Abstract of the thesis

Demographic transition in India has induced major age structure changes causing an unprecedented increase in the share of population particularly, 60 years and above. United Nations projections indicated that the size of 60 plus population is expected to hover at around 100 million or more by the end of this decade with the steady increase in the life expectancy for elderly. The elderly population is increasing not only in absolute numbers, but as a share of the total population in the most of the countries in the world. The effect of population aging on consumption is becoming an increasingly important area of concern to economists and public policy makers. The shift in the age distribution of the population is likely to result in a significant change in expenditure patterns of India’s population as a whole. The relative share of expenditure by elderly consumers will also increase due to the fact that the proportion of elderly consumers is rapidly increasing. It is important to recognize differences between expenditures of the elderly, the adults and children over time in order to implement appropriate public policies to help elderly consumers. If changes occur without being predicted and thus without appropriate public policies, shortages of goods and services needed by the elderly may occur. Moreover, not much empirical research on changing age-sex composition and consumption pattern has been done in the Indian context.

The key objectives of this study were to understand the changing household age-sex composition and the pattern of food, non-food, education and health care expenditure in India and its regions. The analysis was based on secondary data from NSSO household consumer expenditure survey for the 49th (1993), 55th (1999-00) and 64th (2007-08) rounds with sample of 29995, 120309 and 50297 households with 149826, 600016 and 242369 individual members for 1993, 1999-00 and 2007-08 respectively. Expenditure data for the year 1999-00 and 2007-08 were adjusted to the price of 1993. The total household expenditure was calculated by adding the expenditure on different items related to food, education, healthcare and non-food for last 30 days prior to the survey for each of the aforesaid survey. Age of the Individual’s were divided into three groups, 0-14 (children), 15-59 (adults) and 60 and above (elderly). Regression approach was used for allocation of household expenditure to individual members. Methodologies adopted for data analysis are Bivariate Analyses, Graphical Analysis, Linear Regression Analysis, Partial Association, Log Variance Analysis, Multilevel Analysis and Decomposition Analysis.

Results show that in India household size has been declining and average age of members has been increasing over time. Proportion of child population has considerably declined with the steady increase in the proportion of adult and elderly population. In addition to the change in age composition the proportion of female population has also increased over the period. Household share for food expenditure has declined and but have increased for non-food, health and education. Particularly, the share for non-food and educational expenditure has increased considerably. With the change in age-sex composition the expenditure pattern has also changed from 1993 to 2007-08. Among the children household share for food, non-food, education and health expenditure has reduced, however, for adults and elderly the share has raised over time. Household spending on higher education has increased more than twenty times in 2007-08 than 1993. Health care expenditure on elderly is relatively high and increased over time as compared to the children and adults. Household share for health, food and non-food expenditure in all the regions have changed over time and increased for elderly. The increasing elderly population composition and increasing household share of food, no-food and health expenditure among them need expansion of social and community services for older persons as most of the elderly in India are economically dependent.