CHAPTER – IV

SOCIAL SECURITY IN SELECTED COUNTRIES

The arrangement for providing social security to the elderly is Asian countries are extremely diverse. In some countries there is practically no provision for social security for the elderly while in some other countries the entire population is covered under highly sophisticated arrangements. In between these extremes there are countries where provident fund or pension provisions exist for selected groups of people.

4.1 Social Security in Bangladesh

In Bangladesh, traditionally, the responsibility for the welfare of the elderly lies with their children and the State has virtually no obligation to provide for the elderly. Culture demands that a son, preferably the eldest son, should look after his parents in their old age. This system therefore provides that elderly persons should co-reside with their sons. Daughters are considered to be temporary guests in the family. They are married off when they reach the appropriate age. According to prevailing social norms, even if a daughter wants, she is not expected to directly look after her parents or have her parents live with her.

The traditional system of inter-generational co-residence is said to be widespread in Bangladesh. Bangladesh gives evidence that the majority of elderly people continue to live within extended family settings both in rural and urban areas, though there may be variations by sex, area of residence and the socio-economic situation of the elderly and social changes have not eroded the significance of the joint family.

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It is said that the kind of social security system that exists for the elderly in many high income countries is not a viable option for Bangladesh in the foreseeable future. With large sections of other population groups drawing upon the already constrained financial resources of the country, the elderly are not perceived to be a priority group for government support.

The Constitution of Bangladesh, however, provides that the needy elderly people have a right to social security. In the fourth Five Year Plan (1990-95) the first financial allocation of Taka 5 million was made for the welfare of the elderly under the jurisdiction of the Ministry of Social Welfare. A National Committee of Ageing was formed at the government level to look after the welfare of the elderly.

4.1.1 Oldage Homes

Provision was also made for setting up six oldage homes called “Shanti Nibash” for old people in need of social support. Under the programme poor elderly persons of more than 60 years of age with none to take care of them will be admitted to the “Shanty Nibash” with greater priority to women in the ratio of forty male and 60 female. They will be provided shelter, clothing, food, medical treatment including medicines free of cost. The aged people having no kith and kin will be buried after death at the cost of the “Shanti Nibash”. There will be a management committee for each Nibash to look after the admission and day to day management of the homes.

Depending on the physical conditions and ability of the persons they will be given training to enable them to be engaged in gainful activities. There will also be facilities for recreation for the elderly housed in the Homes. One such home has been set up so far.
4.2.2 The Multi-tiered System

There are broadly three main kinds of pension schemes in China, the pension scheme for civil servants and employees of public institutions, the voluntary rural pension scheme and the basic pension scheme for urban workers.

In the urban area, the public pension insurance of the enterprise employees is administered by the governments at different levels. Besides the formal old-age insurance for salary and waged workers, the means-tested benefits are also provided as minimum living protection for the elderly without any source of income.

In the rural areas, the individual accumulated savings system mainly provides the basic old-age protection with family support supplemented by social assistance schemes.

4.2.3 Pension scheme for civil servants and employees of public institutions

The budget financed pension scheme for civil servant and employees of public institution covers nearly 30 million people. Military personnel have a similar but independent pension scheme. The rate of pension is determined on the basis of the individual’s salary and the period of service rendered by him. In recent years, there is a move to reduce the liability of the government by covering certain categories of such employees under the basic pension scheme for urban workers.

4.2.4 The Basic pension Scheme for Urban Workers

The basic pension scheme for urban workers, which combines social pooling with individual account, is based on the 1986 State Council Decision on establishing a Unified Basic Oldage Insurance system for enterprise
workers. It covers all kinds of enterprises with foreign investment, Chinese urban enterprises and public institutions managed as enterprises (as well as self-employed workers in certain places at the discretion of each provincial government). The scheme covered around 106 million people i.e. 90 per cent of the targeted population, in 2001.

The basic pension fund is pooled at the provincial level and the contribution rate varies from one province to another. In May 2001, the nationwide average pension contribution rate reached 22 percent of payroll for employers and 5 per cent for employees.

An individual account equivalent to 11 per cent of payroll is established for each worker. It is composed of the total individual contribution and a supplement from the employers' contribution. The rest of the employers' contribution, an average of 16 per cent, goes into the local pooling fund.

Upon reaching retirement age, which is 60 for male and 50 for females workers an employee with at least 15 years of contribution is entitled to a two component pension. The first component is the universal flat rate benefit, which is fixed at 20 per cent of the regional average wage of the previous year and disbursed from the pooling fund. The second is the individual account pension benefit which is 1/120 of the accumulation in the employee's individual account. The target replacement rate for a retiree with 35 years of contribution is 58.5 per cent.

The individual account pension is paid to the retiree throughout his or her lifetime although theoretically the account's accumulation is only sufficient for ten years' payment. If the retiree dies within ten years any remaining balance in the account can be transferred to his or her beneficiary.
4.2.5 Rural Pension Scheme

The rural pension scheme, which was introduced in 1991, is a voluntary scheme based on contributions by the individuals living in rural areas, supplemented by a collective subsidy. An individual account is established for each participant to which his contributions are credited. The individual will be entitled to a benefit based on the accumulation in the account on attaining the age of 60. From 2001, after ten years from the date of introduction, the scheme covers around 61.69 million rural people from more than 200 countries. The total amount accumulated in the rural pension fund was 19.55 billion yuan. The scheme is administered by country level rural social insurance organization. There is currently a move to privatize the scheme.

4.2.6 Community – based Care Services

Income security through pension schemes is supplemented by community based services for taking care of the elderly.

The community care policies were first launched in the 1980s. Since then, through the efforts by the local community care establishment, over 5,000 community service centres and over one million residents convenience stations have been set up all over the country, 85 per cent of these facilities provides service to the elderly. The main programs of the community care system are as follows.

a. Daily care services: including feeding, haircutting, housework, shopping and assistance in communicating with family members; repair of household appliances, tailoring, etc.,

b. Health care including medical care, physical check-up, emergency service, rehabilitation service; home consulting, mobile out-patient
service, provision of family hospital beds, mutual cooperative health program in rural areas etc;

c. Cultural activities including entertainment including fashion show, dancing, TV supply of newspapers, games like chess and cards; life long leaning program with 13,000 Old age Universities teaching English language, computer, history family education, calligraphy, painting and cooking courses (there are presently more than one million elderly students undergoing these courses); and

d. Re-employment; Providing job development, job counselling and job placement to help the younger elderly more employable.

4.2.7 Legislative Development

Since the 1950s, a series of laws have been enacted for the protection of the elderly. In August 1996, the Law of Protecting the Rights of the Elderly of the People’s Republic of China was enacted. This law defines the rights of the elderly and provides that the families are mainly responsible for the care of the elderly and that the members of the family should perform the duties to take care of the older persons in their families.

