

IMPACTS OF AGEING ON SOCIOECONOMIC SUSTAINABILITY IN SPANISH RURAL AREAS

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ABSTRACT

Rural areas in Spain are among the most aged populations in Europe, due to both natural population dynamics and, in particular, migration. Rural populations have lost young people while new, elderly residents have arrived.

This study explores the contribution that ageing can make in reversing the tendency toward the decline of rural areas, and it points out the extent to which the management of care can be incorporated in rural development agendas.

Using data from Spain's National Statistics Institute, it presents, first of all, the current situation of an ageing population in Spain, particularly pronounced in rural areas. Following, it examines the main relationships between ageing, economic development and care, emphasizing the significant consequences these have on employment paths and families in rural areas. Thirdly, it analyses the specialisation taking place in the caregiving sector in rural areas due to the incorporation of new residents who require care, the creation of a labour market related to the provision of care and the significant increase in residences for the elderly.

The effects of ageing are contradictory, leading to new possibilities for economic activity while at the same time creating a precarious labour market that pushes the economically active population to leave. It is crucial for planners to take caregiving activities into account. The regulation of these activities could lead to opportunities for development and greater sustainability.

1 INTRODUCTION

The ageing of the population in European societies had a great impact on rural areas. The increase in the percentage of the population over 65 years of age is particularly notable in Mediterranean countries, where it reaches more than 20% of the population in rural areas [1]. Portugal leads the group with 22.7% of its rural population in this age group, followed by Greece (21.4%), Spain (21.1%), Italy (20.9%) and France (20.8%).

In the context of the European Union, where the demographic transition has been completed, mortality at young ages having been reduced, current high levels of ageing are due primarily to the fall in fertility. However, for rural areas the level of ageing is not just the product of the balance of births and deaths. In fact, as Berry has pointed out [2], rural areas have higher levels of fertility than urban areas and, therefore, the ageing of rural populations is especially dramatic and due to the effect of migration. On the one hand, the intense rural exodus that took place in European economies in the post-war period in which the young

adult population moved from the countryside to the cities caused the weight of the elderly to increase as the size of intermediate generations decreased. On the other hand, the reduction in these intermediate generations led to a decrease in the birth-rate. Finally, during the last years of the 20th century, retirement migrations to rural areas became widespread, especially in certain areas of the Mediterranean. These retirement migrations have been carried out by groups of urban residents who, having reached the end of their economically active life, retire to small enclaves and less densely populated coastal areas in search of better living conditions, not only residentially and environmentally speaking but also economically.

The importance and impact of retirement migrations have been examined in the literature. In this text, the classic typology formulated by Litwak and Longino [3] regarding the life course of the elderly is of particular interest. The first stage in their typology is the initial period right after retirement (or even before retirement), which consists of migrations directed toward preparing for and enjoying retirement. In a second stage, there is the search for intimacy with and closeness to family in order to face the decrease in capacities. In a third stage, residential change is directed toward places which can provide care when individual health and personal autonomy decrease. This model is very useful for understanding the importance of rural areas in an increasingly ageing society.

Hence, the intense ageing of rural areas has two sources: one related to economic and demographic decline, leading to the exodus of young people, and the other related to the new economic, environmental and social role of rural areas, which has made them attractive to the ageing population. These two causes produce a series of questions about the paths and opportunities for the social and economic development of rural populations.

Until now, in the context of the depopulation of rural areas, ageing was a factor that contributed to the social and economic unsustainability of rural populations. However, today, various studies have demonstrated the different effects ageing can have on the future of rural areas. In this sense, particularly suggestive is the notion of *grey gold* [4], as retired residents with their higher economic, educational and health level contribute significantly to the development of the receiving communities. This contribution not only affects the economic sphere but also the social and cultural spheres of the community, as these residents make up a highly participatory population at the local level.

Especially important is the migration of the middle-aged and those close to retirement (the so-called *youthful elderly*) [5]. These active migrants with high income and education levels not only deal with residential change linked to life style change, but consciously adopt strategies to prepare for retirement that include plans to invest in property and in some cases, economic activity in small villages in remote areas. As a result, they become actors with a high potential for stimulating the regions where they settle.

