

# STATUS OF SOCIAL SECURITY & SOCIAL PROTECTION FLOORS IN INDIA

(With special focus on Older Persons)

March 2019



## Agewell

**Agewell Foundation**

*(In Special Consultative Status with the ECOSOC at United Nations since 2011)*

*-Associated NGO Status with UN-DPI-*

[www.agewellfoundation.org](http://www.agewellfoundation.org)

# RESEARCH & ADVOCACY CENTRE (For Needs & Rights of Older people)

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M-8A, Lajpat Nagar-II,  
New Delhi-110024, India.  
+9111-29836486, 29840484  
agewellfoundation@gmail.com  
[www.agewellfoundation.org](http://www.agewellfoundation.org)  
<https://www.facebook.com/AgewellFoundation/>



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# Introduction

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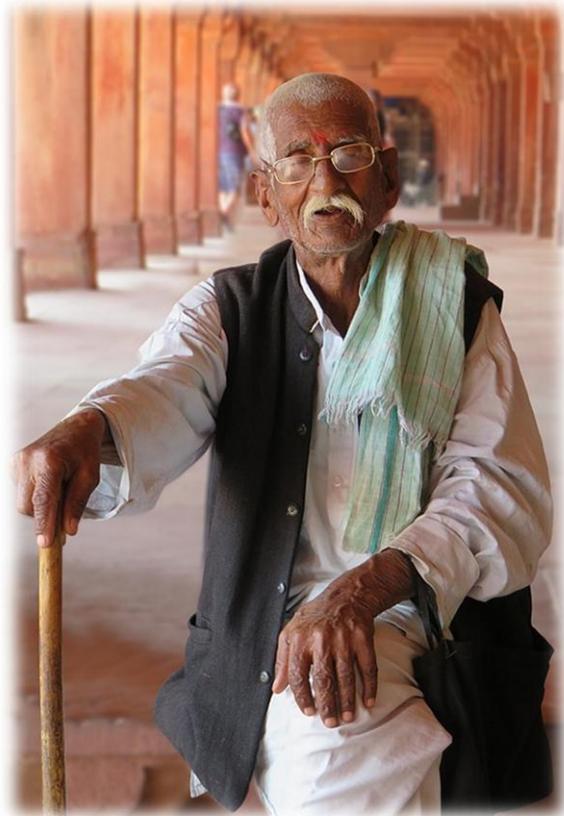
## Social Security Structure in India

Social security has always been a primary focus area of various plans and policies of Government of India since independence. Initially almost all social security schemes and programs were focused on younger generations and issues related to healthcare and disability was addressed by these schemes. Old Age social security was considered as a family subject, as most people lived with their children in old age. With rapid increase in population of older persons and fast changing socio-economic scenario, issues concerning old people are now also being included in the social security schemes over the years.

Realizing the ever-increasing population of older persons and fast changing socio-economic & demographic scenario, Government of India has also prioritize old age related issues in its social security and social protection schemes and programs. India's social security system comprises a number of schemes and programs. Still government-controlled social security structure in India applies to only a small portion of the population. Generally, India's social security schemes cover the following social security initiatives;

- Pension – Retirement pension, Family pension, Widow pension, Old age pension, etc.
- Health Insurance and Medical Benefits
- Disability Benefits
- Maternity Benefits to women
- Gratuity

While a major part of country's population is in the unorganized sector and may not have an opportunity to participate in each of these schemes, people working in the organized sector and their employers are entitled to coverage under various government run social security schemes. The applicability of mandatory contributions to social security programs is varied. Some of the social security



programs require employer contributions from all companies, some from companies with a minimum of 10 or more employees, and some from companies with 20 or more workers.

## Pension or Employees' Provident Fund

The Employees' Provident Fund Organization, under the Ministry of Labor and Employment, ensures superannuation pension and family pension in case of death during service. Presently, only about 35 million out of a labor force of 400 million have access to formal social security in the form of old-age income protection in India. Out of these 35 million, 26 million workers are members of the Employees' Provident Fund Organization, which comprises private sector workers, civil servants, military personnel, and employees of various Public Sector Undertakings (PSUs).

The schemes under the Employees' Provident Fund Organization apply to businesses with at least 20 employees.

Contributions to the Employees' Provident Fund Scheme are obligatory for both the employer and the employee when the employee is earning up to Rs 15,000 per month, and voluntary, when the employee earns more than this amount. If the pay of any employee exceeds



this amount, the contribution payable by the employer will be limited to the amount payable on the first Rs 15,000 only.

The Employees' Provident Fund Organization includes three schemes:

1. The Employees' Provident Fund Scheme, 1952;
2. The Employees' Pension Scheme, 1995; and,
3. The Employees' Deposit Linked Insurance Scheme, 1976.

The Employees' Provident Fund (EPF) Scheme is contributed to by the employer (1.67 - 3.67%) and the employee (10-12%). The Employee Pension Scheme (EPS) is contributed to by the employer (8.33%)

and the government (1.16%), but not the employee. Finally, the Employees' Deposit Linked Insurance (EDLI) Scheme is contributed to by the employer (0.5%) only. Main monthly pension schemes are as under:

1. Pension upon superannuation or disability;



2. Widows' pension for death while in service;
3. Children's pension; and,
4. Orphan's pension.

## Health Insurance and Medical Benefit schemes

India's national healthcare system does not include free medical care for the entire population. The Employees' State Insurance (ESI) Act creates a fund to provide medical care to employees and their families, as well as cash benefits during sickness and maternity, and monthly payments in case of death or disablement for those working in factories and establishments with 10 or more employees. Sickness benefit under ESI coverage is approx. 70% of the average daily wage and is payable for 91 days during two consecutive benefit periods.

## Disability Benefit

The Employee's Compensation Act, 1923 requires the employer to pay compensation to employees or their families in cases of employment related injuries that result in death or disability. In addition, workers employed in certain types of occupations are exposed to the risk of contracting certain diseases, which are peculiar and inherent to those occupations. A worker contracting an occupational disease is deemed to have suffered an accident out of and in the course of employment, and the employer is liable to pay compensation for the same. Injuries resulting in permanent total and partial disablement are listed in parts I and II of Schedule I of the Employee's Compensation Act, while occupational diseases have been defined in parts A, B, and C of Schedule III of the Employee's Compensation Act.



## Gratuity

The Payment of Gratuity Act, 1972 directs establishments with ten or more employees to provide the payment of 15 days of additional wages for each year of service to employees who have worked at a company for 5 years or more. Gratuity is provided as a lump sum payout by a company. In the event of the death or disablement of the employee, the gratuity must still be paid to the nominee or the heir of the employee.



Gratuity is exempt from taxation provided that the amount does not exceed 15 days' salary for every completed year of service calculated on the last drawn salary, subject to a maximum of Rs 10 lakh. It is important to note that an employer can choose to pay more gratuity to an employee, which is known as ex-gratia and is a voluntary contribution. Ex-gratia is subject to tax.

## Coverage of social security schemes in the context of older persons

77% of older men and 50% of old women are utilizing some form of social security schemes. However, 53% of elderly find it difficult in utilizing the social security schemes and 79% found it's not sufficient to meet their basic needs. Majority of elderly are illiterate and are partially or totally dependent on others for their economic needs.

Social security is the major source of income in 48% of elderly in India. However its adequacy, affordability and sustainability are still questionable and it draw attention to raise the social security benefits to the elderly, particularly in the rural areas.



# Government Schemes for Older Persons

## Integrated Programme for Senior Citizens (IPSrC)

The main objective of the scheme is to improve the quality of life of older persons by providing basic amenities like shelter, food, medical care and entertainment opportunities, etc. This programme is run by the Ministry of Social Justice and Empowerment. Under this programme, grants are given for running and maintenance old age homes, day care centres, mobile medicare units, multi-facility care centre for older widows, etc. Implementing agencies eligible for assistance under the scheme are panchayati raj institutions/local bodies, non-governmental voluntary organizations, etc. Funds under the scheme of IPOP are not released to the states, but released to the implementing agencies like NGOs, etc. Over 400 old age homes are being supported by the Government under this scheme.

## Rashtriya Vayoshri Yojana (RVY)

Under the RVY scheme, aids and assistive living devices are provided to senior citizens belonging to BPL category who suffer from age-related disabilities such as low vision, hearing impairment, loss of teeth and loco-motor disabilities. The aids and assistive devices, viz walking sticks, elbow crutches, walkers/crutches, tripods/quadpods, hearing aids, wheelchairs, artificial dentures and spectacles are provided to eligible beneficiaries. This scheme is run by the Ministry of Social Justice and Empowerment, Govt. of India. This is a central sector scheme funded from the Senior Citizens' Welfare Fund. The scheme is being implemented by Artificial Limbs Manufacturing Corporation of India (ALIMCO), a public sector undertaking under the Ministry of Social Justice and Empowerment. The scheme is proposed to be implemented in 260 districts and benefit 5,20,000 beneficiaries across the country up to 2019-20.