4.3 Social Security in Indonesia

In Indonesia, oldage disability and survivor benefits are provided in three ways – Government employees are entitled to pension and the employees in the private sector are covered partly under a provident fund scheme and partly under private pension schemes.

Public Sector

The Government Civilian Employees are entitled to these benefits under the Savings and Insurance Scheme. The scheme provides for
1. pensions calculated To the final monthly salary at the rate of 2.5 percent of basic salary per year of services.

2. lump sum payment of 16.5 months salary on retirement or earlier death;

3. On death of the employee, before or after retirement, a monthly pension is paid to the widow or widower (or to the children if there is no spouse).

Pension are adjusted to the variations in the Consumer Price Index at the same time and on the same basis as the earnings of employees still in service.

The employees contribute a total of 8 per cent of earnings (4.75 per cent for pensions and 3.25 per cent of lump sum payments) for these benefits.

Expenditure on lump sum benefits and the cost of 22.5 per cent of pension benefits are met from the employee contributions and income derived from those contribution. The balance is met by government.

Administration of the scheme is the responsibility of the Ministry of Finance. It is run by an organisation called P.T Taspen.

This scheme is building up considerable unfunded liabilities. It has been projected that pensions which account for about 30 per cent of the civil service wage bill will increase to 70 per cent by 2020.

Taspen is currently one of the most important investor in the Indonesian financial markets and owns one third of the country’s pension assets. It suffered some reverses in the recent financial crisis and is now building up its reserves. The scheme has the following weaknesses.
i. Labor mobility is inhibited by the limited vesting rights; civil servants who leave before age 50 lose all pension rights including their own contributions.

ii. Pension is based on the final month’s earnings rather than related to a longer period of earnings and this may not reflect normal earnings patterns.

iii. The pension scheme for the Armed Forces has a structure similar to the civilian scheme.

iv. Administration of that Scheme is the responsibility of the Ministry of Defense. It is run by PT Asabri.

4.3.2 Private Sector: Provident Fund Scheme

Private sector employees are governed by a provident fund scheme. It is applicable to workers in the formal sector including the employees of State owned enterprises.

The scheme is applicable to all establishment employing 10 or more persons on a monthly payroll of Rupiah 1 million or more.

Under the Scheme employers contribute 3.7 percent and workers contribute 2 percent of their earnings. These contributions are credited into individual accounts of the workers.

The accumulations in these accounts are paid back with interest on retirement at age 55 or earlier in the event of invalidity, death or migration. Members who have at least 5.5 years membership can also withdraw the balance in their account if they become unemployed.

The scheme is administrated by PT Jamsostek a public limited company with government owning 100% shares. There is a tripartite board of
commissioners (5 persons) answerable to the Minister of Manpower on technical and policy matters and to the Minister of Finance on financial matters. It is aimed at formal sector workers in the private sector and employees in State owned enterprises.

As at the end of 1998, Jamsostek had registered 14.9 million insured persons and 82544 employers, covering only 50 per cent of the formal sector labor force and 13 per cent of the national labour force. In particular those excluded are those who work for small employers. Approximately 80 per cent of the investible funds are invested in time deposits in banks.

4.3.3 Private Sector Private Pension Schemes

Law 11.92 on Pension Funds provides a legal and regulatory framework for the development of Employers Pension Funds and Financial Institution Pension funds under the supervision of the Ministry of Finance. By the end of 1997 approximately 1.2 million employee were members of such Funds.

Although private schemes and arrangements based on collective agreements have existed for some years the implementation of the Law 11/92 on Pension Funds was a major advance in the development of social protection in the area of pensions. The Act regulates the structure and operation of Employers Pension funds administered by employers through Foundations and Financial Institution Pension Funds operated by commercial insurance companies or banks. All such funds are required to be registered with the Ministry of Finance.

As on 31st December 1997, there were 311 EPFs covering 1,046,869 active members and 44,034 beneficiaries. Of these 242 schemes were defined benefit schemes and they were required to provide pension with an accrual rate per year of service not greater than 2.5 per cent and a maximum replacement rate of 80 per cent of monthly salary.
According to these schemes retirement age is 55 with provision for early retirement between 46 and 55.

Widows and widowers are eligible for pension benefits on the death of an insured person whether before or after retirement.

Members who leave service with less than three years of membership can be refunded their contributions plus interest. If they have more than 3 years of service there is provision for a deferred pension. If separation takes place more than 10 years before retirement pension rights can be transferred to another EPF or FIPF.

Employers contribution to the EPFs are determined by actuarial valuation and employers contributions must be 7.5 percent of pensionable earnings or three times the accrual rate times of pensionable earnings whichever is the lesser. Contribution are tax deductible while pension benefits are taxable income.

As on 31st December 1997, 24 banks and insurance companies were operating FIPFs in respect of 150,000 active participants. The benefit structure is similar to that of EPFs.

Both EPFs and FIPFs are fully funded and thus play an important role in the Indonesian financial markets in spite of the relatively small number of schemes. Total assets of the EPFs as on 31st Dec 1997 were Rp 15,812 million and of FIFPs 388,000.

About 10 percent of the formal sector labour force is covered by these schemes. It appears that many employers find them unattractive for a variety of reasons. Many employers have only a small labor force with high rate of turnover and view participation in a pension fund as a costly and time consuming burden; particularly when employees are already covered by
mandatory public schemes such as Jamostek and by labor legislation for severance payments among the rules that make pensions unattractive to employers are:

a. Funding of pension obligations through a separate foundation

b. Vesting of pension benefits after a short period of employment

c. Low retirement age of 55.

d. 80 per cent of benefits are paid in the form of an annuity even when the amount is small.

e. Unfavourable tax treatment.

Private pension funds have become a policy option for Ministry of Finance not only to improve pension protection for employees but also to strengthen the capital markets by ensuring significant growth in the volume of investments by private pension funds.

4.4. Social Security in South Korea

There are Several Public Pension Scheme in Korea. These are

i. The National Pension Scheme

ii. The Government Employees Pension Scheme

iii. The Military personal Pension Scheme

iv. Private School Teachers Pension Scheme

v. Specially designated Post office Employees Pension Scheme.
4.4.1 National Pension Scheme

The National Pension Scheme, the most important one, was established under the National Welfare Pension Act, 1973 which was later called the National Pension Act in 1988. Initially, the National Pension Scheme was applicable to those working in workplaces with more than 10 full time employees (1992), farmers and fishermen (July 1995) and urban citizens (April 1999) and eventually to the entire population satisfying the general coverage criteria except those covered under special schemes mentioned above. foreigners residing in Korea are also covered under the schemes since 1995. The general coverage criteria are age and residence. Income is not a relevant criterion.

The scheme envisages four classes of members. Accordingly, all residents in Korea from 18 to > 60 years, regardless of their income are covered under the scheme. The pensions covered under the scheme are classified as follows.

i. Workplace based insured persons

ii. Individually insured persons

iii. Voluntarily insured persons (Those who are not subject to mandatory coverage but who are covered on their application)

iv. Voluntarily and Continuously insured persons (The current and former insured persons will lose his or her insured status upon reaching the age of 60 but those with less than a 20 year insured period may continue their participation in the scheme if they apply to do so).