Due to a greater focus on broader life projects, and not just specifically on the economic, the direct impact of these migrations on employment is less than might be expected. The positive effects tend to be concentrated in the areas of participation and demand for services, as well as in the strengthening of cultural ties and the increase in social capital. These changes are fundamental given the isolation of rural areas and their lack of services, contributing decisively to their social sustainability [6]. In the medium term, other undesirable effects may arise as a result of these transformations, such as an increase in prices, especially of housing, and the loss of autochthonous young people [7], which raise another direction for analysis of these restructured rural areas.

An issue that remains pending and that this text intends to examine; is the extent to which ageing, which will mark the future of Europe in the coming decades, can contribute to

reversing the trend toward rural decline. Related to this is the question of the extent to which the caregiving economy should be incorporated into development agendas. Spain, with one of the oldest rural populations, and at the same time an important destination for retirement migrations in Europe, provides an appropriate case for detecting the possible emergence of certain processes and trends.

This text combines the results obtained in previous research [8 and 9] based on census data and data from demographic surveys carried out by Spain's National Statistics Institute.

2 AGEING IN RURAL AREAS

As a result of the decrease in fertility, the ageing of the population of Spain continues without stop (Figure 1). In rural areas, the figures for the aged population are higher as a consequence of the significant rural exodus experienced in previous decades. Thus, at the beginning of this century, over 18% of the population in small municipalities (under 5,000 inhabitants) was over 70 years of age. In the last few years, the ageing of the rural population has slowed down. The arrival of new residents, many of them foreigners, had a notable effect; the increase in the number of persons of intermediate ages has led to a demographic rejuvenation.

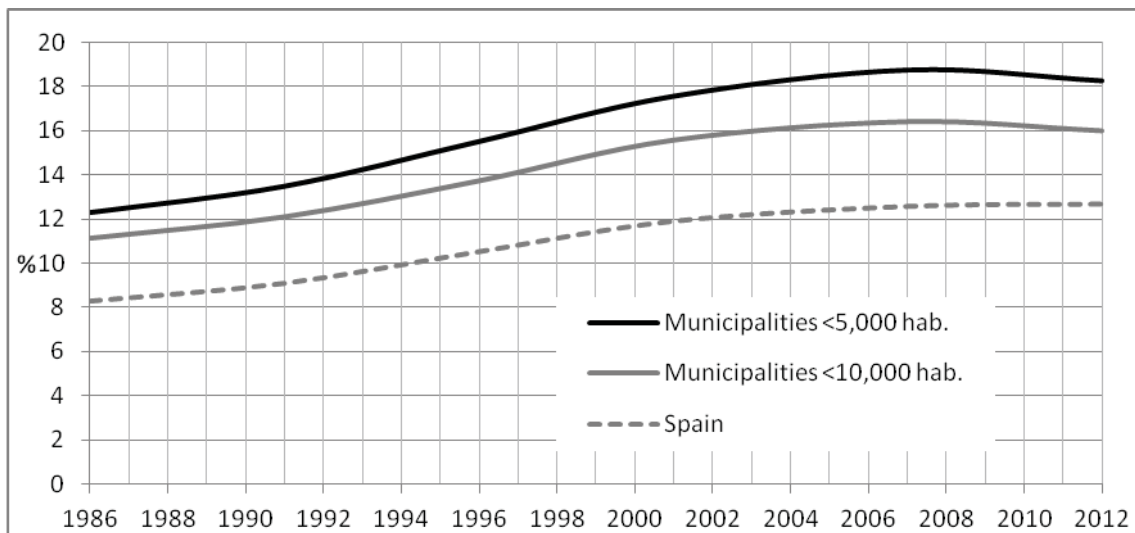


Figure 1: Number and diversity of Dial-a-Ride schemes – MH, September 2012

The relationship between the size of a municipality and the degree of ageing is clear, with significant variations according to the size of the municipality (Table 1). As a general rule, the smaller the municipality, the greater is the percentage of the population over 65 years of age. In municipalities of a very small size (less than 2,000 inhabitants), more than one quarter of the population is over 65. This percentage decreases significantly in medium size towns (up to 10,000 inhabitants) and from there more moderately in those at higher population levels (up to 100,000). In the large cities, ageing has rebounded slightly, but it is a consequence of the ageing of central urban areas, which resulted from more affordable housing in suburban areas. If we exclude this effect, we can say generically that ageing has an inverse relationship with size of municipality.