## Indira Gandhi National Old Age Pension Scheme (IGNOAPS)

The Ministry of Rural Development runs the National Social Assistance Programme (NSAP) that extends social assistance for poor households- for the aged, widows, disabled, and in cases of death where the breadwinner has passed away. This is in addition to the benefits that the state governments extend to these people. Under this scheme, financial assistance is provided to person of 60 years and above and belonging to family living below poverty line as per the criteria prescribed by Government of India. Central assistance of Rs 200 per month is provided to person in the age group of 60-79 years and Rs 500 per month to persons of 80 years and above.

## Varishtha Pension Bima Yojana (VPBY)

This scheme is run by the Ministry of Finance, Government of India. The Varishtha Pension Bima Yojana (VPBY) was first launched in 2003 and then relaunched in 2014. Both are social security schemes for senior citizens intended to give an assured minimum pension on a guaranteed minimum return on the subscription amount. These schemes are implemented through Life Insurance Corporation (LIC) of India, which is paid the difference between the actual yield earned by the LIC on the funds invested under the scheme and the assured return of 9 percent committed by the government. Both the schemes, VPBY 2003 and VPBY 2014, are closed for future subscriptions. However, policies sold during the currency of policy are being serviced as per the commitment of guaranteed 9 percent return announced by the government under the schemes.



## The Pradhan Mantri Vaya Vandana Yojana

The Pradhan Mantri Vaya Vandana Yojana (PNVVY) was launched in May 2017 to provide social security during old age. This is a simplified version of the VPBY and being implemented by the Life Insurance Corporation (LIC) of India. Under the scheme, on payment of an initial lump sum amount ranging from Rs 1,50,000 for a minimum pension of Rs 1000 per month to a maximum of Rs 7,50,000/- for a maximum pension of Rs 5,000 per month, subscribers will get an assured pension based on a guaranteed rate of return of



8% per annum payable monthly/quarterly/ half-yearly/annually. The duration of the scheme is ten years.

## National Programme for the Health Care of Elderly (NPHCE)

The Ministry of Health & Family Welfare had launched the 'National Programme for the Health Care of Elderly' (NPHCE) during 2010-11 to address various health related problems of elderly people. The major objectives under district level activities of the NPHCE are to provide dedicated health facilities in district hospitals, community health centers (CHC), primary health centers (PHC) and sub-centers (SC) levels through State Health Society. The healthcare facilities, being provided under this programme, are either free or highly subsidized. The following facilities are being provided under the programme.

- Geriatric OPD and 10-bedded geriatric ward at district hospitals.
- Bi-weekly geriatric clinic at community health centres (CHC)
- Weekly geriatric clinic at primary health centres (PHC)
- Provision of aids and appliances at sub-centers



# Social Protection Floors in India

India has a broad ambit of social protection programs, but the overall public expenditure on social protection (excluding public healthcare) is only approx. 1.5% of the GDP<sup>1</sup>, lower than many middle-income countries across the world.

In India, most social protection programs are aimed at addressing capability deprivation (inadequate nutrition, lack of employment, low educational attainment), rather than providing safety nets to deal with contingency risks (health shocks, death, disability). Contingent social security covers mostly organized sector workers, who comprise only 8% of India's workforce.

In the past decade, a social security scheme (Rashtriya Swasthya Bima Yojana) has been introduced for unorganized sector workers, but less than 20% of the population is covered under any form of insurance. Out-of-pocket health expenses, which create barriers to seeking healthcare and can push marginal households into poverty, form as much as 89%<sup>2</sup> of private expenditure on health.

Against this background, India has only recently started a long overdue move towards universal social security. In 2015, the Government of India introduced a life insurance scheme (PM Jeevan Jyoti Yojana), an accident insurance scheme (PM Suraksha Bima Yojana) and a contributory pension scheme for unorganized sector workers (Atal Pension Yojana).

Components of Social Protection Floors generally, social protection floors are defined sets of basic social security guarantees which secure protection aimed at preventing or alleviating poverty, vulnerability and social exclusion. Social protection floors consist of two main elements



<sup>1</sup> International Labour Organization. *World Social Protection Report 2014-15*

<sup>2</sup> World Health Organization Global Health Expenditure database

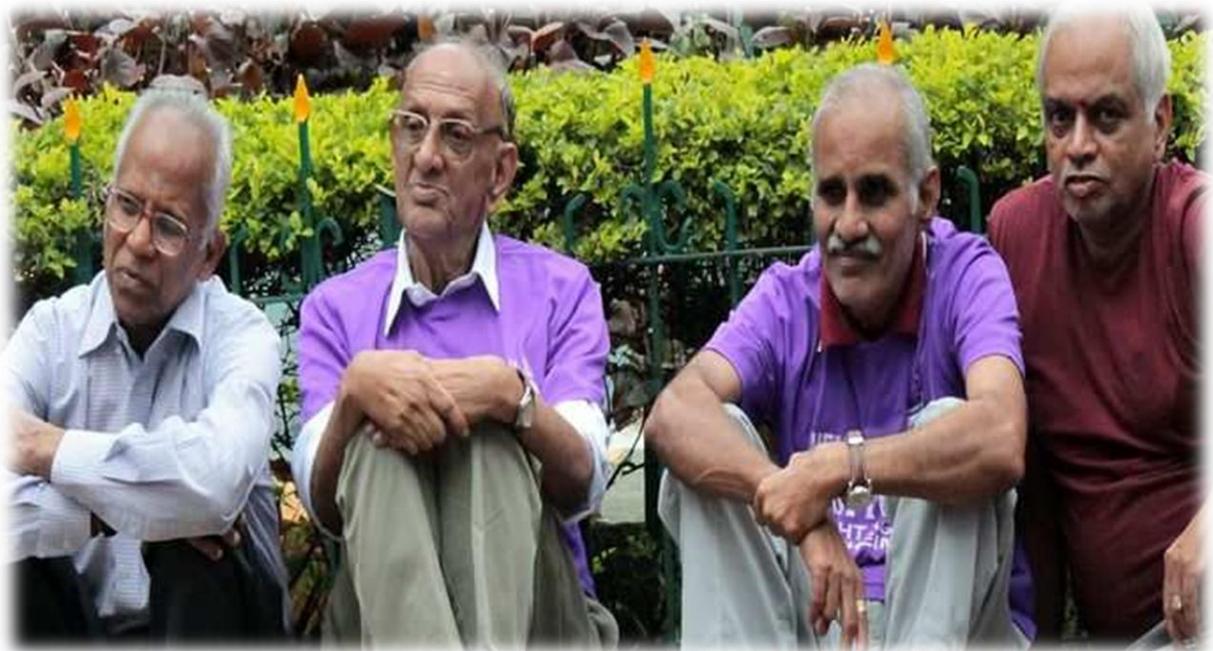
- Basic Services like ensuring the availability, continuity, and access to public services (such as sanitation, health, education, training and family-focused social work support etc. and Social Benefits like essential social transfers, in cash and in kind, paid to the poor and vulnerable to enhance food security and nutrition, provide a minimum income security and access to essential services, including education and health care.

In India, there are various legislation and schemes to protect the rights of those likely to be affected, based on key human rights principles such as non-discrimination, gender equity and people's participation.

## **Important Strategy and targets for Social Protection Floors**

As per the SPF Recommendation (No. 202) of ILO, Social Protection Floors in India comprise of the basic social security services / provision like Health and maternity care, basic income security for adults in cases of sickness, unemployment, maternity and disability, Income security for older persons. Government of India has formulated and implemented various national social security extension strategies based on national consultations through effective social dialogue and social participation. This exercise includes prioritization of social security benefits and providing higher levels of social security to as many people as possible in due courses and implementation of social protection floors is also monitored regularly.

Uniform Social Protection Floor – An emerging challenge for India in view of vast geographic spread and population, in India there is no uniform social protection floor, instead there are many kinds of social protection floors are in place in different stages and for different set of people.



In the Indian context, Social Security is a comprehensive approach designed to prevent deprivation, give assurance to the individual of a basic minimum income for himself and his dependents and to protect the individual from any uncertainties. The government bears the primary responsibility for developing appropriate systems for providing protection and assistance to its workforce. While certain schemes are based on contribution of the beneficiary, certain others are funded / subsidized by the Union or State Governments.

Government of India has extended its overall support to the instrument in its present form keeping in view the long term interests of workers.

## **Social Protection measures in India in the context of older persons - An Overview**

Govt. of India is committed to protect and safeguard the interests of workers and in upholding the dignity of labour. Financial inclusion and social security cover for everyone is the top priority for the government especially for the vulnerable class of workers. Union budget 2015-16 of Govt. of India announced "Universal Social Security Coverage to all" as a testimony to its commitment to Social protection. Direct Benefit Transfer has been launched in a big way to transfer subsidies under various schemes to the bank accounts of the beneficiaries. At present it is operational in 121 districts. Pradhan Mantri Jan Dhan Yojana (PMJDY) has now become the biggest financial inclusion initiative in the world. Under this, 17.08 crore accounts have been opened and the beneficiaries are getting an accidental insurance coverage through this scheme.

