

# Impact of Social and Income Security for Older People at Household Level



*Prepared for*

**HelpAge  
International**

*age helps*

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**Human Development Research Centre**

[www.hdrc-bd.com](http://www.hdrc-bd.com)

Dhaka: November 2013

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## ACKNOWLEDGEMENTS

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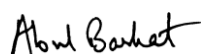
The successful administration of this study would not have been possible without the commitment of all those who were involved in this process. We are grateful to HelpAge International Bangladesh and Nirjharinee Hasan (Country director, HelpAge International Bangladesh) for understanding the crucial need of such a study and entrusting HDRC to carry out the critical assignment. The enthusiasm of Shashwatee Biplob (Sr. Advisor-Social Protection and Policy) towards the study is highly appreciated by us. We are also grateful to Shegufta Sharmin (Deputy Manager-Communication and policy) for her unstinted support at all stages of this research work.

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## *Abbreviations*

BRAC	Bangladesh Rural Advancement Committee
FGD	Focus Group Discussion
GoB	Government of Bangladesh
GDP	Gross Domestic Product
HCR	Head Count Ratio
HDRC	Human Development Research Centre
HH	Household
MDG	Millennium Development Goal
MFI	Microfinance Institute
NGO	Non-Government Organization
NPA	National Policy on Ageing
OAA	Old Age Allowance
PRSP	Poverty Reduction Strategy Paper
QOL	Quality of Life
SSN	Social Safety Net
SSNP	Social Safety Net Programme
VGD	Vulnerable Group Development
WHO	World Health Organization

# Executive Summary

## BACKGROUND

Growing old is a predictable human reality that most of us will undergo with a high probability. The demographic transition theory reveals that the global population keeps ageing rapidly. Population ageing is historically unprecedented in most of the societies. Between 2000 and 2050, the proportion of the world's population over the age of 60 will double from about 11 percent to 22 percent. The absolute number of people aged 60 and over is expected to increase from 605 million to 2 billion during the same period. In Bangladesh, the number of population having the age of 60 & over has been projected to increase from about 9.8 million (6.5% of total population) in 2011 to 18.1 million (9.9%) by 2026 and 44.1 million (20.0%) by 2051. This represents both challenges and opportunities.

For an alarming high number of older people, aging is a journey of loss: loss of work, less productivity, and early retirement, a particular situation which involves reducing the supply of experienced labor, losing scope for increasing long-term savings, unintended inter-generational transfers and loss of opportunities to contribute to health and well-being, for family and friends. In a true sense, they get stuck in persistent poverty. All over the world, older people have lower income than younger age groups. They, in most cases, are robbed of the scope for paid work. Since they get exposed to problems, originating from income sources, the burden of income insecurity hangs heavy upon them worldwide.

Among Asian countries, Bangladesh has inherited an age-long cultural tradition in relation to aged care. It is commonly expected that families and communities will provide care for their older people or seniors. But rapid socio-economic and demographic transitions, mass poverty, changing social and religious values, influence of Western culture and the like have broken down the tradition of family and community care. Most of the aged people in Bangladesh suffer from poor financial support, senile diseases and absence of proper health and medicine facilities, exclusion and negligence, deprivation, and socio-economic insecurity.

## OBJECTIVES OF THE STUDY

The broad objective of the study was to assess the inter-generational impact of income security for them at household level. The related specific objectives were to establish the link between cash transfers and older people, and potential benefits for other generations, to assess the intergenerational impact and potential of the income earning and non-earning older people, to compare the family well-being of social safety net (OAA-Old Age Allowance) recipients and non-recipients; and to develop case studies/testimonies of individuals to share in front of broader audience.

## METHODOLOGY

The methodology, employed in this research, involved arranging in-depth interviews with older people. The interviews that obtained information used a structured questionnaire together with qualitative and quantitative evidence, according to the objectives of the study. Among the income earners of the older group, some were OAA beneficiaries some others involved in various income earning activities, and some without any sort of income. Older persons from rural area were interviewed as part of the initiatives intended to develop a vigorous understanding of the situation.