Table 1: Population over 65 years of age by size of habitat (Source: Municipal Census, 2012, INE)

| Size of habitat | % > 65 |
|-----------------|--------|
| <2,000 | 27.3% |
| 2,001-5,000 | 20.7% |
| 5,001-10,000 | 16.8% |
| 10,0001-20,000 | 15.9% |
| 20,001-50,000 | 14.8% |
| 50,001-100,000 | 14.3% |
| 100.001-500,000 | 16.4% |
| >500,000 | 17.4% |
| Total | 17.2% |

3 LABOUR ACTIVITY AND GENERATIONAL ECONOMIES

The significant weight of the population over 65 in rural areas creates a demand for care services, and this has important repercussions on life in these areas. In general, persons over 65 years of age are economically inactive and in a situation of increasing dependency, which generates a significant caregiving burden for intermediate generations. In the case of rural areas in Spain, there is an estimated number of 780,000 dependent persons (those without personal autonomy), representing 7.9% of the total rural population [8].

Clearly, the situation of an ageing population demands greater institutional action and economic activity related to caregiving. However, in Europe's Mediterranean countries, the institutional structures for providing caregiving services are generally weak. This weakness is accentuated in rural areas because of their remoteness and general lack of services. In rural regions the family continues to be the primary mechanism for providing care to the elderly. In other words, family groups mediate the generational economic relationship, devoting parts of their activity to providing care for dependent family members.

In this context, the familist solution to the problem of caregiving has two important consequences. On the one hand, it reduces the role of care as an economic activity in ageing rural areas. On the other hand, it reduces the caregivers' chances of being able to do productive work that generates wealth and leads to the sustainability of the rural areas. In this sense, ageing has a contradictory effect on the labour market. It is a source of employment, but in the case of familist systems, it significantly reduces the participation of caregivers – especially women – in productive economic activity.

The fact that dependency care is carried out primarily by women has significant consequences in the reproductive sphere. Based on data from the EPR-2008 survey and using logistic regression models, it was possible to model the effect of dependency care of the elderly on the economic activity of rural women and compare it to childcare (Figure 2). In general, the presence of elderly persons reduces the economic activity rate among women by 12%, very similar to the impact of childcare on the activity rate. The combination of young children and elderly family members has a clear multiplying effect, leading to very large differences in the rate of economic activity among women.

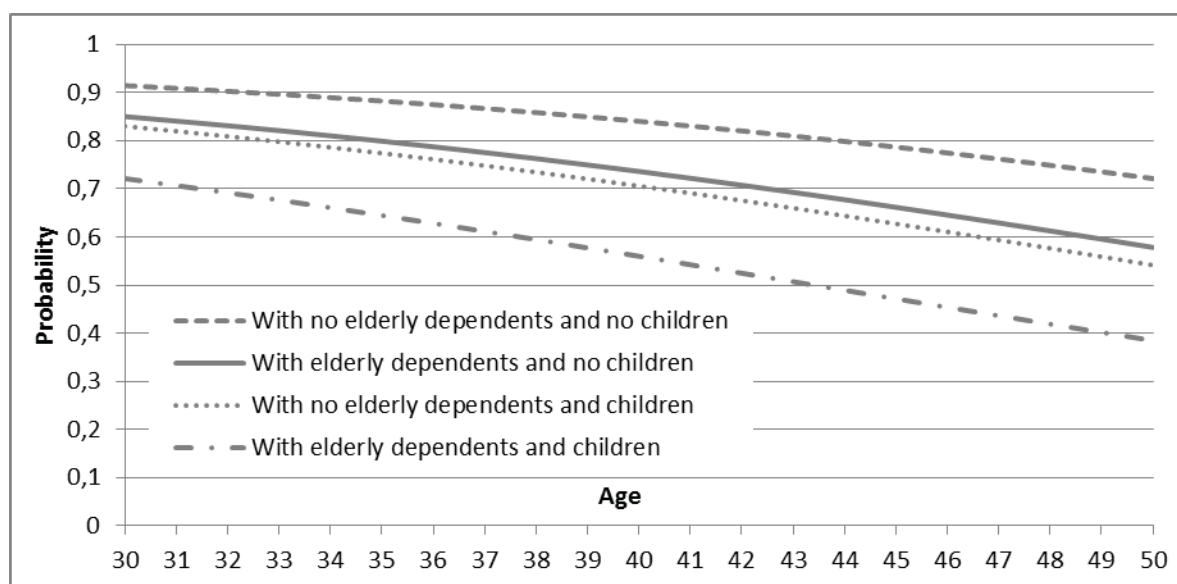


Figure 2: Probability of women being economically active based on caregiving situation by age
Source: EPR-2008.