The National Pension Scheme is designed to assure a minimum income regardless of previous income levels. The pension benefit under the scheme is
based on the average income of all insured persons. Thus the income replacement rate is set higher than the previous income in some cases while it is set lower than their previous income in other cases. This is done with the object of achieving redistribution of income so that those who were at a high income level help to raise the post-retirement income of those who were at a low income level. The benefit amount in any case is also proportional to the average income over one’s total insured period on which his / her contributions are paid.

The income level secured by the scheme is about 60 per cent of average income of an average income earnings with a 40 years insured period. The real value of benefit is maintained by applying consumer price index to benefit amount every year.

The National Pension Scheme is a social insurance scheme. The scheme is financed by contribution from the insured persons and their employers. The contributions of workplace based insured person are shared equally by the employer and the employees. In the case of individually insured persons including voluntarily insured persons and voluntarily and continuously insured persons the contributions are paid by the respective individuals alone. Government provides financial support temporarily for some portion of contributions payable by farmers and fishermen. The administrative cost of the scheme is also borne partially by the State.

The scheme provides for enhancement of the rates of contributions progressively so that the future generations contribute more than the current generation. This represents the intergenerational redistributive element in the scheme. The rates are revised once every five years, taking into account all relevant factors.

The rate of contribution for work placed insured persons was fixed initially at 3 per cent; it was raised to 6 per cent in 1993 and to 9 per cent in
1998, shared equally by the employer (4.5 per cent) and the employee (4.5 per cent).

The contribution rate for individually insured persons and voluntarily and continuously individually insured persons was 3% from July 1995 to June 2000; it is being enhanced by 1 per cent annually thereafter so that it is expected to reach 9 per cent by July 2005.

In the case of farmers and fishermen the rates of contributions are fixed in a graded manner, there being altogether 45 grades and government’s subsidy is limited to one third of the contribution at the lowest grade.

Persons who cannot pay contributions or have difficulty in paying it because of lack of or low income are exempted from paying contributions.

The National Pensions fund is a partially funded system.

It is a defined benefit system provided for gradual increase in the rates of contributions.

It mitigates the burden on the future generations by using profits gained from the fund as benefit expenditure when the scheme matures.

The minimum insurance period for oldage pension is 10 years. Those who do not meet this requirement can extend their insured period and acquire the right to benefit by making contributions on a voluntary basis. In addition the insured persons are given opportunities to convert a period of non-contribution – a period of exception of contributions payment or a period for which lumpsum refund is made – to an insured period.

There is a Special Oldage pension scheme for persons who attain the age of 60 without meeting the minimum insured period requirement. In such cases the minimum insured period for the title to pension is 5 years.
In the case of disability or survivor pension there is no requirement of minimum insured period and pension benefits may be paid in the event of disability or death during ones insured period.

A scheme of divided pension has been introduced to provide income protection to non-income earning spouses, mainly housewives, who are not mandatorily covered under the scheme.

There is no age limit for a female spouse for receiving survivor pension benefits.

4.5. Social Security in Malaysia

As in other countries of Asia, the family is the main bulwark for the welfare of the aged people in Malaysia both in monetary terms and in the provision of social care. At present it is common practice for the aged parents to co-reside with their adult children. Data drawn from the Second Malaysian Family Life Survey (MFLS-2) (1993) indicate that more than two thirds of Malaysians aged over 60 co-reside with their adult children. There are also economic incentives to continue the practice. Adult children who live with their parents enjoy a tax rebate of RM 1000, there is provision for tax deduction up to RM1000 for medical expenses incurred by adult children for the care of elderly parents and a further tax deduction up to RM 1000 for purchase of necessary equipment for disabled persons. However the dual processes of rapid industrialization and urbanization resulting in growing dispersion of people and reduction in family size have had a detrimental effect on the ability of the family to offer support to the elderly people. It has necessitated the development of formal systems of social security.
4.5.1 Employed Provident Fund

The most important sources of non-familial support for the elderly in Malaysia is the Employees Provident Fund (EPF)

EPF plays a central role in the provisions of income security for the elderly in Malaysia. It is a publicity mandated savings plan with contributions shared between employers and employees. It was established under the EPF Act 1951. It is said to be the oldest provident fund in the world.

The Scheme is fully funded. The main role of the EPF is to provide financial security to its members after retirement. All employees irrespective of the size of their employers business, are covered by the scheme. Contributions are made by the employers as well as the employees to the EPF. The current rates of contribution are; 12 per cent by employers and 11 per cent by employees. The contributions of each member is placed in three separate dedicated accounts.

Account No.1. At present 60 per cent of the contributions are deposited in Account I. The amount credited to this account may be withdrawn after the member has attained the age 55 in any of the following ways:

- The entire amount may be withdrawn in one single lump sum.

- The amount may be withdrawn partly lump sum, partly by means of periodical payments.

- The dividend may be drawn periodically leaving the balance in the Account

Account No.II: 30 percent of the contribution are deposited in Account II. The amount credited to this account may be withdrawn at any time for the purpose of building a house or the payment of housing loans. The balance in this
account, that is total contributions plus compound interest less the amount utilized for housing may be withdrawn at age 50.

**Account No.III:** The remaining 10 per cent of the contributions is credited to Account No.III. The amount lying in this account may be utilized to meet the costs of defined critical medical treatment.

The total balance in the individual accounts can be withdrawn in the following circumstances:

- On death
- In the event of incapacitation
- On emigration; and
- On attaining the age of 55

Any option to take a phased withdrawal of the balance at age 55 for a term of 5,10,15 or 20 years is available subject to a minimum balance of RM 12000 and a minimum payment of RM 200 per month.

**4.5.2 Supplementary Death and Incapacitation Benefits**

In the event of death or incapacity an additional lump sum benefit is payable subject to a minimum of RM 1000 and a maximum of RM 30,000. The amount payable, in any case, is obtained by application of formula. It is paid out of the investment income accruing to the Fund.

**4.5.3 Coverage**

As at the end of 1997 the EPF had 8.3 million members of whom an estimated five million members were active contributors. the coverage represents roughly 55 per cent of the labor force.
4.5.4 Investments

Under the 1991 Act, the EPF can invest its funds in certain approved securities.

• Bank Negara or a licensed bank of financial institution:

• Shares of a public company listed on the Malaysian Stock Exchange;

• Debentures of any public company;

• Bonds mortgage papers etc., within the meaning of the Bills of exchange Act;

• Investments permitted under the Trustee Act;

• Loans to the Federal or a State government;

• Loans to members of the Fund for purchasing or building a house; and

• Loans and shares of an approved company

Subject to written permission form the Minister, the fund may be invested in:

• Any bank of financial institutions

• A joint venture or privatization programme;

• Loans to any company or corporation; and

• Any investment outside Malaysia

The investment is subject to the condition that at least 50 per cent of the annual investments and 70 per cent of the total investments at any time should
be in Malaysian Government Securities. These percentages may be varied by the Minister.