Government of India has established social security systems both for the organized and unorganized workforce. So far as the organised sector workers are concerned the principal social security laws enacted in India are the Employees State Insurance Act, 1948, the Employees Provident Funds & Miscellaneous Provisions Act, 1952, the Employees Compensation Act, 1923, and the Payment of Gratuity Act. 1972. These legislations provide social security benefits like medical facilities, employment injury benefits, insurance, pension and gratuity etc. to industrial and factory workers. Employee State Insurance Scheme is a labour welfare scheme



for providing social security benefits including reasonable health-care. For the organized sector, portability of provident fund benefits in a hassle free manner has been assured for more than 50 million workers through allotment of Universal Account Number.

In India 92.37% of the labour force<sup>3</sup> is in the unorganized sector. A number of schemes and programmes are in operation to provide social security benefits to these workers. The Unorganized Workers Social Security Act, 2008 is an umbrella act to address the welfare aspects of unorganized sector. Aam Aadmi Bima Yojana provides for life and disability cover to all the rural landless households in the country. Under the National Old Age Pension Scheme, persons who are living Below Poverty Line and are above the age of 65 are provided pension. Legislations have been enacted by Government for setting up 5 Labour Welfare Funds to provide social security, medical care and other facilities to workers employed in beedi (locally made cigarettes) industry, certain non-coal mines The Government has started the co-contributory Pension Scheme – Swavalamban from September 2010 where an unorganized sector employee contributing between Rs 1000 and Rs 12,000 per annum for retirement savings is eligible to receive a matching contribution of Rs 1000 per annum from the Government.

Atal Pension Yojana provides fixed pension at the age of 60 depending upon their contributions and year of joining. The targeted beneficiaries are from the unorganized sector. Pradhan Mantri Suraksha Bima Yojana provides Rs 200,000 accidental death insurance for people in the age group of 18 to 70 years with mere Rs. 12 per annum. Ministry of Labour and Employment has initiated a process of providing an umbrella card to the unorganized sector workers. This move will bring social security coverage for 1 billion people. Govt is also working on to issue unorganized sector Identity Number (UIN) which will facilitate the benefits of various social security measures on a single platform to the beneficiary.



India being a founding member of the ILO has always been conscious of its global responsibilities and has accordingly created a framework for a gradual and progressive extension of social security net to all including deprived and vulnerable sections of society, including older persons.

<sup>3</sup> National Commission for Enterprises in the Unorganised Sector (NCEUS).

# Overview

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## Social Security in India

Ageing is a chronological process. Generally, with increasing age the aging process is often associated with declining health, loss of independence, dwindling social roles, isolation and feeling of loneliness, limited or no financial income, being treated as a burden on the family/society, intergenerational conflicts, mistreatment and elder abuse in old age. Within the families, the condition and status of old people is dependent on their physical health, net-worth and socio-economic situation, extent of availability of family care and social support systems available around.

With remarkable increase in longevity and comparatively better health care facilities there has been a hasty increase in the population of old people in India, which is home to over 120 million elderly and it is expected to rise to 324 million by 2050. Their proportion in overall population has been increasing more rapidly. In India only 10% of retired employees get pensions from the government and 90% are forced to survive either on other sources of income from what they have earned, saved, invested, inherited or they depend on their children/ relatives. In old age, with limited source of income ever increasing medical expenses, all round inflation and other countergencies in comparison to lack of / shrinking sustainable source of income often leads to dependence, insecurity and distress within the family. Such a situation also steals the dignity and independence of the elderly and social protection and social security remain most challenging issue.



Existence of a negative social perception and attitude towards the elderly and lack of social support systems result in poor mental health and problems of adjustment which make them more vulnerable and helpless in old age due to lack of proper social support old people have to face loneliness, isolation and even depression.

## Social Protection Floors for Older Persons in India

So far as social protection floors for older persons are concerned, in India basic social security schemes assure protection aimed at preventing or alleviating poverty, vulnerability and social exclusion. In India majority of older persons, particularly older women are dependent on their respective family and community/society. At national level there is an urgent need to expand the network of social protection floors in order to ensure access to essential health care, basic income security for older persons; who are



unable to earn but have financial needs, particularly due to old age related diseases and disability.

To ensure social protection and social security in India, Government and other stakeholders must focus on elderly friendly policies and programs that motivate older persons to become self-reliant in old age like providing them digital literacy training, financial and social inclusion, post-retirement gainful occupational opportunities, opportunity to ensure their active participation in mainstream activities while utilizing their vast experience, knowledge, and wisdom.

## Skill Development Training For Older Persons

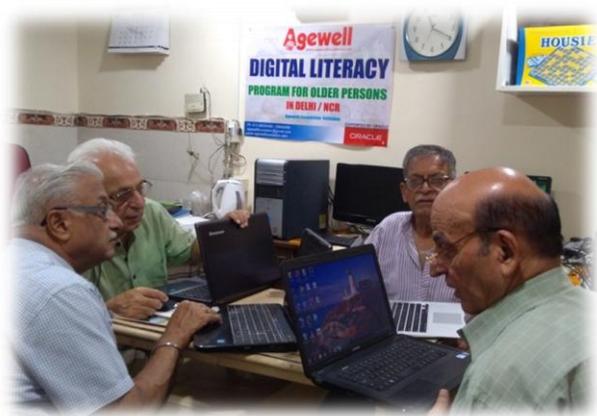
Skill development training and capacity-building play an important role in overall development of any human being throughout their life. It contributes to independent living and holistic well-being at all stages. In today's world not using technology, to a certain extent, disables access to information and shared knowledge. Some old people who experience lack of affinity towards technology and its systems, experience loneliness and feel marginalized.

As empathetic individuals, old people very naturally open up to innovative training and skill development initiatives. To ensure active ageing in society it is inevitable to include the old people in mainstream of the society. Due to complex emotional, mental as well as physical process, the rapid changes in the surroundings make ageing more difficult than it appears.

Education, training and life-long learning help elderly to adapt themselves in changed circumstances, to improve cognitive strength, and to enable them to utilize useful products and services, that they need in old age.

Training of soft skills must aim at to stimulate their brain networks / functions. Such initiatives can help elderly to forget about the insecurities or loneliness that they otherwise experience.

Modern technological know-how and new age skills play crucial role in improving poor living conditions and infrastructure and eradicating poverty. In India where pensions, disability insurance, health benefits, and savings become almost worthless due to rising inflation rates, every retired and old person need to remain engaged in some gainful occupation.



# Objectives of the Study

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The objective of this research endeavour is to assess the impact of social security system and social protection floors on the lives of elderly persons through an in-depth qualitative study. To further explore and understand the realism, the following are a set of specific objectives that have been framed to undertake a research on the conditions of the older persons in the study area:

- To assess the status of social security provisions and schemes in India, particularly in the context of older persons in India
- To assess the changing financial security status of the older persons
- To enlist opinions and views of the older people regarding the social security schemes and old age income security provisions in India

In addition, the study was also aimed at to analyze the financial status of rural and urban elderly, to identify the fast growing concerns of older persons, to assess the status of gainful engagement in old age and to assess the skill development training of older persons.

# Scope & Methodology

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## Critical Parameters:

- Age and Gender
- Residence (Rural /Urban)
- Class status (income) Regular Source of Income?
- Availability of social security network/social protection floors
- Dependence on social security schemes in old age
- Status of protection of financial rights and interests
- Financial independence
- Need of skill development training in old age
- Major old age related problems



## Scope of this Study

This study is an attempt to understand social security dynamics, highlighting the patterns that emerge in relation to the contemporary social security issues and challenges faced by the older persons.

## Universe & Units of the Study

The entire country constituted universe of the study. Therefore, rural and urban areas were selected for this study. All the male and female above sixty were taken as unit of this study.

## Sampling Frame

India is a country of about one hundred million elderly persons as 8.6% of the total of 122 million population in the country have crossed sixty years of their age. Further, of the total older persons, 8.3% are males and 9% females. Therefore, it would not be possible to study all the older persons inhabiting in the country.

However, a list of older persons who were willing to be part of the study was first prepared. As the literature review suggests the older people are faced with diverse issues, problems and challenges ranging from frailty to functional inadequacies; physical & health problems; social isolation & loneliness; neglect, economic insecurity etc.

## Sampling Method, Sample Size & Duration

The respondents who comprised the sample for the study were selected on the basis of random sampling made on the basis of gender , community (rural-urban), age-group etc.

<b>Respondents Area/Gender wise</b>	<b>Old Men</b>	<b>Old women</b>	<b>Total</b>
<b>Rural</b>	2405	2595	5000
<b>Urban</b>	2369	2631	5000
<b>Total</b>	4774	5226	10000

Sample Size: A total of 10000 respondents were studied by 450 volunteers across all the five regions of Northern, Southern, Western, Eastern and Central India. The survey was conducted during the months of February-March 2019.

Equal number of respondents was drawn from rural and urban areas. As for as gender wise composition of the sample is concerned, out of 10000 total respondents, 4774 respondents were older men and 5226 older women. However, the number of older



women respondents from urban areas was comparatively higher, as is depicted in the diagram.