In addition, ageing and the elderly's need for care also have an impact on forms of family life. The data show, for example, that one out of six rural men between 30 and 50 years of age live with their parents and do not have a partner. For women the percentage is also significant, though lower, as women remaining in rural areas are closely tied to family formation (77% live with a partner or with a partner and children, compared to 67% of men). In this sense, ageing, and specifically taking on the responsibility for the care of senior family members within the family, affects not only job opportunities, but also family formation.

Table 2: Rural household structures for 30-49 year olds

| | Males | Females |
|-----------------------------------|--------------|-------------|
| Single | 6.1% | 2.5% |
| Couple | 11.6% | 10.7% |
| Couple with children | 55.4% | 66.7% |
| Single parent with children | 0.5% | 2.9% |
| Couple with parents (no children) | 0.7% | 1.0% |
| Single with parents (no children) | 15.8% | 6.6% |
| Joint family | 5.2% | 6.5% |
| Others | 4.8% | 3.1% |
| TOTAL | 100% | 100% |

Source: Household Budget Survey, 2009, INE

Figure 3 shows the intensity of the effect of rural ageing on family composition, particularly on single adults living with parents. The relationship between this living arrangement and the percentage of the population over 70 years of age is shown for all of the 17 autonomous communities of Spain. In the cases of extreme ageing, with more than one quarter of the rural population over 70, around one fifth of the population between 30 and 49 years of age – in which economic activity and reproductive capacity are concentrated – remain single living with their parents.

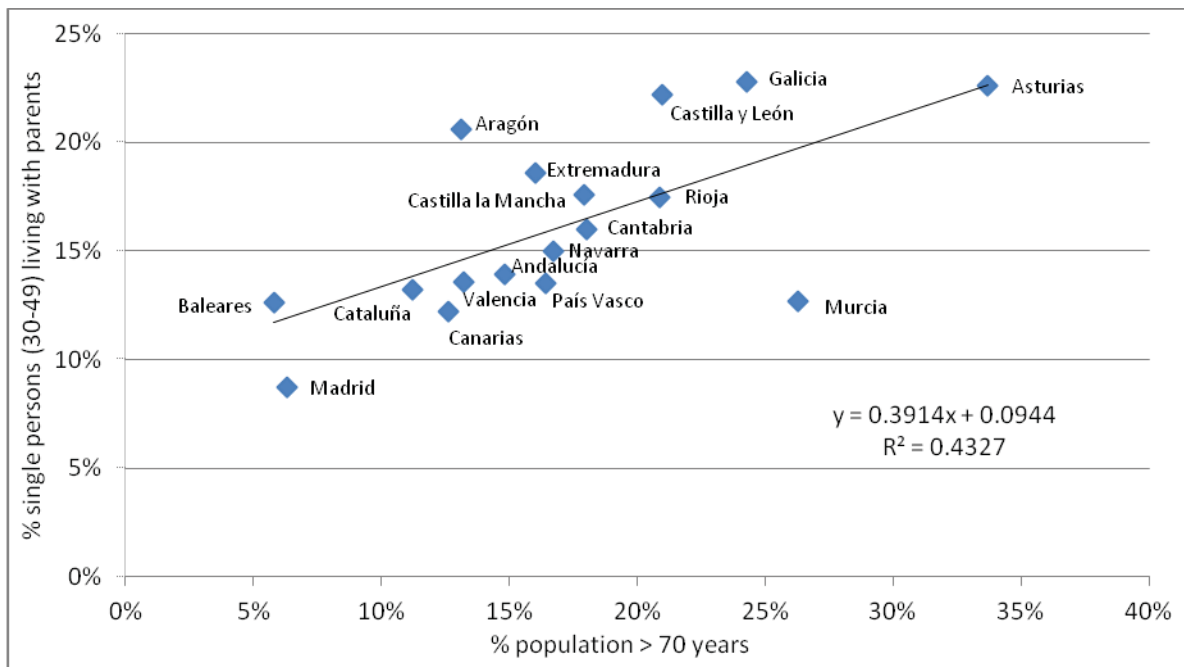


Figure 3: Correlation between ageing and family structure in rural areas
 Source: Household Budget Survey, 2009, INE

