

The Economic Support System for Senior Citizens in India: Restating the Obvious

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Economic Support for Elderly: Stating the Obvious

- What are the Sources of Economic Support for the Indian Elderly?
- Answer: Children are the Primary Source of Economic Support
- This is because the Social Security System in India is still negligible and meagre and Work Related Pension are Nearly Absent
- Therefore Children can only be the Sources of Economic Support

Future Economic Support for Elderly

- With the rapid changes in Socio-Economic and Demographic Situation, Will the Economic Support System for Elderly Change in the Country?
- Answer: No
- Because, 90 Percent of the labour force in India Still Work in Informal Sector Without any Work or Social Security Benefits
- Therefore, the Changes are not Expected Soon

What do elderly aspire?

- 54 Percent of the Elderly Consider that Children Should Support Elderly in Old Age
- 25 Percent Considered that Elderly Should be Independent and Take Care of themselves
- 21 Percent Wish that the Government Take Care of them
- Thus Elderly Opinion Provided a Mixed Picture than Commonly Expected

Focus of the Presentation

- The Purpose of this Presentation is to Find Out How Far the Commonly Believed Notion of Children Supporting Elderly in India is true?
- We Undertake a More Deep Investigation Considering Various Dimensions of Elderly Support
- This Provides Rationale for Developing Appropriate Support System and Particularly Social Security System for the Elderly

Data

- The data for the study is drawn from a large scale survey conducted among elderly in late 2011
- This study collected information from 9852 elderly from 8329 households across seven states of India
- The selected states are demographically more advanced and have already achieved replacement level fertility in the past
- More details about the survey can be obtained from our website (www.isec.ac.in/prc)



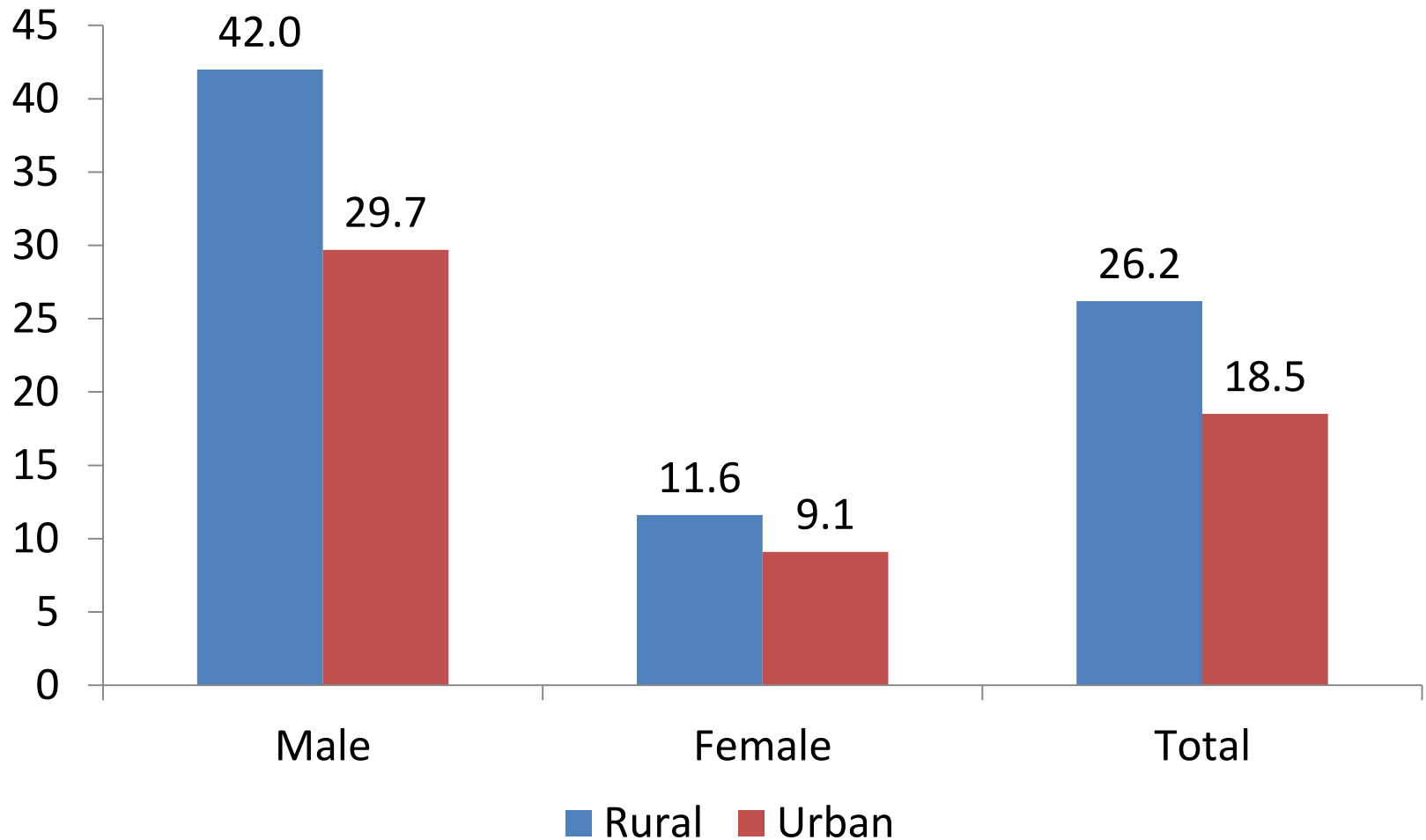
Sources of Financial Support for the Elderly