### Tools and techniques for data collection

- Main emphasis was on qualitative information therefore, a more intuitive Approach was adopted for the research so as to arrive at an understanding of this problem to cull out a pattern. The information was enriched with the help of focused group discussions and in-depth interviews.
- Out of 10000 respondents interviewed during the survey, 4812 respondents (48.1%) were found to be in the age group of 60-70 years, 3234 respondents (32.3%) were between 71-80 years and the remaining 1954 (19.5%) respondents comprised the oldest old group (81+ years).

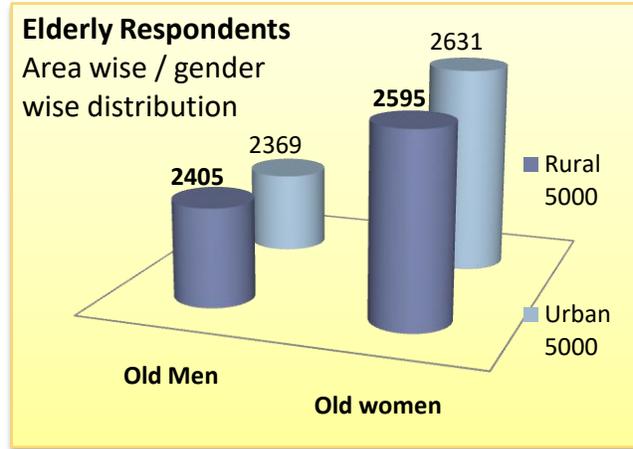


Chart 1

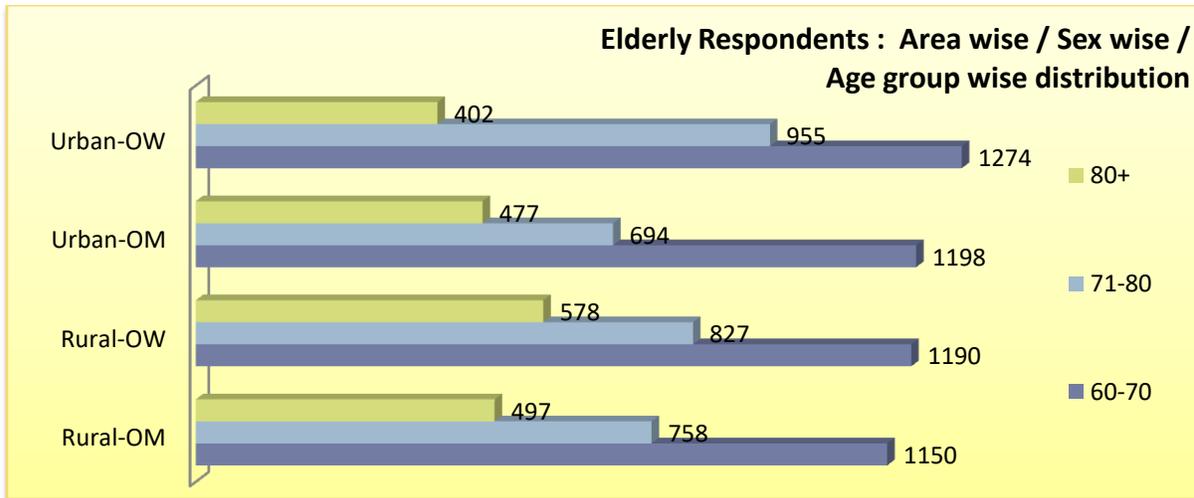


Chart 2

- Elderly respondents were divided into 4 categories on the bases of gender and community of the respondents. Each of the category, rural older men (24%), rural older women (26%), urban older men (23.7%) and urban older women (26.3%) consisted of nearly one fourth of the total respondents.



# Major Findings

## Financial Status Of Older Persons

- Pension/family pension has been main source of income of approx. 2/3<sup>rd</sup> of the respondents (39%).
- Interest on deposits, dividend on investments/savings and rent from house properties etc. has been found to be main source income w.r.t. 12% respondents.
- For 13% elderly respondents, old age pension was found to be the main source of income.
- About every tenth elderly (12.5%) said that they were working or engaged in some gainful assignment and income from such activities was main source of their income.

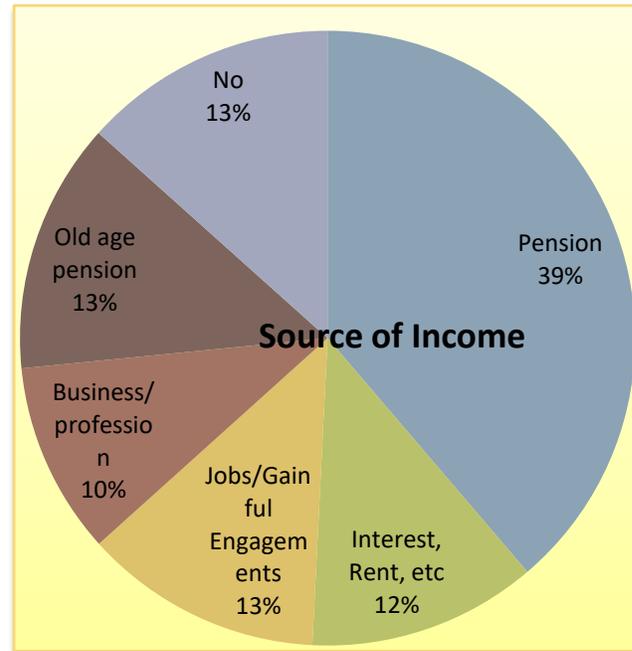
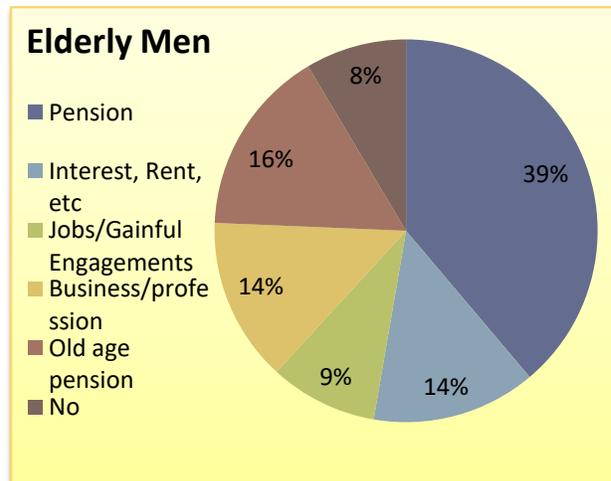
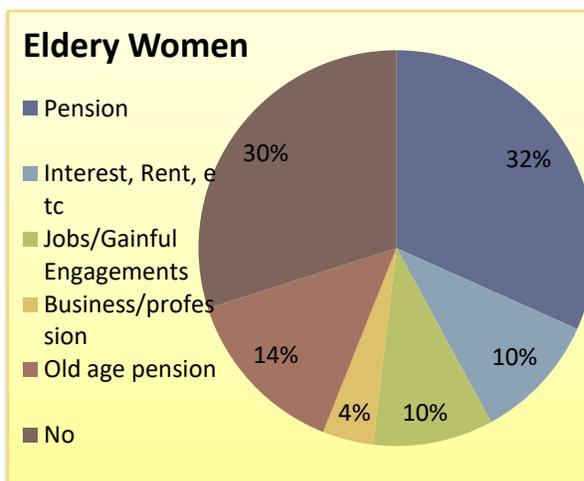


Chart 3

Chart 4



- The percentage of respondents who claimed to be earning their income mainly from businesses/ professions was 10%. There was no source of income for 13.4% respondents.



- As regards monthly income, it was observed that almost 28.9% earned fairly good monthly income age (more than Rs. 10,000 per month) during sun set years.
- More than two fifth of the respondents (45%) stated to have their monthly income up to Rs. 5000/-.

• Almost 1/4<sup>th</sup> elderly respondents (26.2% respondents said that their monthly income lies between Rs. 5000-Rs. 10000/-.

• 22.5% i.e. 2251 older persons said that their monthly income is below Rs. 5000 and 22.4% elderly i.e. 2244 respondents claimed that they have no or negligible monthly income.

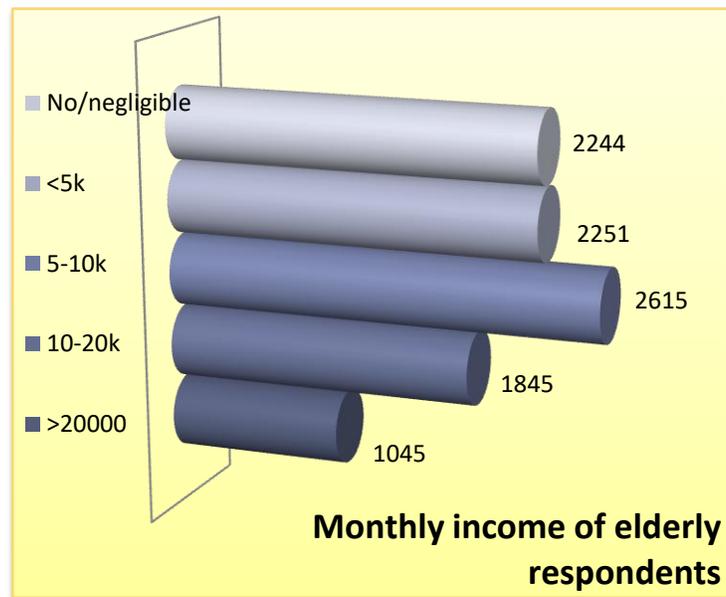


Chart 5

- In comparison to rural area's 40% respondents 37% urban elderly respondents said that they get pension as their main source of income.
- In urban areas, 2/3<sup>rd</sup> elderly respondent (39.7%) was earning monthly income of Rs. 10,000/- and above, whereas in rural areas, only 18% respondents were earning Rs. 10,000+ per month.
- 14.3% older men and 7% older women said that their monthly income is above Rs. 20,000/-, while 13.4% older men and 30.7% older women claimed that their monthly income is nothing or negligible.
- As per 28% elderly respondents, their income was adequate while 22% claimed that their income is below average.
- According to 28% elderly, their income was less while another 22% were found with no income or negligible income.

