Chapter 1

INTRODUCTION

1.1 Ageing as a phenomenon

Population ageing is one of the most discussed global phenomena in the present century. It is generally expressed as older individuals forming large share of the total population. This process is considered to be an end product of demographic transition or demographic achievement with a decline in both birth and mortality rates and consequent increase in life expectancy at birth and older ages. These increases in elderly population are the result of changing fertility and mortality regimes over the last 40 to 50 years. The combination of high fertility and declining mortality during the twentieth century has resulted in large and rapid increases in elderly populations as successively larger cohorts step into old age. Further, the sharp decline in fertility experienced in recent times is bound to lead to an increasing proportion of the elderly in the future. Besides, given that these demographic changes have been accompanied by rapid and profound socio-economic changes, cohorts might differ in their experience as they join the ranks of the elderly.

The developed regions of the world being ahead of the developing countries with respect to demographic transition have already experienced its consequences and the developing world is currently facing a similar situation. Although the proportion of the elderly, defined as consisting of those aged 60 and above in a population, seems to be relatively small in some of the developing countries, they have more elderly persons in absolute terms because of their large population base. The recent emphasis on studies pertaining to the elderly in the developing world is attributed to their increasing numbers and deteriorating conditions. While the increasing number is attributed to demographic transition, the deteriorating economic and social conditions is a result of the fast-eroding traditional family system in the wake of rapid modernisation, migration and urbanisation. Projected increases in both the absolute and relative size of the elderly population in many third world countries is a subject of growing concern for public policy (Kinsella and Velkoff, 2001; World Bank 2001; United Nations, 2002; Bordia and Bhardwaj, 2003; Liebig and Irudaya Rajan, 2003). In the third stage of demographic transition, the situation became more complex as this decline in mortality
occurred continuously at a time in which the fertility was declining to below replacement level in several societies of the world. The combined effect of these two demographic achievements had resulted in a change in the age composition of the population. Population ageing occurred across the globe as a result of a transition from a high fertility and mortality regime to a low fertility mortality regime, (Hayward and Zhang, 2001) became a matter of concern to demographers and policy framers.

According to the United Nations (2004), the population of the world stood at around 6.1 billion in the early 21st century and is likely to increase to 9.3 billion by 2050. Between 2000 and 2150, the aging global population is likely to multiply four-fold (from 595 million to 2 billion). The same phenomenon of increase is expected in both growth rates of elderly and its proportion in the coming decades. The proportion of elderly population is expected to increase from 10 per cent in 2000 to 15 per cent in 2025 and 21.1 per cent in 2050 respectively. Countries like China and India are not only at the forefront in terms of the absolute number of the world population, but also in terms of the absolute number of the elderly population.

The Indian aged population is currently the second largest in the world next to that of China with 100 million elderly persons. The absolute number of the over 60 population in India is expected to increase from 77 million in 2001 to 137 million by 2021 (UN estimates). The elderly population in India showed a gradual rise over the years. From 5.4 per cent in 1951, it grew to 6.4 per cent in 1981 and close to 7.45 per cent in 2001. The growth rate for the period 1991-2001 for elderly is close to 40 per cent, more than the general population growth rate. The index of ageing has shown an increase from 17.6 in 1991 to 21 per cent in 2001. The pace of ageing will go up in future as the effects of demographic transition get further defused in more regions of the country. In the next section, we look into how the ageing as a phenomenon become a challenge to the economy and society in general.

1.2 Ageing as a challenge

Ageing is an inevitable phenomenon to a population as the effects of demographic transformation sets in with decline in fertility and mortality. Changing age structure and the alarming pace of growth of the ageing population can pose different challenges to economy and society and have both long run and short run implications.
The phenomenon of ageing can affect the economy and economic development in many ways. Ageing determines age structure and can thus affect the labour force and its productivity. With larger ageing population, the composition of work participation gets affected as the positive effects of the windows of opportunity go down (World Bank, 1994; UNFPA, 2004). This in turn can result in immigration leading to the large flow of remittances abroad (UN 2004; Stigliz, 1998). Moreover, increase in the number of the elderly in the work force can reduce productivity and thus affect the growth of the economy (Rainwater, 1999; Hick, 2003; Schavez, 1996). The changing age structure of a population can have long run economic and social implications and create an imbalance within generations. Studies show that the change in the intergenerational balance can have far-reaching implications for the economy and society. Increased ageing population along with a decreased pace of population growth can affect the whole economic performance (Hansen, 1937; Keynes, 1936). This, in turn, puts heavy pressure on the efforts to maintain intergenerational balances in the economy.