Interest on the balances in the EPF, which is called dividend, is calculated on a compound basis and is paid annually. The rate of dividend is determined by the EPF Board, subject to approval of the Minister of Finance. Under the Act the dividend cannot be less than 2.5 per cent. The real rate of return, that which has exceeded the increase in the CPI, has consistently been positive.

4.5.5 Administration

The EPF is administered by a tripartite Board. The Board has appointed a committee to oversee investments. The day to day administration of the Fund is the responsibility of the General Manager. The EPF maintains a high degree of efficiency in the management of accounts. Its operative costs amount to less than 3 per cent of total revenue.

4.6 Social Security in Nepal.

The concept of social security in Nepal is gradually shifting from the realm of the society to the State. Traditionally, the society including the extended joint family system and the community, had performed the role of the social security providers in Nepal. Women, children, the aged and the disabled people were all taken care of by the kith and kin belonging to the joint family system. People still look to that system as the basic source of social security. But in the process of modernization the country has given up the old tradition without accepting the modern norms of social security. The country is passing through a transitional phase.
The law relating to government employee provides for payment of pension to them on their retirement from service, the maximum pension being 50 per cent of the pay last drawn.

In the case of industrial labour there is provision of provident fund. The employers as well as the employees contribute to the provident fund 10 per cent of the wages payable to the workers. They are also entitled to gratuity.

- Senior citizens will be classified into two categories for purposes of giving them assistance; viz., those who are in the age group of 70-75 and those who are above the age of 75.

- Senior citizens, helpless widows and disabled people will be classified into different categories on the basis of certain economic criteria. Degree of vulnerability will be the basis for coverage under the scheme for payment of the allowance under the social assistance programme.

- All zonal hospitals will have geriatric wards.

- Senior citizens will be treated in all the hospitals and health centres at subsidized rates.

- Efforts will be made to obtain concessions in the fees charged by private institutions for treatment of senior citizens.

- Arrangements will be made to organize mobile health services for the benefits of the aged people.

- Oldage Homes will be established in all regions, keeping in view the welfare of senior citizens. NGOs and private entrepreneurs will be encouraged to set up oldage homes.

- Income generating activities will be promoted to suit the skill, knowledge and aptitude of the senior citizens.
• The experience of the senior will be utilized in all national building activities to the extend possible.

• Senior citizens will be given concessions in public transport.

In terms of this policy the Government is implementing the following programmes;

A monthly allowance of Rs.150 is being paid to persons who are of the age of 75 or more and a monthly allowance of Rs.100 is being paid to widows of the age of 60 or more.

Government is running an elderly home in Kathmandu with 180 inmates. Government is giving financial assistance to about ten NGOs for establishing and maintaining oldage homes

4.7 Social Security in Pakistan

There are sixty eight labour laws in Pakistan of which the following laws relate to social security.


3. The workers welfare Fund Ordinance.


7. West Pakistan standing orders ordinance 1968.
The Oldage Benefits Scheme is the main pension scheme for workers. The scheme was launched in 1976 by the enactment of the Employees Oldage Benefit Act, 1976. The object of the scheme is to provide oldage benefits to persons employed in industrial, commercial and other organisations. The benefits include oldage pension invalidity pension, survivors' pension (widows' pension) and oldage grant. The scheme is applicable to establishments employing 10 or more persons including managerial and administrative personnel. There is a wage limit for application of the scheme. The current limit for contribution and benefits is Rs.3000 pm. A person once covered remains cover even if his wage exceeds the limit.

The scheme is financed through contribution by the employers and the Government. The rate of contribution by the employers is 5 per cent. Initially the Federal government was also contributing at the same rate. Government contribution has since been discontinued with effect from 1st July 1995. No contribution is payable by the employees. Thus at present only the employer is contributing to the scheme.

Initially, administration of the scheme was entrusted to the State Life Insurance Corporation of Pakistan. In 1981 the administration of the scheme was transferred to an independent tripartite Board of Trustees of which the Secretary, Federal Ministry of Labour is the President. The Scheme provides for the following benefits:

- Oldage Pension.
- Invalidity Pension.
- Survivors Pension.
- Oldage Grant.
Old age pension is subject to a minimum of Rs.630 per month (with effect from 1st January 2000) and a maximum of Rs. 2400 per month.

As on 30th June 2000, the Board had registered 42,479 employers and 1.52 million employees. The amount of contributions collected was Rs.13,293 million. The total number of pensioners was 173,362.

The total amount of pension disbursed up to June 2000 was Rs.6,146 million. The Institution was maintaining a fund of Rs.41,466 million and an investment portfolio of Rs.32,647 million on which it had earned an income of Rs.5,328 million. It is a life pension scheme. In case of death of the pensioner, including an invalidity pensioner, his pension is passed on to his widow or children. The survivor's pension is 100 per cent of the deceased worker's pension.

If an insured person is not survived by any spouse the survivors pension is paid to the children in equal shares till they attain the age of 18 or until marriage whichever is earlier. If there is no minor child of the deceased pensioner the survivors pension is paid to the surviving parents for five years.

There is provision for payment of survivors pension to the surviving parents of the deceased insured person if any, in case of death of the surviving spouse in receipt of survivors' pension if there are no minor children.

The oldage grant (gratuity) is payable in lump sum equal to one month's average wage for every completed year of insurable employment. The period of employment qualifying for the gratuity is two years. The minimum oldage pension is Rs.630 per month and the maximum pension is Rs. 2400 per month. The survivors pension is equivalent to 100 per cent of the deceased pensioners pension.
The Scheme is reported to be under review by a high level committee headed by the Deputy Chairman of the Planning Commission of Pakistan. The Committee is said to be examining the following proposals:

a) Introduction of an Individual Pensions Account system for all employees working in private sector and extension of the Scheme in the form of Defined Contribution (Individual Pension Account) Scheme in a progressive manner to all employees presently not covered and self employed persons.

b) Extension of the scheme to all establishments employing even one employee.

c) Coverage of self-employed persons and other workers including agricultural workers.

d) Enhancement of the wage ceiling to Rs.5000.

e) Enhancement of the maximum pension to Rs.5000.

f) Indexation of the benefits

In order to meet the rising cost of the pension scheme it is proposed to raise the rates of contribution.

Eventually, every worker in an industry establishment or other organisation in the formal and informal sector will be covered under the proposed individual pension scheme or the scheme under the EOBI Act, 1976.

4.8 Social Security in Sri Lanka

State level concern for the older persons in Sri Lanka dated back to 1944 when a Social Service Commission under the Chairmanship of Sir Ivor
Jennings was appointed to look into their problems. It was probably the first country in the region to formulate a national policy for the elderly.