Source of Financial Support

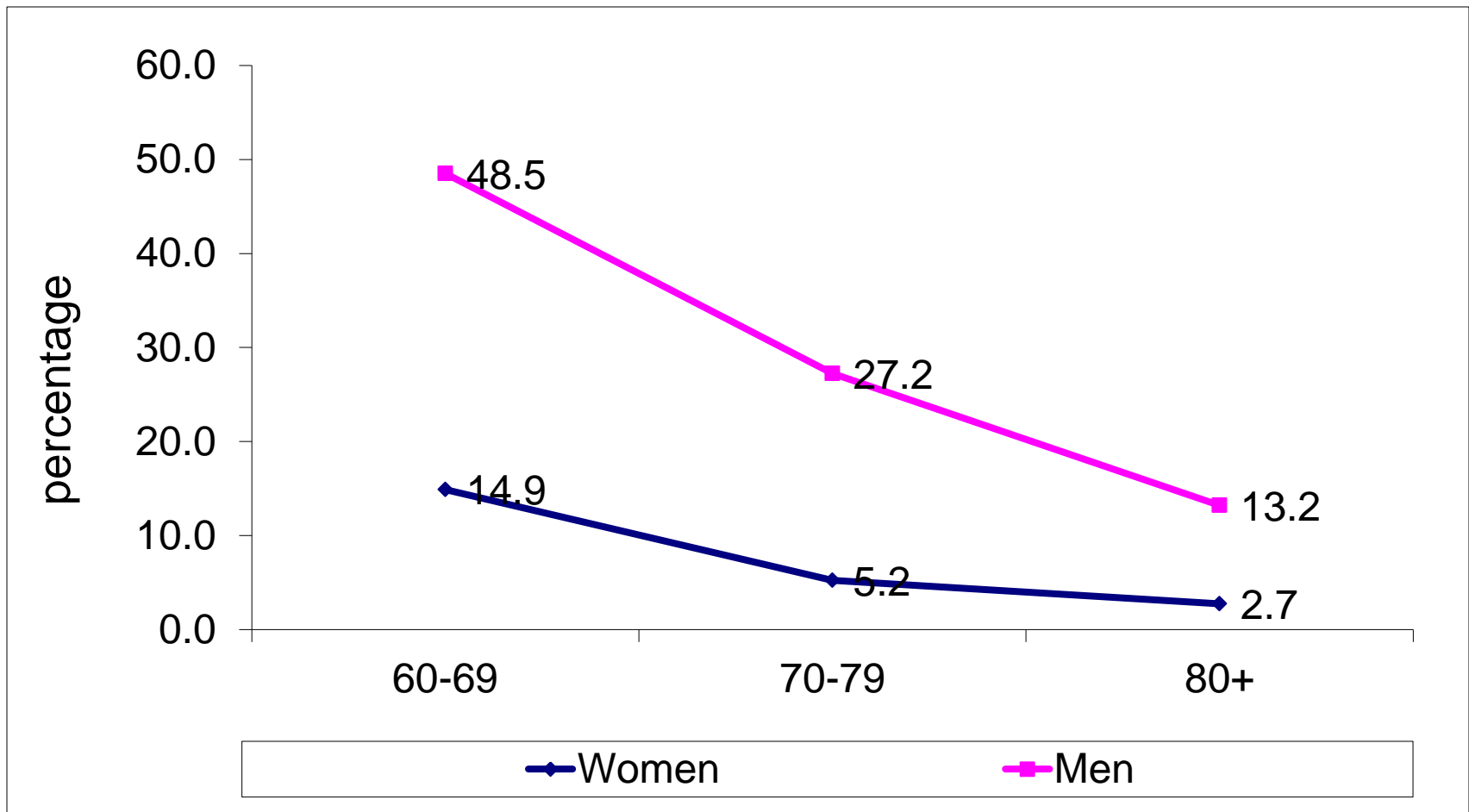
- Source of Support can be divided into two:
 1. Factor Income
 - Wages/Salary
 - Asset or Income from Saving
 2. Transfer Income
 - Transfer through Pension or Social Security
 - Transfer from the Children