## Family Setup Of Elderly Respondents

- More than 4/5<sup>th</sup> of the respondents (84%) were found to be living with their respective spouses only.



- Almost half of the elderly (47.5%) claimed to be living all alone, as their family members were settled abroad or living in other places.

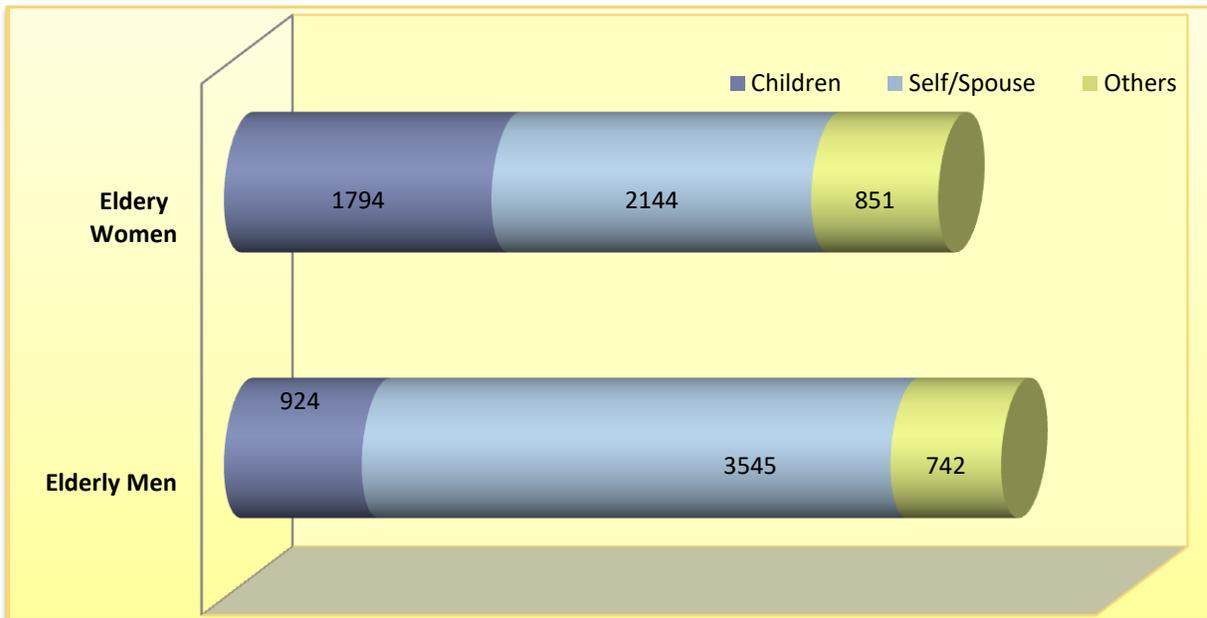


Chart 6

- Almost every sixth respondent (15.6%) stated to be living in their respective joint families or their children's families.

### Financial Dependence In Old Age

- More than half of the respondents (57% respondents including 74% older men and 41% older women) claimed that they were financially independent.

- The percentage of respondents dependent on their children/close relatives for their financial needs is 27% (19% older men and 34% older women) whereas 16% respondents (15% older men and 16% older women) were found to be dependent on others for financial needs.

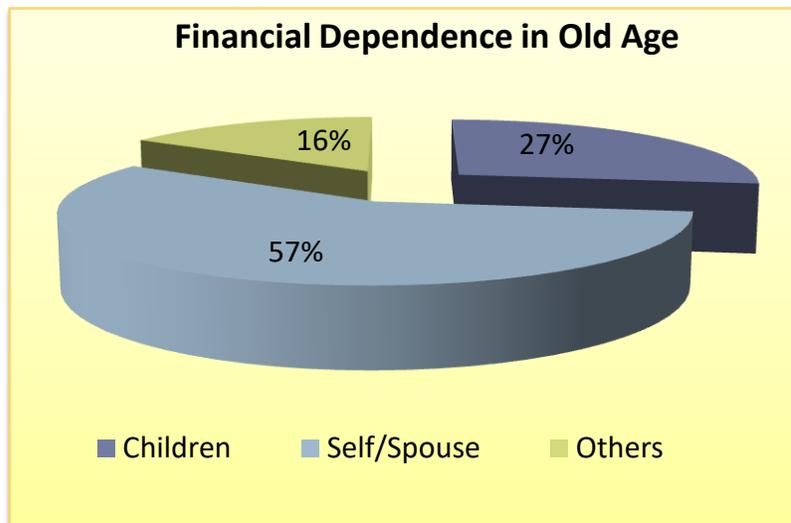


Chart 7



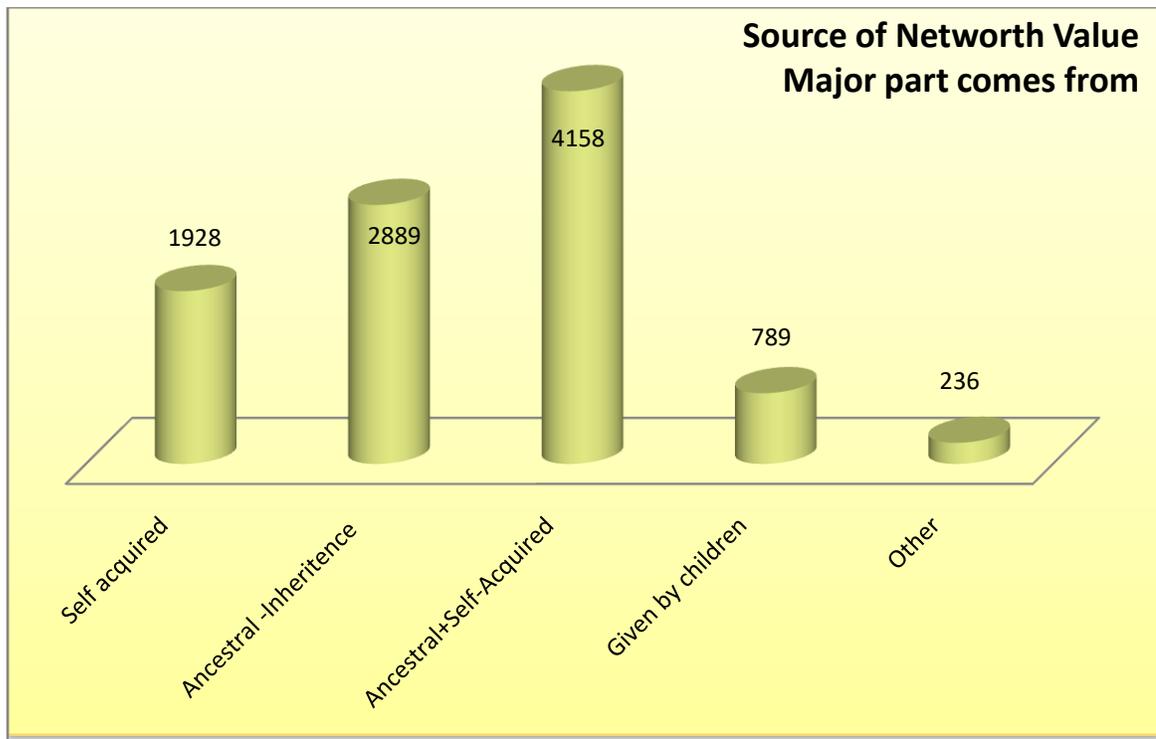


Chart 8

To assess the source of major part of net-worth value of older persons, responses were classified in five categories i.e. self-acquired, ancestral inherited, ancestral & self-acquired and other.

- Major part of net worth value of 70% respondents was drawn from inherited and self acquired properties
- Net worth value w.e.t. 29% of the respondents consisted mainly of their ancestral land and house properties.
- 19% respondents reported that their self-acquired properties and investments make their major part of net worth value.
- Net-worth value of 8% respondents was primarily due to properties gifted or transferred by their children.

### Perceptions On Financial Security Schemes In India

- 55.1% respondents i.e. 5509 out of total 10000 respondents were found to disagree with the fact that in India, there are sufficient provisions for financial security of people and people have financial security. Out of them 17.5% of the total respondents had strong reservations to this fact.