Ageing populations can also have implications for welfare distribution within society as it affects both individual and family. Change in age composition affects both individual and families and can have implications for well-being through large incidences of widowhood and changes in living arrangements (Scaffer, 1999; Kan, Park and Chang, 2001). Poverty and insecurity among the elderly is a reality, with inadequacy of resources and income within the family being another welfare reducing phenomenon that is evident as age structure transforms. Inadequate financial resources have been mentioned as one of the major problems of the Indian elderly (Desai, 1985). Financial inadequacy seems to be of a higher degree among elderly women compared to their male counterparts (Dak and Sharma 1987; Nandal, Khatri and Kadian, 1987). The presence of elderly persons in the household will break down the existing resource-sharing mechanism within the household that results in a reduction of both overall welfare and individual welfare (Sen, 1982; Heller, 2004).

A fast ageing population can pose challenges for health care related issues. Ageing can result in epidemiological transition within the society with a rapid change in the nature and type of ailment (WHO, 2000; HAI, 2007). In an ageing society, mortality is concentrated in the older ages and the primary causes of death are chronic degenerative diseases (heart disease, cardiovascular disease and cancer) (Caldwell, 2001). The elderly
are more likely to have health problems when compared with the general population. The process of aging is likely to be accompanied by changes in the patterns of diseases and morbidity across time (Omran, 1971). With the changes in the pattern of illness, there is a prime shift in the services demanded and their accessibility to the aged. This creates a huge pressure on the society and government to make a drastic restructuring in the health system, which is costly and time consuming (WHO, 2002; Nicholas, 2001; O'Brien and Jacques, 2005). Epidemiological factors in the form of new generational diseases are characterised by medical cost and terminal costs that can result in huge catastrophic shocks on elderly households (Alam, 2005; Goldman et al., 1995; Prasad, 2007).

Fast ageing of the population can also have serious implications for social security pensions and insurance systems as it can affect intergenerational risk-sharing (World Bank, 1994; EFC, 2000). Most of systems in the West are affected by huge instability within the system. In most of the Asian and non-OECD countries, the instability goes up to high levels with increased fiscal imbalance (World Bank 2000; Pension Pioneer, 2004; WHO, 2001). This is likely to increase in the future.

From these facts, it is clear that an ageing population can pose different challenges to the economy, individuals and society. Most of these challenges and their consequent results will affect the overall welfare of the society. In the next section, we look into the challenges specific to the Indian scenario.

1.3 Ageing: challenge in India

India has the second largest elderly population in the world with 77 million, though it accounts for only less than 10 per cent of the cumulative population compared to that of China with one billion of elderly population. Fast ageing population and age structural transformation has a diverse impact on s different regions of the country. The phenomenon of demographic dividend and its implication for economic growth and development may fade away in an ageing context (UNDP, 2000; Planning Commission, 2001).

Various studies have highlighted how fast ageing of the population affects the Indian economy and society. Studies broadly look up on three aspects: effects on the macro economy, effects on the elderly as individuals and challenges on family and society. Taking the macroeconomic position, fast ageing can affect economic growth with a change in the work composition (IEG, 1999; OASIS, 2000). Effects on changing
composition of public expenditure through greater health and social costs for the government will also cause macroeconomic instability (RBI, 2003; NIPFP, 2006). The sharp increase in the social security payoffs in the form of pensions can also pose challenges for developing countries like India (RBI, 2002; Prasad, 2003).

Elderly population and individual well-being is another concern and challenge on Indian society. Many elderly persons suffer from social, economic and health insecurity in old age and fall short of the basic amenities (Rajan Mishra and Sharma, 1999; Rajan, 2004; Alam, 2005). Health challenges caused by the burden of disease and lack of access to proper care is another challenge for individual elderly people (Alam, 2005; Dey, 2000). The elderly also suffer from socioeconomic insecurity as they fall short of adequate income, since the formal safety net reaches out only to a minor section of the population (OASIS, 2000; Government of India, 2003; UNDP, 2005). The majority of elderly falls short of subsistence and suffer poverty in their old age, as they are mostly part of poor households during the course of their young ages (Rajan, 2000).