The data reflect the enormous impact that ageing has on demographic structures and the importance of generational economies on the sustainability of rural areas. The term, *generational economy*, was proposed recently by Lee and Mason [10] to broadly refer to generational economic agreements and exchanges. In rural areas the provision of care, domestic living arrangements and the maintenance of assets can be incorporated within the flow of exchanges between generations

4 INTERNATIONAL MIGRATIONS AND CARE CHAINS

The question of care has been related to the dynamics of migration through the concept of the care chain [11], which analyses the relationships between caregivers and receivers of care from a transnational perspective. In Spain, there are two sources of international immigration. The first, evident in the last quarter of the 20th century, is the product of the settlement of retirees from central and northern Europe along the coasts and in small municipalities. The second more recent but intense immigration consists of labour migrants from primarily North Africa, Latin America and Eastern Europe. Both have had a clear impact on rural areas.

Comparing the demographic structures of both types of foreign immigrants in rural areas (figure 4), we see, on the one hand, the importance of retirees and pre-retirees among foreigners coming from the EU-15, while on the other hand, immigrants from outside the EU are almost exclusively in economically active ages. What must be highlighted is that, whether due to the increase in retirees or in the active population, both population groups have been an important stimulus for the development of the receiving areas. Those coming from the EU-15 feed residential and settlement processes focused on lifestyle, which promotes the creation of specialized services while these immigrants integrate into the local social structure [12]. Both the settlement of these groups and their links with local society are

important. In this regard, it is significant that more than 40% of rural inhabitants from the EU-15 have Spanish partners [9].