Work Participation

Percentage of Elderly Currently Working According to Place of Residence and Sex, 2011



Currently working elderly by age and sex, 2011 (in percent), 2011



Characteristics of the Elderly Workers

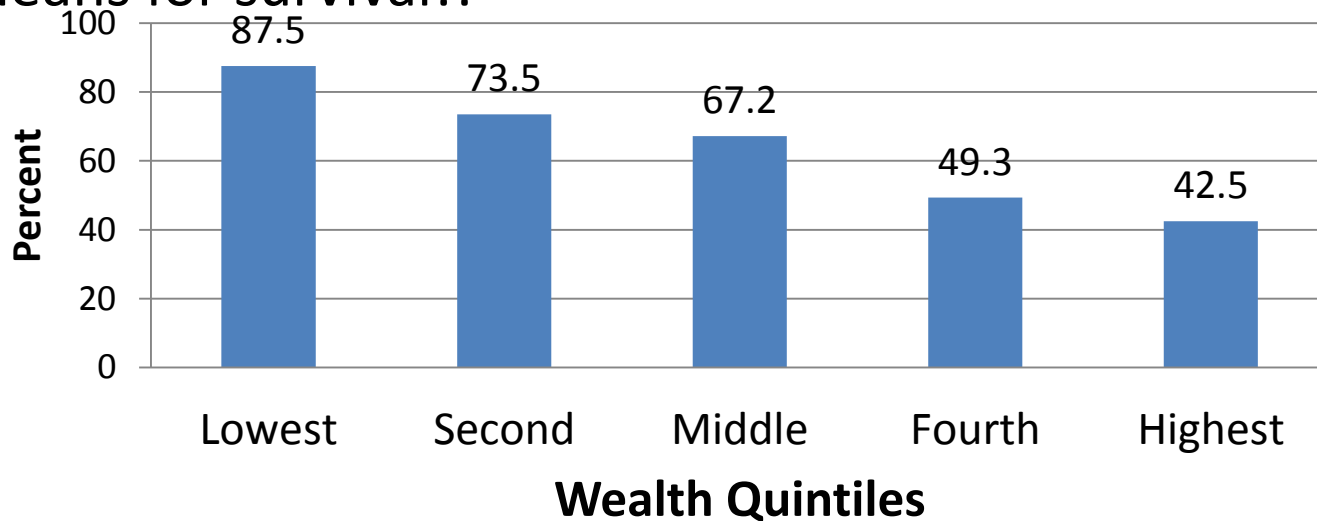
- Nearly all working elderly are full time workers (81 % work over 6 months in a year and 94 % work over 4 hours in a day)
- Elderly workers are mostly drawn from poor sections of the society with no formal education and belongs mainly to the vulnerable social groups
- Majority of workers are engaged in unskilled labour-agricultural labourers (28%) with low wages

Per cent Distribution of Currently Working Elderly by the Need to Work at Old Age According to Sex, 2011

Motivation for Work	Men	Women	Total
By choice	32.0	17.6	28.6
Economic/Other compulsion	67.9	82.2	71.3
No answer	0.1	0.2	0.1
Total	100.0	100.0	100.0
Number of elderly	1,716	549	2,265

Who works due to compulsion?