Changing age composition poses both familial and social challenges. With increased migration and urbanisation of the society, the elderly are deprived of familial and social care and they end up all alone in their old age. The protection and care of such a population poses an institutional challenge to society. In many cases, the care of the elderly care is a major challenge for the family, especially for young women, and can affect the mobility of the members of the family in general (Radhika, 2004; Aggarwal, 2000; Kapoor, 2005). It is more likely that institutionalised paid care for the elderly will replace familial care in the changing social settings that affect familial relations. (Kapoor, 2005; Sreerupa, 2008).

Though ageing poses different challenges for the society and the individual, we look at how individual well-being is affected. Here we consider the effect of poverty and deprivation among the elderly in the Indian context.

1.4 Ageing, poverty and deprivation

The lives of many older people are often negatively affected by the social and economic insecurity that accompanies the demographic development process (World Bank, 1994). The growth of individualism and desire for independence and autonomy by the young generation (Serow, 2001) affects the status of the elderly. Studies show that
socioeconomic condition of older women is more vulnerable in the context of the demographic and sociocultural change (Tout, 1993). The plight of the elderly poor has been a consistent phenomenon in the third world as the older population is deprived of the basic needs (Keyfitz and Flieger, 1990). Chambers (1995) described the eight dimensions of deprivation among the elderly as poverty, social inferiority, social isolation, physical weakness, vulnerability, seasonality, powerlessness and humiliation of the aged. Poverty is a major problem of the aged in developing countries (Sen, 1994), and a study by the World Bank reveals that in most of developing countries, older people and dependents are poor and vulnerable (World Bank, 1994).

Ageing, poverty and deprivation are interlinked through three channels – production relations, health implications and social institutions that affect different stages of the life cycle.

Ageing diminishes the capacity to work and earn. "A reduced capacity for income generation and a growing risk of serious illness are likely to increase the vulnerability of elders to fall into poverty, regardless of their original economic status..." (Sherlock, 2000). The presence of the elderly in a household have an implication for the production function within the household and thus on the overall work effort that gets reflected in income and production (Schwarz, 2003). In other words, in most of the case, the presence of the elderly can create distortions in the production function as they are physically unfit to work. This can have direct effect on the well-being of the households that is reflected in poverty among the aged. The deficiency in the initial endowment of an individual that deteriorates as they go up in the life cycle makes them more vulnerable and they not in a position to cope with risk management and maintain an alternative strategy to maintain the level of their living conditions (Zwi, 1993). There is a perceived notion that the presence of elderly persons in a household will reduce the economies of scale as it involves the increased consumption of goods such as medicines, and such expenditure can reduce the overall welfare of the households.

Physical and health risks are very high among the older people. The precise implications of population aging for future levels of health and health care utilisation depend on whether the increases in life expectancy experienced in general are accompanied by an increase or decrease in health problems in later life (Gruenberg, 1977; Kramer, 1980; Manton, 1982). The elderly are likely to have more health concerns than the rest of the population. The process of ageing is likely to be accompanied by changes in the pattern of diseases and results in epidemiological
transition (Omran, 1971). In the past, nations in the forefront of demographic experience have witnessed a change in the pattern of morbidity, which is mainly of chronic and degenerative diseases of the kind of heart attacks and strokes, with high incidence of mortality in the old age (Fries, 1980). Studies in the Western Europe and US show that a fast decline in mortality of the older age groups in the population is creating a nightmare with high incidence of morbidity as it results in occurrence of chronic diseases (Hainess, 1995). The changing pattern of morbidity has put elderly in a situation of risk in the old age where they lack the capacity to cope with the risk. The changing pattern of morbidity in late life has created challenges and a burden to the existing health care system with higher incidence of social cost to provide extended access to health care to avoid the risk of morbidity (Kane et al., 1990).

Decline of mortality is always accompanied by high incidence of morbidity (Tout, 1987) among elderly in the later years of life. In a poor and developing country, the health risk is not only measured in the outcome indicators on prevalence of the diseases (outcome indicator of risk as an indicator of vulnerability) but also addressed on the basis of access to health care. The health outcomes of the ageing process have been discussed much more in the literature on the developing countries from the late eighties onwards. The process of ageing has resulted in the emergence of a new epidemiological scenario in the developing countries with high prevalence of degenerative diseases that act as a major cause of death and disability (Smith and Bares, 1991; Zwi, 1999). There are evidences of unhealthy ageing from almost all the developing countries of Asia, Africa, and Latin America. In 1998, Pelaez and Palloni concluded that there is long run health degeneration in the ageing societies of the Caribbean and Latin America with changing disease patterns. Studies from Africa also look into the epidemiological shift among the aged population (Helpage International, 1998; Wilson and Adamchak, 1999). Various studies show that the health risk of the elderly is mainly confined to access to health care that results in unhealthy ageing (Robeldo, 1985; Sokolovsky, 1991). The health risk of an aged person in a household can result in catastrophic shock in the family that can make households more exposed to poverty.