- Only 34.8% respondents said that there is good level of financial security in India. 10% respondents have no idea about the financial security and governmental schemes for financial security in India.

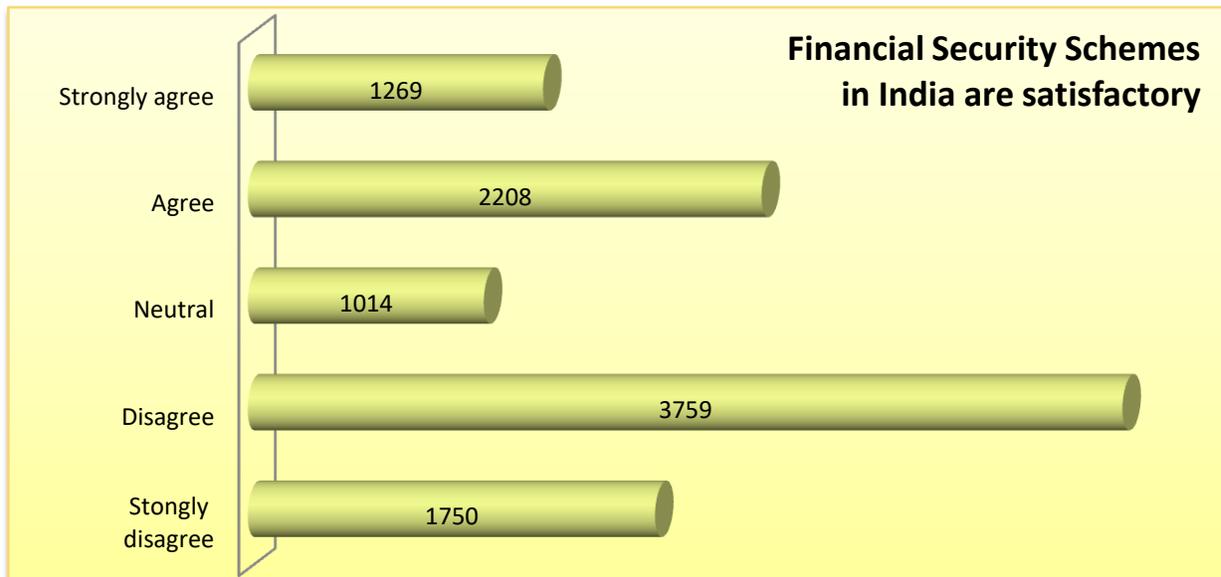


Chart 9

### Perceptions On Social Security Schemes In India

- According to 41% respondents (4098 out of 10000 respondents) were found to be dissatisfied with the status of social security schemes in India (19.8% strongly dissatisfied & 21.1% dissatisfied with provisions and availability of social security schemes).
- Only 47.4% respondents reportedly claimed that social security schemes being run by central/state government are quite adequate.
- 11.6% respondents didn't respond as they have no or less idea about social security

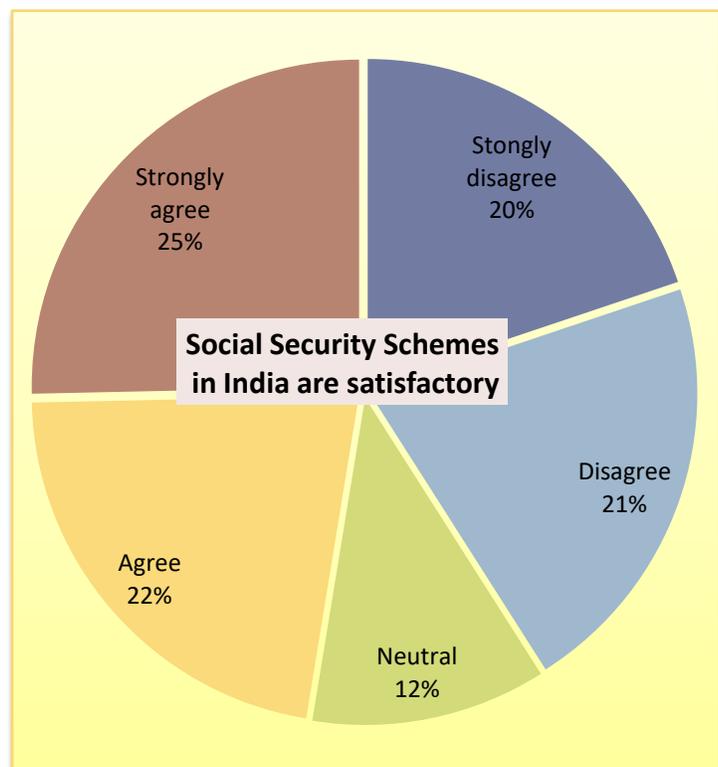


Chart 10



provisions and schemes in India.

## Social Security Schemes For Elderly In India

- During the survey every second elderly respondents i.e. 51.9% respondents reportedly agreed that overall status of social security schemes for older persons in India is not satisfactory.
- In this category, 21.2% older persons were found strongly disagree with the fact that old age social security schemes in India are not satisfactory.
- Only 1/3<sup>rd</sup> respondents claimed that social security provisions being made by the government and social security schemes

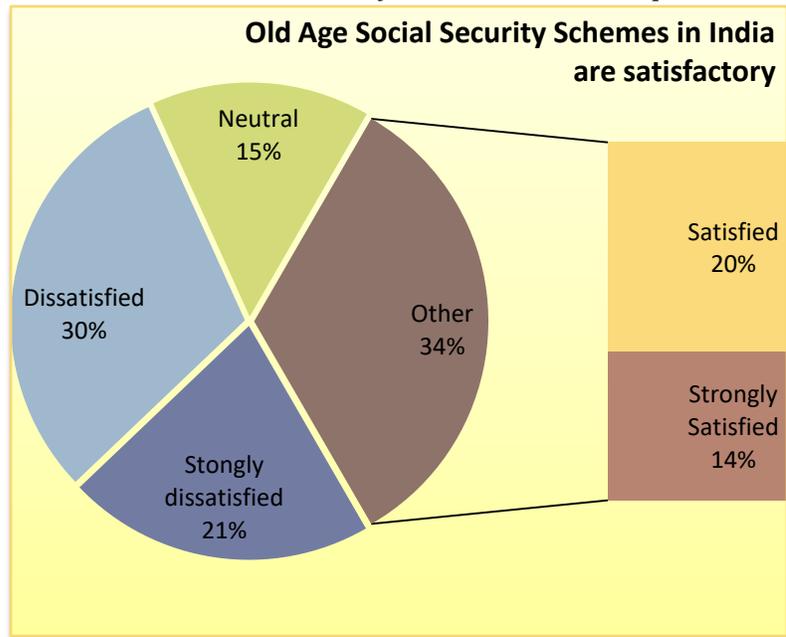


Chart 11

being run by the government are quite enough and their overall status can be termed as satisfactory.

- Among them, 13.6% elderly respondents, said that they strongly feel that old age social security schemes in India are reasonable.
- While 12.5% older persons contacted during the survey, expressed their inability to respond to this question on social security in old age.
- When respondents were asked about the status of pension

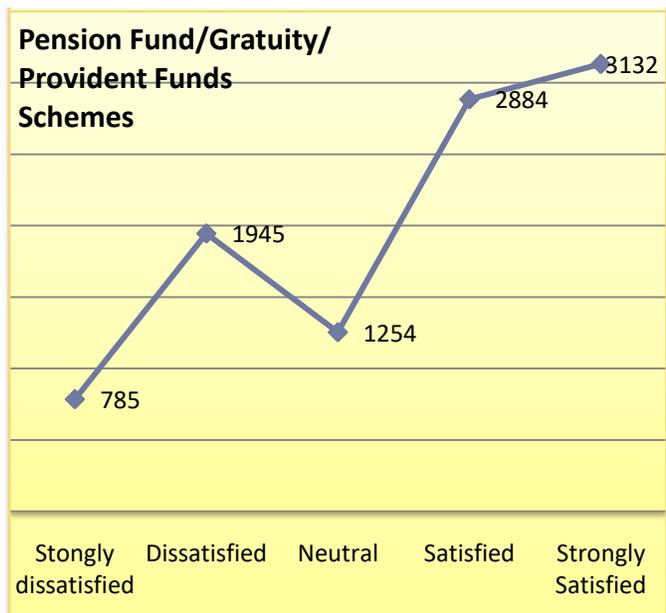


Chart 12



funds/ gratuity / provident fund schemes in India, 27.3% respondents said that they are satisfied with the existing pension funds/ gratuity / provident fund schemes in India.

- More than 60% older persons found satisfied with the current status of pension funds/ gratuity / provident fund schemes in India.
- 58.7% respondents were disagree with the fact that old age pension schemes are working good in India. while almost every fourth elderly i.e. 26% found strongly disagree with this fact.