The Public Service Pension Scheme and the Employees Provident Fund provide social security for employees in the organized sector. Two other contributory schemes instituted by the Ministry of Social Welfare and by some banks expand the coverage base in this regard. The Ministry of Social Welfare introduced, in 1996, a Social Security and Pension Scheme for persons employed in the informal sector.

There are at present the following schemes for providing income security to the elderly:

4.8.1 Public Service Pension Scheme (PSPS)

The public servants who work on a permanent contract with the government are covered by the Scheme. They are generally entitled to a lump sum payment equivalent to an amount of 90 per cent of two years pension entitlement if they have worked for more than 30 years and 80 per cent if they have worked between 20-30 years. In addition they are entitled to a cash payment based on the period of service and the pay drawn. This payment is made for life.

4.8.2 Public Servants Provident fund Scheme (PSPF)

The officers of public, service who are not entitled to pension under the PSPS can become a member of the Public Service Provident Fund.

4.8.3 Local Government Officers Pension Scheme (LGOPS)

This scheme is designed for the benefit of the officers of Local Governments. It comprises of three sub-schemes:
(i) Local Government Service Pension Scheme; (ii) Local Government Service Widows and Orphans Pension Scheme; and

(ii) Local Government Service Widowers and Orphan Pension Scheme.

4.8.4 Employees Provident Fund

This is the most extensive social security scheme in the country. Around 1.8 million persons working in the private sector and semi-government sector are covered under the Scheme. Under this scheme the employers and the employees contribute to the fund an amount equal to 12 per cent and 8 per cent respectively of the monthly total earnings of an employee. When the employee retires from service after attaining a prescribed age he/she can withdraw the balance in the provident fund. The balance in the PF may also be withdrawn on the death or incapacitation of the employee.

4.8.5 Employees Trust Fund

Under this scheme the employers contribute an amount equal to 3% of the total earnings of an employee monthly. All the members of the EPF are eligible to be members of this Fund. The Scheme provides for an oldage benefit, invalidity benefit, sickness benefit and an unemployment benefit. The original objective of the fund was to promote employer ownership of equities. But this objective is no longer being served. There is therefore a duplication between the EPF and the ETF.

4.8.6 Approved Private Provident Funds

Under the EPF Act the Commissioner of Labour has the power to approve private provident funds for specific firms to cover its own employees. Employers and employees both contribute to the schemes. Rates vary from firm to firm but they cannot be lower than the rates at which contributions
have to be made to the EPF; At the end of 1998 there were 204 APPFs with 164,000 members.

4.9 Social Security in India

Social security is a basic human right. It is based on the principle that society has an obligation to provide livelihood to every one of its members by providing work to those who can work and by other means to those who cannot work. Right to work and right to social security are complementary social rights. The object of social security is thus to provide livelihood to those who cannot work and earn their living.

According to the Supreme Court, Right to Livelihood inherits the Right to Life a fundamental right enshrined in Article 21 of the Constitution of India.

The term livelihood is a broad expression comprehending all the necessities of life which enables a person "to live with human dignity", "including all those aspects of life which go to make a man's life meaningful, complete and worth living" which would be "something more than survival or animal existence."

4.9.1 Universal Versus Means Tested Systems of Social security

Social security for the elderly may be universal or means tested. In a country like India universal coverage may not be practical. A targeted approach is unavoidable. People in the middle and upper middle class, may not need social security. It is therefore desirable that social security programmes should concentrate on no income or low income groups of people.

The current thinking appears to be that every individual or group of individuals should make their own arrangements for meeting the various contingencies or risks of life. It should certainly be the primary objective of public policy to enable the individuals to make such arrangements. Every
society would, however, have many sections of people who cannot make such arrangements, known as the excluded categories—those who are excluded from enjoying the benefits of development and are dependent on society or the State for their protection. The Constitution requires that the State should make effective provision for securing the right to public assistance in such cases including the old the disabled and the incurably sick.

4.9.2 Strategies for Providing Social Security

There are various ways of providing social security of which the preferred ones are social assistance and social insurance. Actually different combinations of social assistance and social insurance schemes are in vogue in different countries.

Broadly speaking social insurance types of schemes will be appropriate in respect of those for whom contributions may be made by the beneficiaries themselves or others. In respect of those for whom no contributions can be recovered social security protection will have to be provided under social assistance schemes.

4.9.3 Multi-tiered System of Social Security

The appropriate strategy for providing social security in India, particularly for the elderly, therefore requires classification of the people according to their economic status.

From the point of view of social security first priority has to be given to people of the last category, namely the old, the infirm and the young persons who are destitute and constitute the liability of the State and the first charge on the resources of the State. Admittedly social security for this class of people has necessarily to be provided by means of social assistance.
Above this class are those for whom social security may be provided by means partly of social insurance and partly of social assistance. Next in the order would be those for whom social security may be provided entirely on a contributory basis. Above them would be those who do not need social security being able to make their own provision for meeting the contingencies that arise including oldage.

Thus the system of social security in India would consist of a multitiered structure. Indeed, there is already such a structure though in a rudimentary form. In the first tier there is the National Social Assistance Programme and other social assistance programmes. At the second tier there are the social insurance schemes, namely, the ESI Scheme, the Schemes framed under the EPF Act, the employers' liability schemes and such others. At the next level are the numerous voluntary health insurance and oldage pension schemes which are being run by LIC, GIC the UTI, and other financial institutions. Lately a new set of schemes have appeared on the scene and they are the welfare funds, subsidised insurance schemes, self help groups, micro-credit, micro-finance and micro-insurance schemes etc meant to provide social security to the workers in the unorganised sector. Each of these tiers needs to be expanded to cover the whole population, especially the vulnerable sections.

4.9.4 National Social Assistance Programme

The National Social Assistance Programme consists of three separate schemes, namely, the National Oldage Pension Scheme, the National Maternity Benefit Scheme and the National Family Benefit Scheme. We are here concerned with the National Oldage Pension Scheme.

4.9.5 National Old-age Pension Scheme

The National Oldage Pension Scheme provides for a pension of Rs.75. per month to the old people living in conditions of destitution. This rate
was fixed in 1995 and has not been revised since then despite the fact that the real value of the pension has been reduced by steadily rising prices. Some state governments have, however, on their own raised the level of old pension. Considering that the floor level of minimum wage suggested to the state governments for adoption by the Central Government is Rs.45 per day catering to three consumption units, the amount required for bare subsistence would be Rs.15 per day per person. By this reckoning the minimum amount required for subsistence would be Rs.450 per month per person. Granting that the amount of pension is usually limited to 50 per cent of the last wage drawn the amount of minimum pension cannot be less than Rs.225 per month. The rate of pension payable under the National Oldage Pension is therefore totally inadequate for the subsistence of the pensioners and needs to be raised.