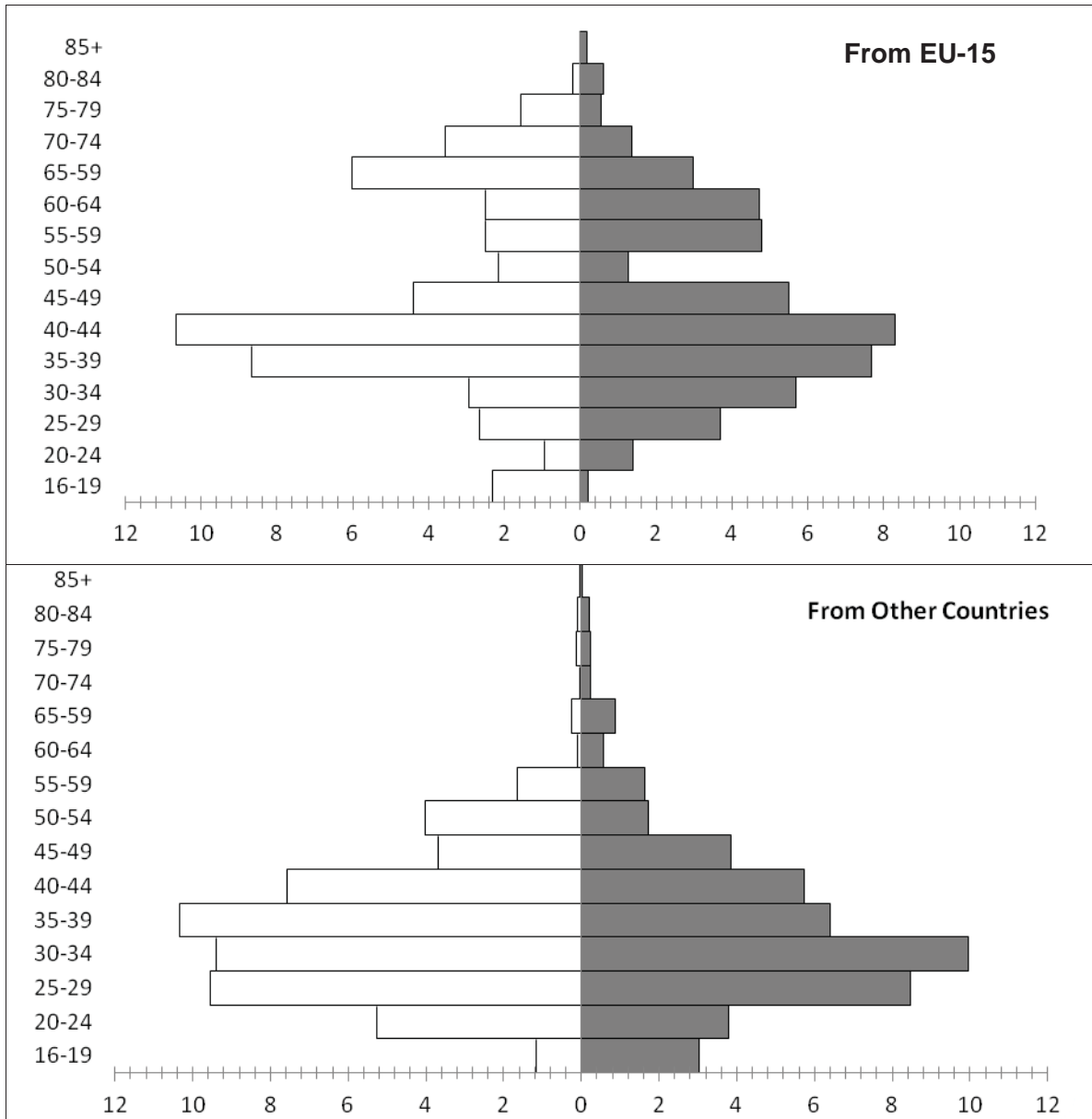


Figure 4: Rural immigrant population structure. Arrivals before 2005
 Source: ENI, 2007. INE. Elaborated by the authors

In turn, the large group of immigrants from outside the EU-15, who to a certain extent have replaced declining local workforce, has an important relationship to ageing in rural areas. Analysis of the main activities of this group of immigrants reveals (Table 3) that the economic activities that require a massive workforce, such as in agriculture and construction, make up less than 50% of male employment and only a very small percentage of female employment. In contrast, we can see that there is a growing employment in the service sector, including personal and domestic services, sales, tourism, and business services (accounting for 74% of employment among women and 25% among men).

Table 3: Rural foreign population from outside EU-15 by occupation (Source: ENI, 2007. INE. Elaborated by the authors)

| | Men | Women |
|---------------------------------------|------|-------|
| Agriculture | 13.8 | 4.2 |
| Manufacturing | 21.7 | 12.4 |
| Construction | 35.3 | 0.2 |
| Commerce/Sales | 9.3 | 17.1 |
| Hotels/Restaurants | 3.8 | 19.3 |
| Transport, mining, energy and fishing | 7.3 | 2.3 |
| Business services | 3.5 | 11.9 |
| Administration and education | 1.4 | 3.1 |
| Personal services | 3.1 | 10.0 |
| Households | 0.8 | 19.5 |
| Total | 100% | 100% |

Arrivals before 2005

Another important area, particularly because of its repercussions in local labour markets, is that of senior residences. We can see in the rural-urban continuum the comparative impact these institutions have in relation to the proportion of the aged population in these areas. Broadly speaking, the data show two important trends (Figure 5). There is a relative discrepancy between the weight of the elderly and the rate of residence in these institutions. This would indicate that group residences are not distributed uniformly by habitat. And the second trend is that in general it is in the small to medium-sized habitats (between 5,000 and 10,000 inhabitants) where there is the greatest concentration of these types of institutions.