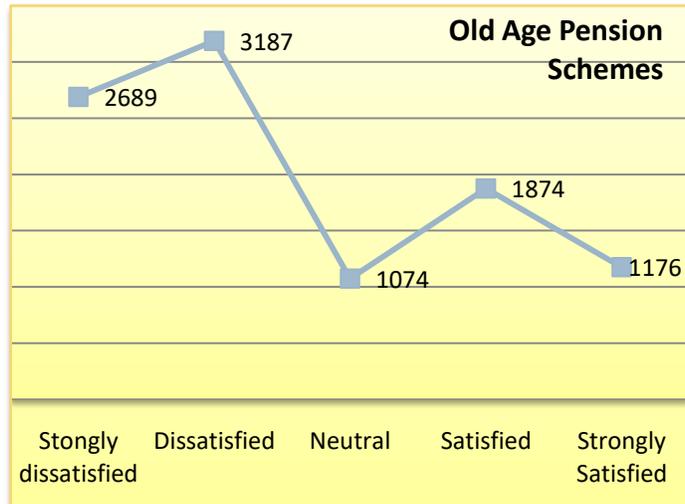


Chart 13

- 30.5% elderly said that they don't feel these schemes are doing well. Among them 11.8% found strong agree with the fact that these schemes/provisions are satisfactory.
- 10.7% elderly respondents skipped this question as they have no idea about or they don't want to express their view on the subject.

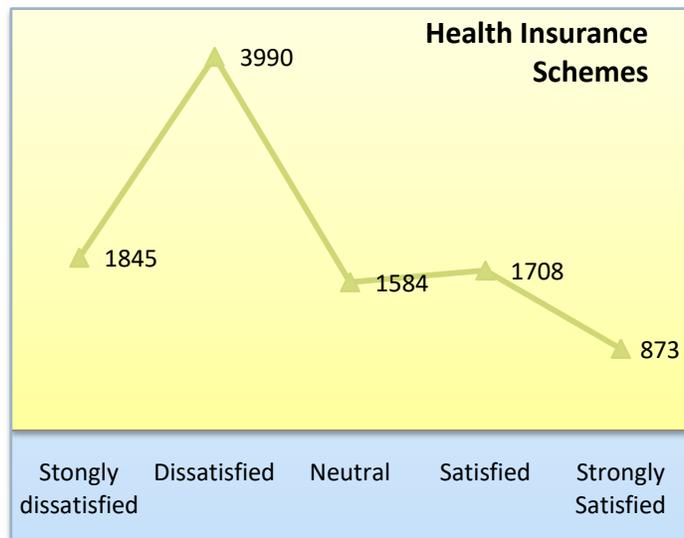


Chart 14

- When respondents were asked about the status of health insurance schemes for older persons in India, 58% respondents said that is not satisfactory. Among them 18.5 older persons were of the view that the status of health insurance for older persons is critical.

- More than 1/4<sup>th</sup> elderly respondents, i.e. 25.8% elderly feel that health insurance schemes for old age are satisfactory.

- 15.8% elderly respondents their ignorance about the status of health insurance schemes for older persons in India.

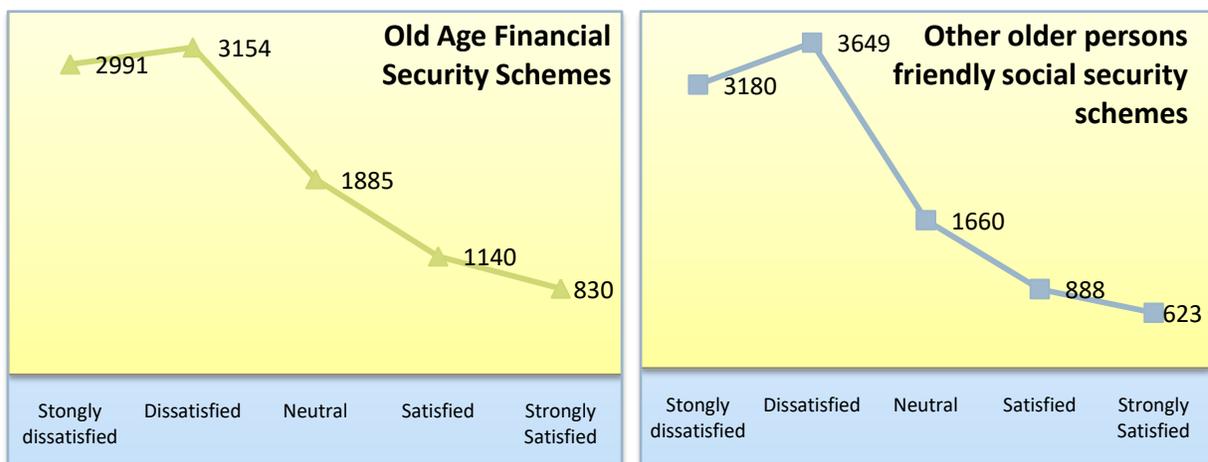


Chart 15



- 36.9% elderly respondents said that in their opinion disability benefit schemes are not satisfactory in India, while 46.7% elderly respondents opined that there are provisions for disability benefit in old age and such schemes are doing well in our country.
- According to every second elderly respondent, medical benefit schemes and provisions for older persons in India are not adequate. Only 35% elderly claimed that status of medical benefit schemes for older persons is satisfactory.
- When sample respondents were asked to express their views on old age financial security schemes in India, 61% (29.9% strongly disagree & 31.5% disagree) said that they are not satisfied with the fact that status of old age financial security schemes is satisfactory.

Chart 16



- Less than 20% elderly respondents found satisfied with the existing old age financial security schemes in India.



- Expressing their views on other older persons friendly social security schemes, 68.2% elderly respondents reportedly claimed that they are not satisfied with these schemes, while 15.1% elderly were happy / satisfied with older persons friendly social security schemes, other than mentioned above.

## Status of Skills Training for Older Persons in India

- Approx. 82.5% respondents were found to be digitally and computer illiterate (72% elderly men & 92% elderly women).

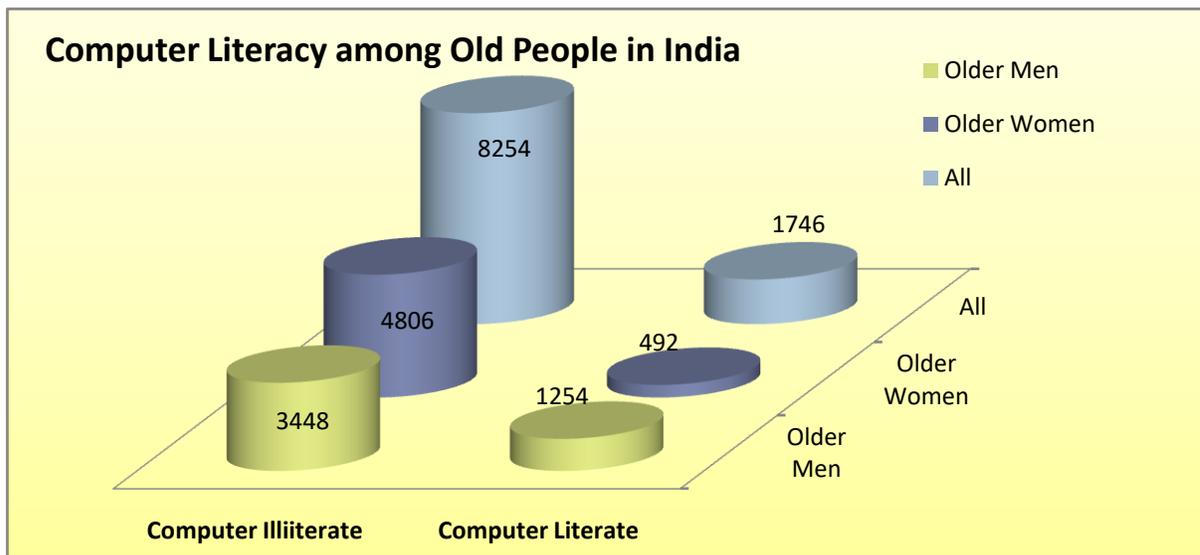


Chart 17

- 58.5% elderly shown their interest in Digital literacy program (74% elderly men and 48% elderly women)
- Approximately 51% respondents claimed that there are hardly any facilities where they can learn computer applications and get digital training. Another 44.6% claimed that they have no idea about facilities where they can get digital training.