There are broadly three criteria for eligibility to oldage pension:

a) Before the introduction of the NSAP the age limit varied from 60 to 65. It has now been made uniform at 65. A suggestion has been made to reduce it to 60.

b) Before the introduction of the NSAP, in all States except Kerala and Gujarat only the destitute old were eligible for the pension. 'Destitutes' were defined as those without any source of income and no relatives to support them. In Gujarat, however, it was provided that eligible persons should not have an income exceeding Rs. 300 per month individually or be a member of a family with an adult son the total income of which exceeds Rs. 1200. In Kerala, the relatives who support the applicant did not have a monthly income of more than Rs. 50. NSAP has allowed the States/ UTs to continue to follow the same income criteria for eligibility for oldage pension under the programme but the Central Government has reserved the right to review and to revise the criteria. No such review appears to have been done.
The income criteria for eligibility for the pensions calls for review and revision.

While destitution is the criterion for oldage pension, poverty is the criterion for other benefits under the NSAP. The Working Group on Social Security of the Economic Administration Reforms Commission had recommended that persons earning less than Rs. 2500 per annum (50 percent of the poverty line at 1975-80 prices) should be entitled to oldage pension. It is desirable that a similar criterion related to the poverty line should be adopted for the National Oldage Pension Scheme. Assuming that the estimated income at the poverty line is Rs. 16,000 per annum, the income ceiling for eligibility for oldage pension may be fixed at Rs. 8000 per annum.

4.9.6 Annapurna

Under another scheme called Annapurna, 10kgs of food grains per person per month free of cost will be provided to indigent senior citizens. Initially this benefit was admissible only to those persons who were eligible for oldage pension but were not presently receiving the pension and whose close children were not residing in the same village. Government has since decided that from November 2000 foodgrains will be allocated under the Annapurna Scheme to indigent old persons inclusive of those receiving old age pension from the State Governments.

The supply of foodgrains under this scheme can be regarded as supplementing the oldage pension.

4.9.7 Supply of Cloth

The Government of Tamilnadu has a scheme under which sarees and dhoties are supplied to indigent old people free of cost twice a year during Pongal and Deepavali.
It has been suggested that a similar scheme be introduced at the national level.

4.9.8 Integration of Schemes

It is further suggested that all such schemes may be suitably integrated so as to be complementary to each other and to meet all the basic needs of the people below the poverty line in cash or in kind. There are complaints about the implementation of the various social assistance schemes. They need to be addressed.

The ILO in its report on Social Protection for the Unorganised Sector has drawn attention to the following issues concerning implementation of social assistance schemes:

(i) to determine the criteria for eligibility (income, assets, nirdhar status etc.).

(ii) to improve targeting and delivery by:

(a) to assess the best modes of payment,

(b) to design a rigorous poverty assessment method that will be the base for fixing budget ceilings at the block level,

(c) to define a mechanism by which benefits can be adjusted for inflation, and

(iii) to link up social assistance programmes with other antipoverty programmes.

Action will have to be taken on all these lines.
4.9.9 Subsidised Insurance Schemes

One of the models for providing a measure of social security for workers in the unorganised sector is insurance. The Government of India as well as several state governments have launched a variety of subsidised insurance schemes for the benefit of the weaker sections of the people through the Life Insurance Corporation of India and the General Insurance Corporation of India. One of such schemes introduced through the LIC is Jeevan Suraksha a pension scheme. Another such scheme introduced through the GIC is Jeevan Arogya.

Recently, many of these schemes were discontinued and replaced by a new scheme called Janashree Bima Yojana. The new Scheme was introduced in August 2000. Under this scheme insurance benefit has been raised to Rs.20000 for natural death, Rs.25,000 for partial disability and Rs.50,000 for accidental death or permanent disability. The premium is Rs.200 which is subsidised to the extent of 50 per cent; the insured person has to pay a premium of Rs.100 per annum and the balance is paid out of the Social Security Fund maintained by the LIC.

The Government of India have also introduced another insurance scheme for the benefit of agricultural workers called Khetihar Mazdoor Bima Yojana. The introduction of this scheme was announced on 18th of May 2001 at the end of the inaugural session of the 37th Indian Labour Conference, and it is reported to have been actually launched with effect from July 1, 2001. The following benefits will be provided under the scheme.

(i) Lump sum payment of Rs. 20,000 on natural death.

(ii) Lump sum payment of Rs. 50,000 in case of death due to accident.

(iii) Lump sum payment of Rs. 50,000 in case of permanent disability or Rs. 25,000 in case of partial disability due to accident.
(iv) If the agricultural worker survives die age of 60 he will be entitled to a pension ranging from Rs. 100 to Rs. 1900 per month depending on age entry.

(v) In case of death after the age of 60

(vi) On death after commencement of pension the family will be paid a lump sum amount ranging from Rs.13,000 to Rs.2,50,000 depending on the age of entry to the scheme.

(vii) The insured person has to pay a premium of Rs. 1 per day or Rs. 365 per annum and the Central Government will pay double this amount, that is Rs 730 per annum.

The differential rates of subsidy payable under the two schemes may be open to the criticism of discrimination unless the distinction sought to be made between the different target groups can stand the test of reasonable classification. It is therefore desirable to rationalise the subsidised insurance scheme providing for a uniform rate of subsidy and for differential rates of contribution by the insured persons. The scheme will be administered by project societies to be set up.

It is also desirable to extend the application of the scheme to all classes of workers in the unorganised sector over a course of time if not immediately.

It has been the experience of Insurance companies in India that however low the rates of premium may be the take up of subsidised voluntary insurance policies has not been encouraging. There is no reason to believe that the response to the new insurance schemes introduced by the LIC will be better. It would therefore be necessary to make them mandatory by linking with the welfare funds or welfare boards so that the insured persons' share of the
premium is paid by the welfare fund as in the case of the groups insurance scheme for beedi workers.

**4.9.10 Pension Insurance Schemes**

In so far as workers in the organised sector are concerned retirement benefits are at present being provided through provident fund schemes. There are numerous provident fund schemes in India of which the Employees Provident Fund Scheme established under the Employees Provident Funds and Misc Provisions Act, 1952 is the largest in terms of the number of persons covered and the volume of the funds. The scheme provides for payment of contribution to the Provident Fund by the workers and their employers at a minimum of 10 per cent each. Some of the specified industries are required to pay contribution at a higher rate of 12 per cent. Till recently, the accumulation in the Provident Fund released on retirement was expected to provide income security in oldage. As however the average balance available in the individual Provident Fund accounts of the members at the time of retirement was found to be so small because of the provision permitting premature withdrawals from the fund for various purposes to be adequate to provide any such security. There was therefore a demand for introduction of a pension scheme. Eventually the EPF scheme was restructured and an Employees Pension scheme was established. The contribution of the employers to the extent of 8.33 per cent of wages are transferred to a pension fund established under the Employees Pension Scheme. This scheme has been in force for over six years and a large number of members of the PF are now drawing pension under the Scheme. The scheme is however not popular.