The survey included older persons aged over 60 years since the eligible age for receiving OAA is 65 years for male and 62 for female. A total of 200 older persons were interviewed. A total of 4 regions (4 divisions) have been selected purposively (considering the poverty, socioeconomic status and accessibility) for this study (described in Chapter 3, section 3.4 and 3.5). Apart from this, a total of 4 districts have been selected, taking 1 district from each of the 4 divisions. Of the selected 4 districts, 1 upazila in each district and 2 unions from each upazila were selected. Finally, 1 village from each of the selected unions was taken in order to interview the older people. Poverty, socioeconomic status and accessibility were kept into consideration while selecting the study area.

## **STUDY FINDINGS**

*Note: The findings presented here should be considered only for the present study, and not for the whole Bangladesh.*

### ***Respondent's Profile***

This study involved a wide range of older people age 60+, and the respondents are distributed considering their gender, income earning, OAA receiving status and other socio-economic characteristics.

#### ***Older Peoples' Involvement in Economic Activities or Income Sources***

The study reflects that many older people are compelled to get involved in physical labor or to starve or beg from others. Many older persons categorically mentioned that they have sold their assets for raising their children. Contrary to normative expectations, within the study sample, most children did not support their older parents. This incident mostly happens due to their poverty. Because of this, like many other countries, old age in Bangladesh is also characterized by loneliness, asset depletion, depression/anxiety, and multidimensional poverty including dependency on others for economic and physical support; which have been reflected in the present study also. Thus, as a last remedy, a lot of the older people take part in physical labor in exchange of meager earning. However, since the study did not empirically analyze their consumption needs, the sufficiency of their income could not be revealed.

Older persons are dissatisfied with the lack of progress for younger generations. They want to see redistribution and better opportunities for future generations but there has been little change.

The involvement of older women in income earning activities is less than half compared to that of the older males. Data also indicate that older persons who have attained age 70+ mostly lost their ability to involve themselves in physical labor.

Most of the older people in the research sample are involved in agricultural or non agricultural activities and domestic work. Some are engaged with small business, cottage industry, rickshaw pulling, sewing, poultry farming etc. Older people, having assets of their own, earn money by means of it. Only one (out of 200) is a retired government employee who receives pension.

Aggregated data analysis reveals that the average income for the older males is found nearly Tk. 2427, whereas for the older women, the amount is Tk. 457. This shows a clear gender gap among the older people in those study areas, which show an average income of Tk. 1442 in total. This shows that, the older women are still lagging behind older males in adequate average income earnings.

### ***Involvement in the Family Income or Investment***

There are households where a large amount of the household income is derived from the assets owned by the older person (in particular older men). In this way the older person take part in the total household income. There are poverty prone households where the income earned by the older person supplements the combined family income. The older persons involve themselves as long as they are able to work physically, especially in the households where they live. Older persons who are not from poverty prone households and have children able to earn enough by themselves mentioned that the household does not need to contribute to broader household income. They spend their earning as they desire. Data indicate that the older person's decision in family affairs and family investment proved to be more effective for the household. Any involvement of older persons in the household and family affairs is likely to create a positive impression among the household members about them.

### ***Status of Older Peoples' Income Spending***

The older persons spend their income on the purchase daily necessities including food items (vegetable/fish/meat) for the household. Purchasing beetle-leaves nuts, and other related sedative materials (i.e., *Jorda*); and hand-made cigars etc. are also borne by the older persons; though there exist a gender dimension. The hand-made cigars are purchased by the older men in higher numbers, while older women tend to buy the beetle-leaves nuts, and other related sedative materials more. Expenses for child education are medium. However, the older persons spend a great deal on medicines/medical treatments. Contribution to dowry, demanded on the occasion of daughter/grand-daughter's marriage, has been met by mortgaging/selling land/assets, taking loan and so on, in the case of a mentionable number of the older people.