Social and institutional factors such as the family size is cut down as a result of the demographic process. The belief that the children will take care of the parents in the old age is eroding in India (Dandekar, 1996). The experience in the urban areas reveals a rejection of the older people by the next generation and this phenomenon is spreading to rural areas (Desai, 1985). In the nuclear family regime, the position of the aged has become more vulnerable and they treated as a burden for the family (Nayar, 1992).
social negligence of the aged occurs due to cultural social and economic relations within society and its coexistence with demographic change. The vulnerability of the aged is mainly implied in the family size and family set up (Harven, 2001). Changing family ties and formation of the small and nuclear families have led to a negligence of the aged (Achenbaum, 1978). The transformation the relations had resulted in a state of negligence of the aged (Burton and Dilworth, 1991). The poverty and deprivation among the elderly is treated as a result of a changing demographic and socio dynamics (Hareven, 1976). This dynamics start within the family with the emergence of the nuclear family where the burden of ageing is high as it results in intergenerational imbalance that can make them deprived of familial support (Cliggett and Uribel, 1996, Hareven and Adams, 1996).

This changing social and institutional set up that followed modernisation changed general social life which is in rural way to cosmopolitan segmented life that looks on efficiency and progress can have its effect on position of elderly in the society (Corgill, 1986). Development and modernisation have resulted in the integration of various parts of the globe with high incidence of migration, which will uproot intergenerational support, thereby affecting the existence of the elderly (Martin, 1990; Philips, 1995). In this process, the elderly are often pushed into a state of poverty and lead a stressful life.

Various studies across the globe show that poverty and deprivation are one of the common phenomena in almost all ageing societies. Cross-country experience shows that despite major progress that has been made over the past 40 years, in most of the countries, poverty remains to be one of the challenges among the elderly (Shaw and Lee, 2004). Even with well-developed social security systems, poverty is a chronic phenomenon in the developed countries of Europe and America. (Steuerle 2001; Smeeding, 1999). Studies based on American ethnic minority show that they are in a state of poverty and stress (Lewis, 1992). Wolfe and Smeeding (1999) showed that poverty among the aged in the US continued to increase despite growth-induced development. Information provided by the US household census in 2000 highlights the economic stress among elderly households. World Bank (1994) provides a detailed scaling of social and economic insecurity in the wake of dismantling of social security systems in Europe. There are studies in Canada and other European countries in which poverty among the elderly is mainly attributed to health care shocks and after discounting subsidies on these expenditures (Citro and Michael, 1995; Betson, 1998;
Betson and Warlick, 1999). Short et al. (1999) provide empirical support to prove the sensitivity of elderly poverty estimates in 10 European countries. In short, most of the countries have clear-cut evidences of poverty among the elderly despite the virtue of affluence that resulted in increased life expectancy (Johnson and Smeeding, 2000).

The elderly in the developing countries are also suffering from chronic deprivation and thus poverty, as socioeconomic relations undergo changes. Studies on the livelihood pattern of the aged in Africa show that poverty among the elderly is one of the challenges in the new millennium (Williams, 2003). In Africa, poverty among the elderly is more acute in the areas where the younger population is affected by the spreading of AIDS that creates the intergenerational balance within the population, thus resulting in chronic poverty among the elderly and highlights the issue of the missing generation. Empirical studies in South Africa and Nigeria highlight a large incidence of such families with missing generations or skipped generations that break the intergenerational balance (Schwarz, 2003).

Household data does not provide a clear-cut picture of standard poverty estimation among elderly as it is subject to intra-household dynamics. Various studies conducted by Help Age International (HAI) provide traces of poverty in the old age in the developing countries. Studies by HAI show that in Asian countries such as Malaysia and Indonesia the elderly poor are constraint by changing social relations with emergence of modern society. The spiralling costs of medical expenditure push aged in most of Asian countries into a poverty trap. In Sri Lanka, with a faster pace of ageing, a general decline in the living condition of aged was witnessed. (Gaminiratne, 2004). Studies in Malaysia have found that the cosmopolitan life style that accompanied demographic changes have put the elderly in a stage of physical stress that is reflected in their living conditions (Helpage International, 2006). With the onset of the new economic and social set-up, the elderly poor in the Asia and Latin America are in a position of deprivation due to lack of a proper social security system. In short, the aged in developing countries are in a state of food deprivation and economic insecurity as the formal and informal mechanism fails to provide them proper security (World Bank 1994).