The EPS has also been criticised as not viable and that it is under-funded. The current decline in interest rates is making the scheme less and less viable. There are many suggestions for reform of the Employees Pension
Scheme. It seems necessary to have the scheme reviewed by an independent valuer and to put it on a sound footing.

4.9.11 Dave Committee Report

The Ministry of Social Justice set up a committee under the Chairmanship of SA Dave to suggest measures for providing income security in oldage to workers in the unorganised sector. The Committee has recommended the introduction of a new pension system based on individual contributions. The Government endorsed the so recommendations and asked the Insurance Regulatory and Development Authority to draw up a Pension Scheme on that basis.

The main thrust of the Dave committee report is that the State as well as the employers should be relieved of the responsibility for income security of the elderly and that the new pension system should be based on contributions by the insured persons themselves. What the committee has recommended is a voluntary private pension insurance scheme. There can be no objection to the introduction of a private insurance scheme which people have the option to join or not. But it will not be a social security scheme and it cannot be a substitute for a social security scheme.

The history of social security tells us that before the introduction of social security there were private insurance schemes which provided a measure of protection against the contingencies which tended to deprive people of their income. It was however found that the workers struggling for survival from day to day had neither the means nor the motivation to save for the future and it became necessary for the State to intervene. The condition of labour in India has not changed much to warrant the suggestion that they may be required to make their own arrangements for the oldage security and that the State may be absolved of its responsibility to provide social security. Basic social security
has to be provided by the State. Voluntary pension schemes can only be supplementary to the basic schemes.

Another major thrust of the Dave Committee report is that the management of pension funds should be entrusted to professional fund managers. A similar recommendations is understood to have been made by a team of experts who conducted a study of the Employees Provident Funds Scheme and the Employees Pension Scheme in India. This team has mooted the idea that the management of EPF funds should be outsourced "to private accredited fund managers under liberalised investment guidelines and appropriate regulatory oversight".

The principal argument in favour of private management of pension schemes is that private managers can obtain better investment returns. This argument is questionable in the context of the various scams and scandals that have come to light in the working of the money markets. It has been the experience of many investors that their investments in the mutual funds have mostly lost value and there has been little or no return from those investments. There is therefore a great deal of scepticism about the idea of investment of public funds by private managers.

Where-a person joins a private scheme Tally conscious of the risks involved he enjoys the benefit of high return when the management is able to achieve it. At the same time he should also be prepared to suffer losses if the investments fail. But where a person makes a contribution under a mandatory scheme he does so in the firm belief that his money will be safe in the hands of the government and he will not like that the investment of his hard earned money should be exposed to unnecessary risk.
4.9.12 Maintenance

Maintenance is a civil right available to give economic support to the needy persons from those who are liable to protect and maintain their spouse, children, parents, etc. In law, parents are bound to maintain minor children, major children, their parents, husband his wife, and vice versa. The quantum of maintenance varies depending on the economic status of the parties.

The various personal laws such as Hindu Marriage Act, 1955, the Hindu Adoption and Maintenance Act 1955, the Indian Divorce Act 1859, the Parsi Marriage Act 1954, the Shariat Laws, etc., provide for maintenance, also known as alimony or allowance. Civil courts take long time to dispose of cases. Even if a competent civil court passes a judgement and decree, execution takes months and even years due to cumbersome legal procedures. Even before the maintenance is realized, the decree holder may die of starvation.

Realising the above, the right to maintenance has been incorporated in Chapter IX of the Criminal Procedure Code (Cr.P.C).

It is a chapter for "order for- maintenance of Wives, Children and Pr.rents". Under Section 125 of the Cr. P.C., "if any person having sufficient means neglects to maintain (a) his wife unable to maintain herself, or (b) his legitimate or illegitimate minor child, whether married or not, unable to maintain itself, or (c) his legitimate or illegitimate child (not being a married ) who has attained majority, where such child is, by reason of any physical or mental abnormality or injury unable to maintain itself, or (d) his father or mother, unable to maintain himself or herself, a magistrate, of the first class, may, upon proof of such neglect or refusal, order such person to make a monthly allowance for the maintenance of his wife or such child, father or mother, at such monthly rate not exceeding five hundred rupees in the whole, as such magistrate thinks fit, and to pay the same to such person as the magistrate may from time to time direct."
Thus Rs.500 per month is allowed as maintenance. Section 125 provides the procedure to be followed and the jurisdiction of the courts. The cases could be filed in the magistrate's court within which the petitioner resides or where the parties lastly resided together, etc. Summons case procedure has to be adopted for disposal of cases. This paves way for expeditious remedies. Section 127 is for alteration in the allowance under changed circumstances, but the monthly rate of five hundred rupees in the whole should not be exceeded.

A ceiling of Rs.500 per month towards maintenance will not prevent vagrancy which is the object of the provision. Various women's and civil rights organisations and other activists raised their voice against this ceiling. In West Bengal the amount was raised to Rs.1500.

In Tamil Nadu after a long debate with various sections of society and women's organisations and the Tamil Nadu Women's Commission it was decided to amend Cr. P.C. and remove the ceiling and to invest the power on the magistrate to grant maintenance in his discretion taking into account the capacity of the person to pay and the need of the person seeking maintenance. The Legislative Assembly unanimously passed a bill to amend the Cr. P.C. accordingly and it was sent to the Central Government for getting President's assent. In the meantime the Government changed and the bill has been withdrawn on the ground that the Central Government itself is contemplating a similar amendment.

The right approach appears to be to remove the ceiling on the amount to be paid for maintenance of dependants as was proposed by Tamil Nadu and to leave it to the courts to decide the amount depending on the facts of the case.

4.9.13 Health Care

The elderly people are apt to develop health problems as they grow older. The National Policy for Older Persons recognizes that with advancing
age old persons have to cope with health and associated problems some of which may be chronic, of a multiple nature, requiring constant attention and carry the risk of disability and consequent loss of autonomy. Several studies have pointed our varying percentages of morbidity among the elderly on account of visual, hearing, mental disabilities, diabetes, cancer, hypertension and coronary HD. There are however no separate health care services for old persons in India except. The ESI and the CGHS which are applicable to a small number of persons who have been in service with the Central Government or in an insurable employment. In all other cases the old persons have to depend upon public medical services or private doctors and hospitals. The health insurance schemes of the GIC do not cover persons who are above the age of 70 and require greater attention.

Appropriate schemes would therefore need to be designed for the health care of the elderly similar to the Medicare and Medicaid programmes of the USA.

4.9.14 Providing Gainful Occupation to the Elderly

In order that the elderly people keep healthy it is necessary that they should remain gainfully active. Their service should therefore be utilised in various activities of the community such as manning child care centres, cultural clubs, vocational training centres etc for which they may be paid appropriate remuneration.