### ***Gender division of labour in old age***

A consideration of household activities like: cooking, washing dishes and clothes, sweeping floor and yard, mudding (repairing) the ground of the house, fetching water, and collecting dry-sticks, reveals that the older women are engaged in a higher number of such activities than the older males are. Taking care of ancestral lands, and/or monitoring the laborers in the cultivation process are mainly done by the older males. The older persons are also involved in small scale vegetable productions, and shopping in the '*haats*' (local markets), but the females participate in these activities in a lower number than the males. Involvement in poultry raising is done in a higher proportion by the older females; whereas, involvement in livestock raising is done by the older males.

In addition, maintenance of children is basically done by the older female persons, whereas education of the young children is done by the older men. Again providing care for pregnant women (in both pre and post condition), and the delivery of newborn babies in the households are, in most cases, done by the older females.

### ***Health Condition of the Older People***

Overall, most of the older people have a vulnerable health condition that compels them to take medicine on a regular basis round the year. Among the older (those aged 80+), and suffer from multiple chronic health problems and frailty which increase their dependency on physical and economic support from others. They suffer from diabetes, blood pressure, osteoarthritis, asthma, heart disease and the like. Almost all of the older people, appearing in the study reported that they suffer from dementia.

The older members mostly suffer from long term illness that requires regular medication and nursing. However, no significant differences have been observed among the older men and women regarding this. Almost all the older persons (those aged 80+) need to be looked after. They themselves are unable to take medications. Older members who are aged between 60 and 70 suffer from short term illness that can be cured or controlled by medication.

### ***Older Peoples' Involvement in Decision Making Activities***

Older people living with younger generations are typically consulted in family decision making activities and thus they have partial scope to influence the decision making matters. However, a key finding was that adult children in their own nuclear family are unlikely to consult the older persons in taking decisions regarding any household affairs (since they are considered to be part of a different household unit). In addition, the level of engagement of older people is determined by a number of factors. Involvement in family decisions relates to their income earning status, because they could contribute in total household income. Economic contribution enables older people (especially older men) to remain in a reciprocal relationship with other family members.

Though the older women are less likely to contribute economically, yet their participation in decision making activities exist within the families. They contribute their opinions on the basis of their experiences and suggest the ways of sorting out a solution to familial issues, especially in terms of child rearing, women affairs, and/or small investments etc. However, whether these would be regarded or not, is totally dependent on the adult household members.

### ***Older People's Social Status around the Community***

Income earning creates an opportunity for the older people to take part in the community decision-making effectively. Almost all of the older people stated that the community decision-making activity usually depends on the union parishad chairman, school teachers, religious persons (imam, priest etc.) and influential older persons (most likely older men). According to the respondents, an *influential person* is an older man who has a sizeable income source (mostly through fixed assets).

The income earning status of older people has an influence in the community decision-making process, but this is not the only determining factor. Family background and relation with the local government authorities are two other major factors for their involvement in the community decision-making process. However, none of the female respondents reported getting involved in the community decision-making process. Because, in most of the instances, the older women lack the status as they are weak with their economic position.

### ***Child Labor and Older People's Income***

In poverty-prone household, the child labor is linked with older people's income. The respondents reported that they themselves would work rather than sending their children away for work to earn money for their support. The reality speaks otherwise, and the respondent's age and health do not allow them to work themselves and extra mouths to feed put pressure on the income earning potential of other members. This depicts a scenario that households do not want the children to be involved in economic activities outside home until and unless they are not entirely forced to do that. Poverty alleviation reduces pressure on children to work for additional household income. Data shows there are only a handful of

cases where children aged 10 to 17 are involved in economic activities to support their households. Some of the households are forced to involve their children to give labor for survival. These child labors are involved in different types of work such as bus or local small transport (*tom tom, human hauler, votvoti, raider, uralpakhhi* etc.) helper, waiter at small hotels, tea stall worker, domestic worker, agricultural labor etc.