High levels of deprivation in non-income aspects among the elderly that makes the insecurity more acute are reported in various studies across the world. Health deprivation and lack of a support system are more prevalent in developing countries. Studies in Asian countries report declining health status and lack of access to health as
some of the chronic problems for the elderly (HAI, 2000; Deng, 2004). Besides health deprivation, several studies report that the elderly are deprived of property that can act as a security (Flower 2003; Smith, 2007; Vera and Fiedel, 1996). There is high incidence of deprivation of familial support also (Kapoor, 2005; Ferguson, 2003). In general, the elderly are mostly deprived of economic, social and familial support in the old age.

In a country like India, where the more than a quarter of the population is suffering from the chronic poverty, it is interesting to study the effect of such chronic poverty and vulnerability on the aged. The major chunk of the elderly is denied adequate flow of food, cash and assets to attain their minimum basic needs (OASIS, 1999). In a country like India that lacks a proper social security system and the majority of the population lives chronic poverty, the condition of the elderly is in a state of perpetual misery. The aged do not have adequate income to meet their basic needs (UNDP, 1997). The socioeconomic condition of the elderly in India is in a bad shape. The majority of the elderly are deprived of the basic necessities and thus in chronic poverty (Rajan, 2004). The majority of the elderly are dependents and compelled to work even when they are too old to earn a living. The work participation of the elderly is mainly determined by the societal wealth and is implied with higher work participation among the elderly (Kinsella and Velkolf, 2001). In general, a poor country will have much more labour participation among the elderly since to avoid poverty (Clark, York and Anker, 1997). The 55th round of the NSSO shows that nearly 55 per cent of those who are sixty plus are working to earn a livelihood for themselves. The work participation of the elderly is more visible in the urban areas where the deprivation is more acute in the case of elderly due to changing family and social relations (Bose, 2000).

The ageing population and the chronic poverty among the elderly will be a major concern in coming years. As the population moves up the ladder, the elderly fail to get adequate livelihood (Chambers, 1995). Changing social and economic relations with a change in the family and non-family relations within the society had resulted in the social exclusion of the aged in India. This exclusion leads to a state of deprivation and misery among the elderly. Moreover, the social security system reaches only less than 15 per cent of the elderly. Thus, faster ageing tendencies in the future are likely to result in further deterioration of the condition of the aged in the 21st century (OASIS, 1999).
1.4 Research issue

In this study, we are measuring poverty among the elderly in monetary terms. The poverty here will reflect the conventional income poverty with a basic income fixed as a requirement of minimum welfare. Poverty among the elderly is viewed in two perspectives, namely, the poverty of the particular individual and the other, household poverty given the presence of the elderly. Several works in the West look into the poverty at the individual level by using individual surveys. (Williams, 2003; Seading, 2006; SSRA, 2005; EPC, 2005).

Here we take traditional path of the estimation of poverty based on the households. We try to locate the elderly in the poor households due to implied welfare loss to the households, given the presence of the elderly. The poverty of the aged is then estimated based on the income of the household they belong to and the defined poverty line. Similar studies have been undertaken to estimate child poverty (Deaton and Paxon, 1998) and old age poverty (Pal, 2005). We try to address the welfare distribution within the household by looking at size and scale within the household that results in the poverty distribution.

Here we take consumption expenditure as an indicator of poverty and estimate poverty in terms of income. We rely on the basic premise that actual consumption is more closely related to a person's well-being in the sense defined above, that is, of having enough to meet current basic needs. On the other hand, income is only one of the elements that will allow consumption of goods; others include questions of access and availability. Consumption may better reflect a household's actual standard of living and ability to meet basic needs. Consumption expenditures reflect not only the goods and services that a household can command based on its current income, but also whether that household can access credit markets or household savings at times when current income is low or even negative, perhaps because of seasonal variation, harvest failure, or other circumstances that cause income to fluctuate widely. Thus we use the concept of income poverty as a measurement of poverty and deprivation among the elderly. Moreover, this concept can be used to understand how different components in the consumption bundle push a household to poverty and how they are sensitive to different levels of income of the household.
Although poverty has been traditionally measured in monetary terms, it has many other dimensions. Poverty and deprivation are associated not only with insufficient income or consumption but also with insufficient outcomes with respect to health, nutrition literacy, and with deficient social relations, insecurity, low self-esteem and powerlessness. In some cases, it is feasible to apply the tools that have been developed for monetary poverty measurement to non-monetary indicators of well-being. Applying the tools of poverty measurement to non-monetary indicators requires the feasibility of comparing the value of the non-monetary indicators for a given individual or household to a threshold, or "poverty line," under which it can be said that the individual or household is not able to meet basic needs. We measure poverty in non-monetary terms to reflect access to basic minimum to have a decent life and incorporate the concept of deprivation or denial. Thus, we attempt to measure poverty through non-monetary parameters such as economic, health and social deprivation captured through a generalised deprivation index.