IndiraJai-Prakash says that physical activity is inarguably the best method to keep functionally fit with ageing, and that the benefits of continued activity are many. Citing the guidelines issued by the WHO for promoting physical activity, she has enumerated the various advantages of physical activity on the part of the ageing people. The types of activities in which the ageing population may be engaged have also been listed.
In 1982 the government of Singapore had set up a committee to study the problems of the aged and to make recommendations for dealing with them. This Committee observed:

"Medical science has thrown greater light on the major ailments affecting today's generation of older people. One interesting finding is that inactivity causes both the body and the brain to age faster. There are two ways to keep an aged person active:

(a) continued employment.

(b) participation in hobbies, social, religious, family or community activities.

Employment has the added advantage of enhancing an aged person's financial independence. He will be in a better position to meet two main concerns in oldage, namely, financial security and increasing cost of medical and health care services."

The committee recommended interalia raising of the age of retirement. The committee also recommended that:

"special training, job enhancement, and career development opportunities for the workers to be re-deployed must be provided; selected workers should be given opportunities for a second, third or even a fourth career."

"all obstacles to the employment and re-employment of the aged should be removed and re-employment opportunities be provided either on full time, part time, flexitime, or some other special arrangements that will enable elderly worker to keep busy and continue to earn an income within their physical capabilities."
These recommendations are as valid for India as for Singapore and need to be considered for adoption suitably.

4.9.15 Medicare Programme

There is a Medicare National Health Insurance System in the US to provide medical care to the elderly persons. It is a federal government programme which was introduced in 1965. Under the scheme assistance is given to older and disabled people to pay for their medical costs. The scheme is in two parts. Part A is called hospitalisation insurance. It covers most of the costs of a stay in hospital as well as some follow up costs. Part B called Medical Insurance pays for the cost of doctors and outpatient care. The service is provided by certain private companies called carriers or intermediaries under contract with the government. Most of the people of the age 65 and above are covered under the scheme free of cost based on their work records. Those who are not eligible for such coverage will be covered on payment of a prescribed premium.

The medicare programme does not, however, meet the entire cost of medical care of the elderly. It does not pay for certain types of costs and services. It is said that broadly speaking it covers only 50 per cent of the medical costs. The balance has to be paid for by the insured persons themselves by way of yearly deductibles or co-payments. There is therefore another scheme called Medicaid under which those who cannot make such payments are given assistance. This is a slate le v-el programme which varies from state to state. In many States, Medicaid covers costs which are not paid for by Medicare, including the premium for Medicare, the annual deductibles etc. A similar programme needs to be introduced in India.
4.9.16 Long Term Care

With the growth of the population of the aged, the associated problem of caring for the aged is becoming increasingly important. Lately, long term care of the elderly in some of the developed countries has been systematized in the form of social care insurance as a part of social security. It has been reported that in 1991, in Germany, approximately one-third of the social security expenditures was devoted to care provision. The concept of care dependency is distinct from treatment for illness and covers help with daily tasks that do not fall under any medical treatment plan, e.g., personal hygiene, feeding, mobility or housework.

In the US, there are many home health-care agencies providing care for patients who do not need high level hospital care but still require part time nursing or physical therapy.

There may be terminally ill patients who cannot be cured of their maladies but need comfort so that they may die in peace. Hospices provide such care.

There are many voluntary organisations providing medical care as well as long term care and hospice care to the elderly in India but they are not adequate. Considering the size of the elderly population in India their care cannot be left entirely to voluntary organisations. The state has to come in big way and support private efforts so that they may expand their services.

4.9.17 Oldage Homes

While ordinarily the elderly persons live with their children and grandchildren, circumstances are developing in such a way that many of them have had to live independently or under institutional care. Sometimes the health condition of the persons may be such that the concerned families may not be
able to provide the necessary care. In some cases there may be no family at all. At the worst, the families might have abandoned them. The elderly persons would need institutional care in such circumstances.

"The emergent need for some basic provision of institutional care is now evident in most countries of the region (Western Pacific countries). The seminar identified the need for Governments to take account of this trend to enact legislation and regulations to ensure good quality, appropriate, equitable, and cost-efficient provision of institutional services whether by the Government, non-Governmental organizations or the private sector".

The National Policy for Older Persons recognizes this need. The national policy is to consider institutional care as the last resort when personal circumstances are such that old age homes become absolutely necessary. The policy provides for giving assistance to voluntary organizations for construction and maintenance of oldage homes.

According to information available there are over 300 oldage homes in this country. Some of these are maintained by the state Governments and most are run by non-Government organizations with assistance from Government. There are also some institutions run by private charitable institutions without any assistance from Government. The total number of inmates in these institutions is about 15,000. Assuming that at least 1 percent of the aged require institutional care, facilities would have to be created for providing institutional care to about fifteen lakh persons. It has been reported that nearly 5 per cent of the elderly live in institutions abroad. It is doubtful if voluntary organizations will come forward to set up so many oldage homes. There is therefore no alternative to the Central and State Governments taking the initiative to set up their own homes in sufficient numbers.
One cannot be content with the setting up of the homes. The quality of service provided in these homes needs to be monitored. The existing arrangements in this regard are less than adequate. It is therefore necessary to establish a well organised regulatory system to ensure that standards are maintained and exploitation avoided.

4.9.18 Emotional Support to the Elderly: Strengthening the Family System

Institutional care cannot be a total substitute for family care. The Committee on the Problems of the Aged referred to above made certain significant observations in this regard. The committee observed:

"Ageing is not only a physical process but also a state of mind. The physical process can be slowed down by advances in medical science and by keeping good health. The state of mind also affects the rate at which a person ages. A person is to a great extent, conditioned by how old he feels he is, rather than how old he actually is. Such feelings are usually fostered by attitudes of society. Today, large sections of society still deem the elderly to be group of persons who should be classified with the sick and the disabled, who are no longer fit for employment or capable of being retrained or re-educated to fit into new jobs. Such myths are often encouraged by media coverage of the elderly as weak and dependant. For, from being a burden, the elderly should be recognized as possessing experience, skills, knowledge, talent and wisdom, all of which are invaluable national assets. They should therefore not be isolated from the mainstream of society."

"Home for the aged can be built but experience all over the world has shown that this is not the kind of place where the elderly should be kept. The elderly need to remain active, to know that they still have a part to play in the family or community to which they can make a useful contribution. They still need to feel wanted and loved. To put them in institutions is to let them know
that they are being discarded. The support and care must come from the heart, with feelings of sympathy affection and compassion."

The committee had therefore recommended that concerted effort must therefore be made to preserve and strengthen the traditional family system. "Instead of admitting the elderly to institutions in the false hope that the problem will stop there, the government should adopt a national policy aimed at keeping every elderly individual physically and mentally fit and active so that he can retain his normal living arrangements as long as possible."

There can therefore no better way to provide the emotional support the elderly need as they grow older.