### ***Social protection reaching older people***

The OAA benefit creates an opportunity for the older people to have a regular income source. In the study area, more than one third of the eligible respondents receive OAA. The respondents who received OAA are happy to have a regular income source. But they also constantly complained about the small amount of benefit they receive. While interviewing, many respondents added that, collecting OAA amount requires some expenses that undermines the original value of OAA benefit. Although the OAA beneficiaries derive a small amount of benefit, such meager amount enables them to contribute to their family income and build-up their importance in the family cycle. They also believe that this gives them a ground for self-respect.

Older persons, who do not receive OAA benefit, mostly do not have any income source and hence, they are interested in receiving such benefit. Vulnerable health conditions do not allow the majority of such persons to get involved in income earning activities. So, they become completely dependent on the remainder of family members to fulfill their basic needs. In a poverty-prone family, such dependency sometimes creates problems and depression among all the family members. Including the OAA beneficiary's own expenses, the OAA benefit has its impact on the household spending and on the living standards too.

### ***Status of Remittance Receiving***

Although there was not an in-depth analysis of remittances in this study two key points can be highlighted as emerging issues for further study. A minority of households with older people (within the poverty-focused sample of households in this study) have received any kind of remittance. Also, remittances are not necessarily directly benefiting older people. A negligible number of the older persons have been found to have received remittances (only restricted to cash transfers received from the family members who work or live overseas).

Overall, 15 households (out of 200) have been found to have received the remittances. Among these, about 3 households have recently sent one of their family members abroad. Among remaining 12 households, receiving the remittances, the impact is overall, and not particularly on the older persons. When the older persons were asked to narrate the remittance received, and its impact particularly on their income status, they reported that it gives them a sense of security.

### ***Status of Older Abuses at Household Focusing their Income Status***

When the older persons were asked about the older abuse including abuse to themselves at households, the respondents were a bit embarrassed and silent on reporting such an issue. Many of them have replied that they have heard of such incidents in their neighborhoods, but could not describe the details. Afterwards, when they were asked whether they had ever been victim to any incident of abuse, because of their low income status, there was no mentionable response regarding this issue. The precise information on the issue of physical abuse to older persons, as being a very sensitive one, could not be extracted in the present study. This might be attributable to both the sense of insecurity and culture of silence.

## RECOMMENDATIONS

- ✓ Launching old age allowance (OAA) for each and every older person, this could be expanded geographically, division by division;
- ✓ Increasing the amount of the existing OAA (from Tk. 300 to Tk. 1,000 per month) and indexing this to inflation;
- ✓ Introducing Government fee waiver scheme for free medical care including free essential medicines for the older persons;
- ✓ Providing accommodation including specialist care services that are appropriate for old age and related complex health needs associated with ageing for those older persons who are homeless and/or abandoned by family members
- ✓ Creating necessary mechanism to shift and/or transfer the widow allowance for older women into old age allowance;
- ✓ Increasing the existing ‘Old age homes’ being directed by the Department of Social Welfare of GoB. This has been further concerned by many of the stakeholders that the number of such service should be increased in Upazillas under each district as they have found that responds to the old age care homes are gradually increasing. Emphasis should be given on creating community based ‘old homes’ where a homely living environment will be ensured along with providing free of cost foods, medical treatments and medicines for the older persons with complex care needs and multiple chronic health conditions.
- ✓ Providing complimentary additional services of income generation to the OAA recipients as sometimes they are not directly able to be involved in any income generation activities due to poor health condition. Also creating scope for the older people to have loans from the Banks through the existing Social Responsibility schemes (i.e., CSR or similar).
- ✓ Removing age-based discrimination in the workplace to help the older people to run their livelihoods. In addition, launching separate counter in Banks (and other business organizations), along with subsidies in transportation services (half price in train or bus etc.) for the older people.
- ✓ Improving labour market strategies to increase decent work opportunities for all, including the current middle aged generation so that families are in a better position to economically support ageing family members and continue investing in the next generation.