Traditionally, in the developing countries of Asia, the family and social institution provide the basis of care in old age. There is a widespread expectation that the elderly will be taken care of by their children and that at least one child will co-reside with them (Cowgill, 1972; Knodel, Havanon and Pramualratana, 1984; Pramualratana, 1990; Tuchrello, 1989). However, with a change in perceptions, old age care has not been separated from familial relationships. The traditional Indian system had a legacy of treating the elderly as head of the family who would be taken care of the family itself in later years (Jai Prakash, 2001). With sociocultural transformation, the living conditions of the elderly are getting affected (World Bank, 1994, Sukartho, 2000, Yoko, 1998, Williams, 2003).

Kerala, the state that is in an advanced stage of demographic transition, appears to be the most ‘aged’ state in India with a total of 3.3 million aged persons, which is about 10.5 per cent of the total population. More than one per cent of the state’s population is the oldest old. The state also has high sex ratio in favour of women, followed by around same pattern in the population above sixty. Majority of women above sixty suffering from widowhood and who are thereby more dependent on others to earn a living (Rani, 2001; Sarasakumari, 2001) The aged in Kerala are also in a high morbidity risk position in the epidemiological transition that sets in as a part of demographic achievement
Studies have shown that a large proportion of this aged population live under conditions of emotional and social stress that result in added vulnerability of the elderly (Radhika, 2005). In short, Kerala witnesses various aspects of vulnerability and deprivation in terms of income and social negligence.

In Kerala, the shrinking family size as a result of low fertility has resulted in a change in the intergenerational balance within the society. As a result of small family size and a decline in the number of children, the dependency of the aged is acute and has thus led to a state of exclusion of the aged in the state. The transition from joint family to that of nuclear families has resulted in family relations that result in the negligence of the elderly. The migratory tendency among the population, as is evident in Kerala, has several implications on the living of the elderly as the migration of the younger population hampers the old age care system and return migration of the aged hampers intergenerational balance (Wiseman, 1980). In Kerala, increased stress on migration by the younger persons has created a condition of the aged being left alone (Zachariah, Mathew and Rajan, 2003). In this study, we also look up on the aspects of vulnerability among the elderly in the state of Kerala in the context of demographic, social and economic transformation.

In summary, the study basically looks up on the issues of understanding and measuring poverty and deprivation among the elderly as the individuals move into the later years of life (here, sixty plus). The study looks up on the poverty in terms of income poverty and also other material and health deprivation. It looks how these aspects of poverty and deprivation are conditioned by familial and social circumstances. The study also intends to look at the aspect of vulnerability of the elderly in the most demographically transformed state of Kerala and how the perceptions and attitudes on elderly care have been viewed here. The objectives of the study are as follows:

1.5 Objectives

1. To document poverty among the elderly in India and to develop a methodology to measure poverty among the elderly

2. To profile aspects of deprivation among the elderly in India, including their determinants and correlates.

3. To understand vulnerability among the elderly of Kerala against the background of specific social and demographic aspects.
1.6 Framework

Old age poverty is strongly associated with the reduced framework of capacity arising from the ageing process. Here we borrow from vulnerability literature that the occurrence of risk is high as age advances, or in other words, as age structure changes. By adopting the basis of vulnerability and the risk management framework, we conclude that the distribution of the risks of serious harm is highly uneven as age advances. (Blaikie et al., 1994; Oliver-Smith, 1999: 22; Zaman 1999: 193). The SRM (Shock Risk and Management) framework maintains that the effects of risk mainly depend on the occurrence of threats on well-being. The differential likelihood and magnitude of the threat and differential coping capacities, all have an impact on the risks of encountering a bad outcome and on the severity of that outcome. The different domains can interact to compensate for each other, or can be mutually exacerbating. There are therefore degrees of vulnerability, both in a person’s proximity to harm and in the severity of the harm that she or he encounters. Certain individuals may be several contingencies away from a bad outcome, (Krueger, 2006). Most people reaching their sixties are at risk of reduced income, health and social shocks as they move to the higher end of the life cycle. They may adopt a coping up strategy of either participating in pension schemes or may rely on the familial system (Barrientos, 2000; Gunnarsson, 2002; Heslop and Gorman, 2002; Lloyd-Sherlock, 2000; Patsios, 1999)