- Majority working due to compulsion are poor (measured by wealth quintiles) and have no or low levels of education
- Drawn mainly from widows, SC/ST community and those who live alone
- Elderly work in India appears to be due to lack of choice and a means for survival!!



Why Not Working?

- Among those who are currently not working (but were working in the past), 32 % of men and 47 % of women indicated poor health as reasons for not working
- A quarter of them felt that they are too old and weak to work and another 10 % due to disability

Work and Welfare

- Work participation at older ages is viewed differently in different contexts
- In India, work is more of compulsion and not choice for majority of elderly
- This is particularly true for socio-economically vulnerable sections among elderly
- Work is perhaps a necessity for most elders to take care of their basic needs

Assets Income

Issues Relating to Asset Ownership

- The magnitude of land and savings owned by the elderly is small (only 28% of men and 11% of women own more than 1 acre of land and 9% of men and 3% of women have more than Rs 50,000 in savings)
- There is a vast gender gap in the ownership of land (51% of men and 24% of women), housing (80 % of men and 46% of women) and savings (32 % of men and 15% of women)
- Widowed or separated women are more likely to own assets

Transfer Income

Work Benefits

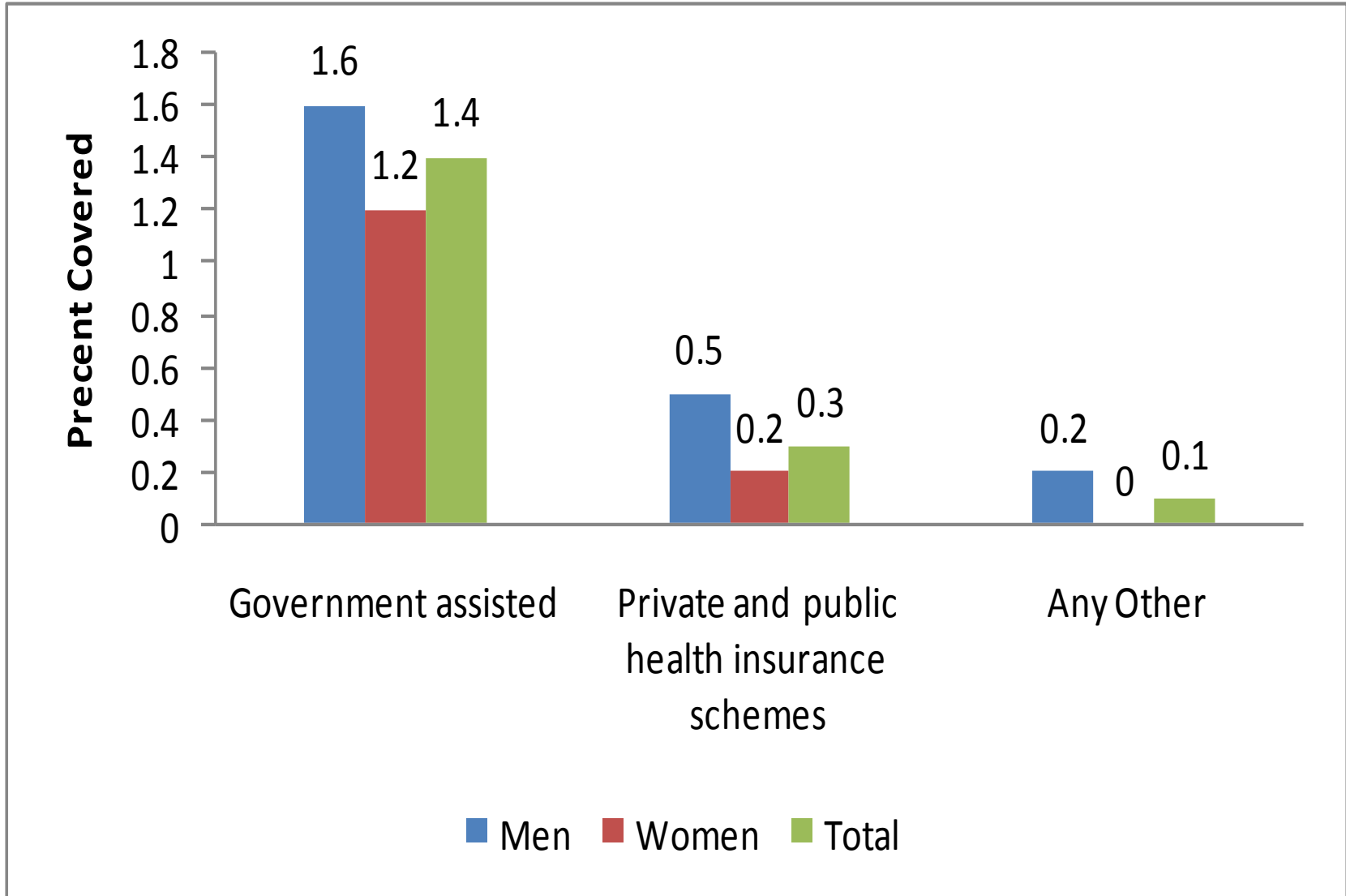
Percentage of Elderly Receiving Pension Benefits According to Sex, 2011