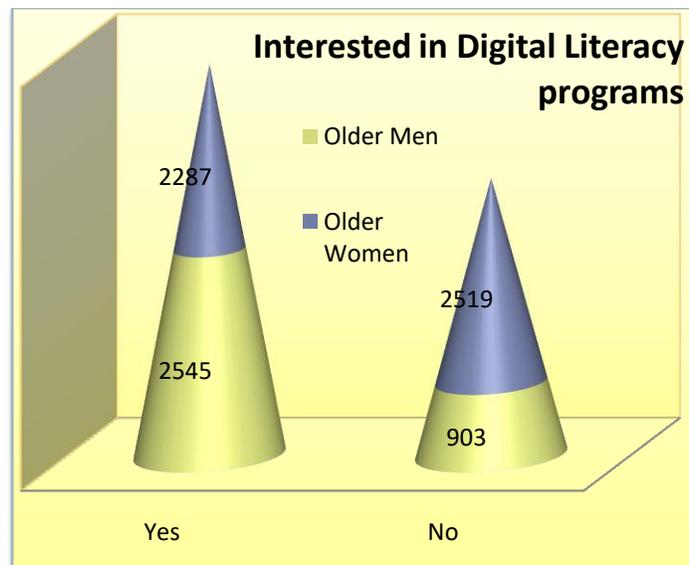


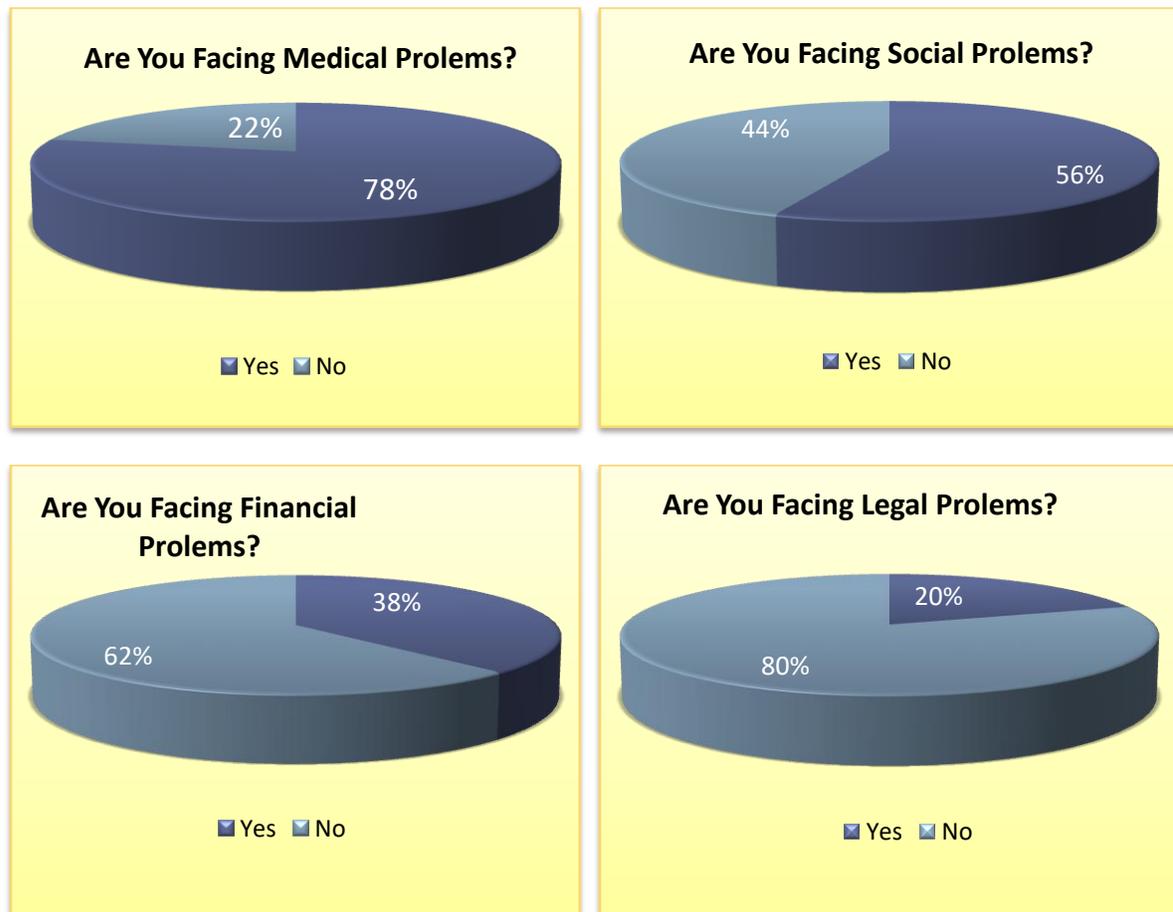
Chart 18



## Major Problems In Old Age

- Study was also focused on major problems of older persons.
- Almost 4/5<sup>th</sup> (48.5%) of respondents shared the fact that their major problems were related to medical and healthcare.
- 56% elderly respondents claimed that their major old age problems were related to social issues.
- More than 1/3<sup>rd</sup> (37%) respondents have been facing problems primarily due to financial issues.
- Every fifth older person (20% elderly respondents) was found to be disturbed primarily due to legal matters and cases pending in various courts.

Chart 19



# Representative Statements

*"We (me and my wife) are facing a very tough time in our old age. Both of us worked as agricultural labour throughout our life. We are not able to work in fields now. Hence we have no regular source of income except small old age pension from government and paltry money from our sons, who are settled in cities. Due to poor financial condition I cannot afford regular checkups and medicines for my wife, who is a sugar patient."*

-Shiv Pujan Yadav, 69, Gorakhpur, UP

*"I am 80-year-old widow and now totally dependent on my widow pension as my family members rarely support my daily requirements food and medicines. But I find it very hard to live without money when there is a delay in my disbursement of my pension amount in my account. Generally, I have to wait for more than 3 months to get my personal money."*

Meerabai Meena , Banswada, Rajasthan

*After retirement I had enough money with me in my bank accounts. But within a few years I had to spend all my savings on my unsettled children and my medical treatment. I tried my best to find any suitable job for myself, so that I could earn some money. But despite all efforts, I failed as there were no jobs for senior citizens. Now my family members are also ignoring my needs and requirements. It has become very hard for me to live without virtually no social and financial security."*

Satish Kukreja, 72, Dwarka, New Delhi



# Observations

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- Majority of older persons, particularly in rural areas, suffer from lack of access to money and poor financial status is a major factor responsible for their miserable condition in old age. However, on a positive note the overall financial status of the older persons is gradually improving in the urban areas.
- It is observed that particularly those older persons who have some kind of social/financial security in old age, are looked after well by their children. But with increasing life cycle and long old age most children find it challenging (in large number of cases) or they are unable to care for older people within the family because of their own growing age and ever-increasing responsibilities towards their own children, etc. Therefore, ageing elderly are increasingly marginalized / isolated to a large extent. Due to lesser social security, majority of elderly (70+) lead lonely / neglected and miserable lives and some of them have to live in inhuman circumstances/conditions.
- It is observed that in spite of availability of several social security schemes and social protection floors at different levels, most elderly people, particularly older people above 80, are not capable enough to avail available benefits due to many hindrances including lack of transportation facilities, lack of caregivers and also lack of awareness about the schemes being run for the wellbeing of older persons.



## Conclusion

In India, there is an urgent need to develop country's own Uniform Social Security Floor specifically for old people based on its resources, requirements and socio economic realities. In this process, affordability and sustainability of social security measures should be taken into consideration.

There is a growing need for interventions to ensure income security for older persons and to create a policy to meet their needs which can be achieved by strengthening the social and political support at different levels.

Ensuring social security in old age for its population is one of the major challenges before Government of India that cannot be addressed only by making budgetary provisions from time to time. For overcoming such ever-growing challenges, government must also focus on some out of the box measures and devise continuing strategies. As suggested by many respondents, some of these measures can be as per the following;

- Making older persons, particularly younger old people (60-75) productive through creating / promoting / supporting gainful engagement opportunities in various sectors like service, trade, industry and agriculture
- Promoting and incentivizing traditional joint family system so that older persons, in need, could be looked after by their younger family members in old age
- Encouraging / incentivize younger people / general public to look after their ageing parents/grand-parents and take care of them.
- Creating awareness and sensitizing younger generations about needs & rights of older persons at different levels through traditional and social media. Inclusion of such topics in the academic curriculums could be effective and useful.



Government policies and our social norms are not at par so far as social security in old age is concerned. In India situation of social security schemes is very depressing. Government should focus on social security schemes keeping in view of fast increasing population of older persons. At the same time, there should be some in-built social structures/systems within the social fabric of society so that older persons can lead an untroubled life in old age.



# Recommendations

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**To ensure social security for people in old age, concerned stakeholders need to focus on the following issues:**

- Maximum coverage under existing and/or new social security schemes
- Medical as well as life insurance till end of life to provide medical and financial security in old age
- Wide spread coverage of properties, movable/immovable under general insurance schemes on concessional rates for older persons
- Positive environment for financial planning from younger age so that they can earn ensured income in old age
- Spreading awareness about medicines and healthcare equipment beneficial to them in old age, particularly in rural and semi-urban areas
- Dedicated healthcare facilities, particularly in rural and semi-urban areas
- Old age pension amount should be benchmarked to the increasing cost of living
- Provisions for tax incentives for employees who are looking after dependant senior citizens.
- Provisions for dependent ageing parents allowance for employees in government/public sector.
- Financial incentive for setting up network of Caregivers for Older Persons at block level to look after older persons living alone
- Specially designed Self-Employment Scheme for the aged
- Setting up of a National Institute for Promotion of Entrepreneurship amongst the Retired and Aged.



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**Agewell Foundation**

(In Special Consultative Status with the ECOSOC at United Nations since 2011)  
-Associated NGO Status with UN-DPI-

M-8A, Lajpat Nagar-II,  
New Delhi-110024, India  
+9111-29836486, 29840484  
agewellfoundation@gmail.com  
[www.agewellfoundation.org](http://www.agewellfoundation.org)  
<https://www.facebook.com/AgewellFoundation/>

