate poverty among youth and even for adults in their thirties, as well as for lone females with children. Indicators like the poverty rate of youth or female headed households and the ratio of the poverty rates of female to male headed households do not translate the situation of young adults or females as regards poverty, or the gaps between youth and adults or between female and male headed families. Even a sophisticated indicator like the ratio of average incomes of female to male headed single income household⁹ falls short of giving reliable information on the situation of males and females headed households. These indicators actually reflect to a very large extent the situation of females with higher income who are household heads. More detailed data and analysis are necessary to assess and understand the socio-economic situation of sub-groups of the population that are particularly at risk of poverty like youth and lone mothers.

Our interpretation of household income data tends to be Western oriented assuming that most households are actually one family (one-generation) households and that they represent the situation of families. This is not much the case in rural areas and, to a lesser extent, in sub-urban and urban areas of developing countries. Such situations could become more frequent with increasing poverty and reduced employment in the frame of economic or political crisis.

Conclusion

Marriage or cohabitation is not always the final step in transition to adulthood, because access to independent dwelling comes sometimes after union formation. This is mostly the case in developing countries where many young couples still live with their parents due to poverty or lack of income to afford independent living. Separated or divorced females return frequently to live with their parents or with other relatives, representing a reversal of transition to adulthood.

⁹ Suggested by the UN, but difficult to produce because most HIES do not record the number of wage/income earners.

This situation appears to be associated with low employment rate in the cash sector as well as with low income in rural areas and in the informal sector. The distribution of households by income quintiles show an important income related selection of youth and divorced female headed households. Youth and female headed households in the highest quintile show very low dependency ratios, because they consist mostly of young couples or lone females without children.

The use of household level data to measure the economic or poverty status of people in developing countries raises important questions. Indicators of the poverty status of youth and females based on household income miss large sections of the population and can be misleading. Caution is required in using such indicators for programming in poverty reduction projects for youth and lone females with children. Large proportions of these people live in multigenerational households that are more likely to be poor, mostly as regards severe poverty, than one-generation households.

Social subsidies could help young couples and lone mothers live independently. However, such expensive social policies are difficult to implement in developing countries due to their cost for national budgets. Policies to reduce poverty, develop qualification of young adults and increase access to productive employment including for women and young people - which are among the MDG targets-, would enable more young married adults to become autonomous and live independently which would have favorable impact on the socio-economic status of young couples and women.

Transition to adulthood is related to the socio-economic status of youth. It is also related to the empowerment of females. However, large numbers of young adults are in situations where they cannot take decisions fully by themselves because they reside with their parents or other relatives. Benefits related to such situation like the role of daughters-in-law as care providers for elderly husband's parents that is often mentioned as a solution to aging in developing countries has a counter part in reduced female empowerment as well as an economic cost linked with lower female participation in labour force. Multi-generational households also probably contribute to slower fertility decline and higher TFR for Fijians than for Indians (3.3 against 1.9).

Key words: transition to adulthood, poverty, employment, multigenerational family, youth

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