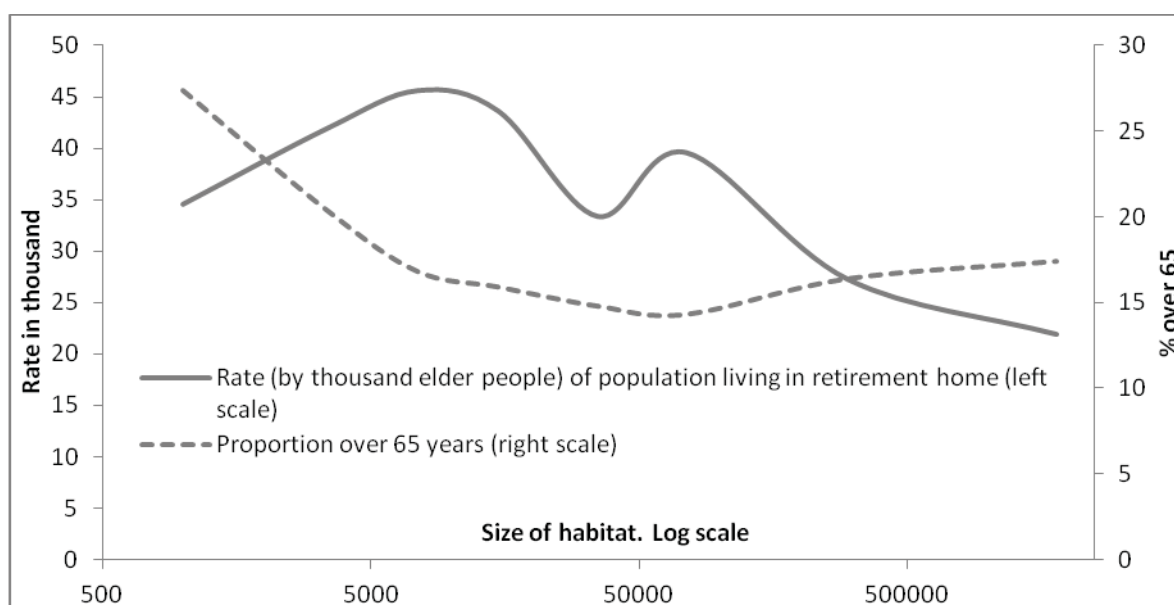


Figure 5: Population over 65 living in retirement homes and share of population over 65 by size of habitat. Source: Population Census, 2011. INE

During the period 2001-2011 the number of senior residences increased by 65% in rural areas, while in urban zones their increase was only 22%. During this decade the number of elderly persons living in retirement homes tripled. These data demonstrate the growing impact these institutions have on the rural environment, as well as the importance that the rural environment has acquired as a retirement habitat. Undoubtedly, in addition to rural areas having become attractive places of residence during the early years of retirement, they are also emerging as areas with a clear specialization and orientation toward productive activities in the area of care.

5 CONCLUSION

This overview demonstrates the growing importance of rural areas in the context of a progressively ageing society. In a future in which life expectancy continues to increase and health at advanced ages will be better, an increased demand for residence in rural areas is to be expected. In Litwak and Longino's model of retirement migrations [3] we find that both the opportunity for retirement migration and the length of the first stage of migration (migration to enjoy retirement) have increased. In this context, the second stage (migration in search of family care) would decrease, while the third stage, characterized by the move to senior residences, would increase. In the first period, as well as the third, the rural environment offers appeal over urban areas. It seems clear that there is an opportunity to increase activity and specialization in care in the face of the decline in primary activities taking place in agricultural economies.

Two great uncertainties arise, however, with this model. The first is related to the important weight of ageing caused by the emigration of youth. The ageing autochthonous population is more an obstacle to activity in rural areas than a stimulant, as demonstrated by the effect of caring for elderly parents on women's economic activity.

The second has to do with the labour market on which the care economy is based. As has been seen, the provision of care when not provided by family members is based on the immigrant workforce, subject to an irregular and unstable labour market. Thus, recent studies have shown that the settlement of immigrants in rural zones, especially those in strong demographic decline, is temporary, lasting only until they can find employment with better conditions in urban and suburban areas.

Hence, the issue of ageing in rural areas is an essential part of addressing the sustainability of these areas. Given the range of its effects, it is especially important to include this issue in rural development agendas. In addition, special attention must be given to the regulation of labour markets related to the provision of care in rural areas. The coexistence of family systems for providing care with a labour market that only provides precarious employment hinders the long-term development and quality of services and institutions.

We should not forget that the decline in some rural areas is not so much due to a lack of economic opportunities, but due to the shortage of or difficulty accessing care services; at the same time, however, it is also necessary to keep in mind that in other rural areas, an opportunity for development lies in retirement migrations. The intentional inclusion of support plans and the creation of infrastructures to support the care economy in some rural areas as an important activity for development has an important effect, not only in attracting new residents but also in reducing significant demographic imbalances and in creating a labour market for skilled employment. The latter is essential, as rural labour markets lack attraction

for some groups because of the limited offer in certain professional sectors. It is not the lack of work but the quality and conditions of the rural labour market that contribute to the significant demographic imbalance in these areas.

The issue of ageing in rural areas necessitates taking the generational economy into consideration when we discuss rural development. Rural restructuring has shaped a new productive context while modernizing rural areas. Continued decline after this restructuring reveals a pending issue, related to the conditions of reproduction, which determine the sustainability of rural areas.

In the case of rural areas in Southern Europe, the strengthening of institutions and services related to the provision of care could have significant effects on local labour markets – not so much in terms of their expansion, but in modifying their character as providing irregular and low-skilled employment – and on the possibilities for the permanent settlement of intermediate generations in these areas.

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