In the Indian context, the family was considered as a safeguard of the elderly when they become old. Our tradition was based on the logic of investing on children rather than investing in other schemes to have a better life in the aged years. They consider the familial safety net as a coping up strategy to avoid old age contingencies. However, social and demographic transition has resulted in the breaking down of family ties and the formation of the small and nuclear family which has led to a negligence of the aged, modernisation, and migratory movement of people from rural to urban areas. All these factors have resulted in a stage in which there is a break in the traditional system. The traditional system had made life more secure for the elderly and most of them are not prepared to cope up with the risk, as there is a substantial constraint in the breaking of the traditional system and perceptions. These changes in the family and non-family relations within society have resulted in the social exclusion of the aged in India.

The present study uses the framework that links ageing, poverty and deprivation among the aged with an increased stress on social and demographic transformation that derailed the coping up strategy and put them in a position of deprivation and stress.
1.7 Methodology

In general, the poverty and deprivation of the aged are usually considered in three main dimensions of income poverty, subsistence poverty in terms of basic need, and capability poverty in terms of dependency. Here, we mostly look at the basic need approach through the income criterion for specified poverty norms. Income poverty is measured in terms of ability of the aged to maintain a minimum income level on which physical efficiency is maintained and which is considered a parameter of deprivation among the aged. (Rowntree, 1941). The poverty and deprivation among the aged are also characterised by elements of denial of the basic needs for maintaining a minimum level of living. This is captured in terms of access to medicine, food and clothing. Among the aged, the denial of basic needs increases their dependency and leads them to lead a life of minimum subsistence.

Here, the methodology mainly focuses on estimating various aspects of poverty, both in income and in capability criterions. In the estimation of income poverty, we take the conventional route of using consumption expenditure as an indicator of overall welfare. The conventional approach of economists for the measurement of poverty in poor countries is to use measures of income or consumption. The system fails to get a clear-cut measure of the magnitude of poverty; rather it gives an aggregate measure. It also fails to look on the individual characteristics that reflect in individual well-being. Those who favour the broader criteria for measuring poverty and its avoidance have challenged this. These include the fulfillment of 'basic needs', the 'capabilities' to be and to do things of intrinsic worth, and safety from insecurity and vulnerability (Kingdon and Knight, 2000), which are unavoidable in the case of estimating poverty among the elderly.

The provision of income data for households rather than individuals is also problematic for an adequate analysis of chronic old-age poverty. "Poverty analysis that focuses on the household do the elderly no favours", since they obscure the potential intra-household stratification by age and gender (Clark, F.C. and Laurie, N., 2000). Yet the critical importance of intra-familial and household relationships to older people is demonstrated by a number of studies (HAI, 2000). As assets in old age decline and options narrow, the family and household safety network becomes central, and a Help Age International study in Tanzania notes the "absolute dominance of the family" for practical and emergency support for older people (HAI, 2000). So the new method for estimating composite indicator of poverty among elderly should thus include composition and intra-household dynamics.
Here we develop a method in which Individual living standards are measured by deflating total household resources by an equivalence scale, defined as a function of the size of the household and its demographic composition to get a new base of consumer expenditure after scaling out intra-household dynamics that reflect poverty.

Deprivation can incorporate capability and basic need poverty as it shows varying degrees of capability of the elderly with how they are deprived on the economic, health and social fronts. Here we use the methodology of capturing generalized deprivation index that parameterizes various degree of this deprivation into a uniform index. This index is then scaled with characteristics of household to understand degree of deprivation within the households. The study also uses Relative Deprivation index to measure the disparity in the deprivation among the old.

1.8 Departure from existing studies

Our study mainly looks up on how the welfare of the individual and family get affected in the context of ageing. We look into poverty and deprivation as indicators of the income and non-income aspects of well-being. The study departs from existing works as here we look upon individual well-being of the family members and their well-being. It is an attempt to look at the influence of social transformation on the well-being of the elderly as it affects both expectation and outcome in old age.