Sex	Percent receiving pension	Number of Cases
Men	16.7	4672
Women	3.0	5180
Total	9.5	9852

Utilization of National Social Security Schemes

- Old Age Pension Scheme (by Government of India) (IGNOAPS)/Annapurna Scheme: 22 Percent
- Widow Pension scheme: 25 Percent
- All meant for Below Poverty Line (BPL) households
- Altogether, it Covers Around 15-18 Percent of the Population as Even a Small Percentage of Non-BPL Households are also Availing the Benefits

Coverage of Health Insurance Schemes



Percentage of Elderly by Sources of Current Personal Income According to Sex, 2011

Sources of Income	Men	Women	Total
Salary/Wages/Asset Income	55.6	15.0	34.2
Employer's pension (government or other)	16.5	6.8	11.4
Social pension (old age/ widow)	13.7	22.4	18.3
No income	26.0	58.7	43.2
Number of elderly	4,672	5,180	9,852



Financial Contribution of the Elderly to the Family

Per cent Distribution of Elderly by their Perceived Magnitude of Contribution towards Household Expenditure, 2011

Proportion of Contribution	Men	Women	Total
No income	26.0	58.7	43.3
No contribution	2.8	5.7	4.3
<40%	6.7	8.2	7.5
40-60%	10.6	4.8	7.5
60-80%	13.3	4.2	8.5
80+	40.4	18.0	28.6
DK/NA	0.2	0.4	0.3
Total	100.0	100.0	100.0
Number of elderly	4,672	5,180	9,852

Percentage Contribution of Elderly towards Household Expenditure, 2011

Purpose of Expenditure *	Men	Women	Total
Daily expenditure	94.3	80.3	88.9
Children's/ Grand children's education	20.9	10.4	16.9
Medical expenses	70.6	61.9	67.3
Savings	22.8	9.9	17.9
Loan repayment	10.7	4.1	8.2
Special events	31.0	18.1	26.1
Number of elderly	3,440	2,148	5,588

*multiple response

Financial Dependency of Elderly

Per cent Distribution of Elderly by their Financial Dependency Status According to Sex, 2011

Financial Dependence	Men	Women	Total
Fully dependent	32.6	66.4	50.4
Partially dependent	31.8	21.0	26.1
Not dependent	35.5	12.5	23.4
Don't know/No answer	0.1	0.1	0.1
Total	100.0	100.0	100.0
Number of elderly	4,672	5,180	9,852

Per cent Distribution of Elderly by Main Source of Economic Support According to Sex, 2011

Source of Economic Support	Men	Women	Total
Son	46.8	52.2	49.7
Spouse	7.3	22.0	15.0
Daughter	2.4	4.8	3.7
Others	5.5	6.0	5.8
Not dependent on anyone	37.9	14.9	25.8
Total	100.0	100.0	100.0
Number of elderly	4,672	5,180	9,852

Major Conclusions

- Households with elderly appears to be marginally better off than other households due to the contribution of elderly to the households
- Elderly work, earn income and also contribute to the household income for daily survival
- They work not out of choice but out of compulsion indicating that elderly work is a survival strategy for many households
- The work benefits are nearly absent and transfer income covers only a smaller proportion

Major Conclusions

- The Indian elderly support themselves to a major extent although through a struggle
- Therefore, the idea that the children are the sole support of elderly are more of a myth than a reality
- The social support system for elderly is negligible and it is important that the scope is widened to reduce their struggle for livelihood



THANK YOU