We make an attempt to capture the levels of poverty and deprivation among the elderly from a comprehensive nationwide household survey. The studies in the West are using individual data for this purpose. However, in India there is a lack of the individual level data. Most of the work on poverty does not look up on how the composition and size of the household reflects on the individual poverty given the scale of equivalence. We have introduced the concept of “dependency adjustment” and its implication on welfare. Our study mainly looks up on how the characteristics and composition of the households are influencing the living conditions of the elderly. The study also looks at relative deprivation by using the tools of Relative Deprivation Index after constructing a composite index of deprivation. We have also tried to take a step further, looking at the levels of correlates that exist between the Economic Deprivation Index, Health Deprivation Index and Social Deprivation Index among the aged. We made an attempt to look into linkage of perceptions on old age and the well-being of the aged in the state of Kerala.
1.9 Data source

In this section on the data sources which act as the building blocks of our analysis, we look in detail at how various sources are used together to incorporate various dimensions of the deprivation and living conditions of the elderly.

Census

We extensively use information provided by the census of the Government of India for our analysis. The census data provides the magnitude of age structure and dynamics of population ageing in India. Census data provides information on the socioeconomic condition of the population in India and its various states. From the census, we get data that provides a picture of the living conditions of the aged with various characteristics such as sex, marital status, work status (main, marginal workers, etc.), and economic classification of the activity based on sectors. From this information, we get a background of the life of the elderly in India. However, the information provides only a bird’s eye view on their living conditions and thus not a detailed picture of poverty and deprivation as per our prescribed objectives.

NSS rounds

The National Sample Survey (NSS), initiated in the year 1950, is a nation-wide, large-scale, continuous survey operation conducted in the form of successive rounds. It was established on the basis of a proposal from P.C. Mahalanobis to fill up data gaps for socio-economic planning and policy making through sample surveys. Survey on household consumer expenditure had been conducted as a part of annual series and also conducted for a thick sample in every five years. Besides consumer expenditure surveys, various annual surveys are conducted to get an economic and social profile of the country. The information relating to morbidity, problems of aged persons, utilisation of health care services and expenditure on medical treatment were to be collected through ‘Morbidity and Health Care’ schedule and a survey on the same subject was conducted in 42nd round (1986-87) and 52nd round (1995-96). The 60th round (January-June 2004) of the NSS covers annual survey of consumer expenditure, problems of aged persons and morbidity and health care. The 55th round (1999-2000) and 61st rounds (2004) provide consumer expenditure of households in detail in disaggregated levels.
The surveys provide basic details on the living condition of the elderly from both individual and household characteristics such as type, marital status, living arrangements and work status in general with determinants of age and sex. This also facilitates the identification of how living conditions differ across the chronological ladder when ageing sets into the individual's life. These individual and household characteristics provided by these surveys act as an indirect measure of well-being.

We measure poverty among the elderly through the income poverty gap. Here monthly expenditure on per unit of household is taken as a proxy for income and then fixed as a benchmark poverty line (to be redefined on the basis of composition of households). We make use of 61st round on consumer expenditure to get a picture of the poverty scenario. The 60th round of the NSS survey is used to look at the non-income aspects of poverty and deprivation. The study also uses the 61st round on employment by NSSO in the profile chapter.

Kerala Ageing Survey

Kerala Aging Survey (2005) has been completed with funding support from the Indo-Dutch Programme on Alternatives in Development of the Indian Council for Social Science Research, New Delhi, Shastri Applied Research Project (SHARP) of the Shastri Indo-Canadian Institute, New Delhi and the Global Health Initiative of the Canadian Institutes of Health Research, Canada. The survey is co-ordinated by S. Irudaya Rajan of the Centre for Development Studies. The household survey consists of two parts and the major survey has targeted several social, economic and health issues pertaining to the elderly in Kerala. The purpose of the KAS was to examine the determinants of healthy aging along with social security, property rights and institutional provisions for the elderly. In order to accomplish this main objective, a representative sample of 5,013 elderly from throughout Kerala covering both gender groups and rural and urban areas was studied.

1.10 Chapter scheme

Apart from the introduction, the thesis has six chapters. Chapter 2 deals with Profiling of Aged in India. Chapter 3 makes an attempt to indexing living conditions of the aged across Indian states. Chapter 4 looks up on Poverty among the elderly, its estimation and determinants. Chapter 5 deals with deprivation among elderly in India, its determinants and correlates. Chapter 6 looks at the living conditions of aged in Kerala and is an empirical exploration based on the Kerala Ageing Survey. The last chapter is the summary and conclusion.