

A study of older people's livelihoods in Bangladesh



Acknowledgements

This study is an outcome of collaborative efforts involving HelpAge International, Cordaid, HelpAge Bangladesh, and Bangladesh partners: Participatory Development Initiatives of the Masses (PDIM); and the Resource Integration Centre (RIC).

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Acronyms

BBS	Bangladesh Bureau of Statistics
FGD	Focus Group Discussion
GoB	Government of Bangladesh
MFI	Micro Finance Institution
NGO	Non Governmental Organisation
OAA	Old Age Allowance
OPA	Older Persons' Association
PDIM	Participatory Development Initiatives of the Masses
RIC	Resource Integration Centre

1 Introduction

This country study contributes to research carried out by HelpAge International and Cordaid which focuses on improved social and income security for older people. The Bangladesh field research is one element of a project which seeks to build the evidence base on older persons and livelihoods through research across urban and rural locations in India, Bangladesh, Tanzania and Ethiopia.

1.1 Overall research objectives

To provide an analysis and better understanding of the opportunities and barriers faced by older people to income security and identify strengths, weaknesses, opportunities, and challenges as they relate to livelihoods as well as the impact of Older People's Associations with regard to provision of economic support.

1.2 Specific objectives

The specific objectives for the income security/livelihoods research were to:

- develop an inventory of livelihood strategies of older people
- assess how economically active older people can best be reached through micro finance and other saving/loan schemes and what the impact of these schemes has been on older people and their households
- identify ways in which older people who are less able to be economically active can be supported, taking into consideration key constraints and coping mechanisms
- identify the impact livelihood activities and strategies have on an older person's perception of their well-being, self-worth and dignity
- make recommendations for action/follow-up in supporting relevant livelihood programmes for older people.

1.3 Research methods

The research methodology was participatory in nature. Older persons in urban and rural areas were consulted to better understand the different factors affecting livelihood coping strategies undertaken by older persons. Older persons' knowledge of and access to different formal and informal savings and loans schemes as well as opportunities to diversify livelihoods opportunities was explored. The research further included responses from older persons involved in HelpAge and Cordaid partner initiatives as well as those not involved.

Locations were chosen which provided a substantive geographic spread, including communities in Ghazipur District located roughly 2½ hours outside Dhaka, villages in the northern Sherpur District, one community in semi-urban Cox's Bazar in the southeast, and on Moheshkhali Island outside Cox's Bazar and accessible by boat. Research locations included sites which received regular foreign visitors and those which have received measurably fewer (if any) visitors therein reducing potential *research fatigue* and enabling partner agencies to more easily manage the expectations of focus group discussion participants.

Field visit methodology included use of focus group discussions (FGDs) with older persons. FGDs followed a consistent format and took between one and two hours. All participants were asked demographic questions on: sex, age, marital status, household composition, livelihood, and land/animal ownership. Where applicable, FGD participants were questioned on their

understanding of the role, added value and sustainability of the older person specific livelihoods initiatives being carried out by partner agencies. FGDs concluded with an opportunity for participants to ask the interviewers and representative NGO staff questions.

The research included a wide range of younger older persons and the oldest old (those aged 80+). Slightly more than half of participants were male (55 per cent). Disaggregated aspects of gender, age, marital status, literacy, and occupation were included in the evaluation and analysis. Specific vulnerabilities of households to economic, social and other shocks were explored in as much detail as possible within the short research time frame. Emergency preparedness was considered through the lens of economic shock preparation.

Meetings and interviews were held in each research location with local hosting NGOs. These assisted in confirming and clarifying FGD responses. A desk review of relevant documents was undertaken before the country visit and relevant livelihoods publications examined to explore ways in which prevailing livelihoods and vulnerability frameworks include and consider older persons. HelpAge Bangladesh's research on social protection in Bangladesh provided extensive background information and added measurably to the researcher's understanding of older persons' issues in country¹.

1.4 Research limitations

The Bangladesh research was well organised by partner agencies in Dhaka, Gazipur, Sherpur, and Cox's Bazar and there were few practical difficulties in carrying out FGDs. However, some villages were very isolated and entailed relatively hazardous access both for the researcher and the translators. In addition, meetings with local government, non-hosting NGOs, MFIs, banks, and credit institutions were not possible due to time limitations exacerbated by exceptionally long travel distances between research locations.

The only potential concern with the research findings was that all host partner(s) staff and the hired translators were male. This may have had an impact on responses of women and especially during women's only groups. However, since questions were focused on livelihoods generally, without probing into specific details of debt and/or savings amounts nor explored potentially private health issues, the lack of female translation was ultimately not anticipated to compromise research findings.

2 Findings

2.1 Background

Bangladesh is the world's seventh most populous country and boasts a correspondingly high population density. Recent government action has resulted in Bangladesh achieving strong progress in reducing income poverty, *placing it roughly on track to meet the MDG target of halving the share of the population living under US \$1 per day by 2015*². However even with these positive gains, 40 per cent of the population remains under the poverty line³.

¹ Biplob, S and HelpAge International Bangladesh, *A Desk Research on the Social Protection Situation in Bangladesh*, Dhaka, HelpAge International Bangladesh, February 2010 Draft

² Biplob, S and HelpAge International Bangladesh, 2010

³ Government of Bangladesh, *Household Integrated Economic Survey*, Dhaka, Government of Bangladesh, 2000 and 2005

Bangladesh's population remains young with 35 per cent of the population under the age of 14. However, life expectancy is steadily increasing and is currently 60 years for all Bangladeshis. Those older men who reach age 60 can hope to live another 15 years and older women another 17 years. Across Bangladesh, more people are surviving to older age and once there tend to live longer. HelpAge Bangladesh data indicates that roughly 6.6 per cent of the country's population of 162 million is over the age of 60. UN figures further indicate that this proportion is anticipated to triple to 21 per cent by 2050.

For Bangladesh, the social and economic impact of an ageing population is made clearest when considering the increase in the absolute number of older Bangladeshis. The total population of over 60s has increased from 1.94 million in 1951 to 9.41 million in 2007. Compared with national population growth during these years, the overall population has increased by 3.23 whereas the over 60 population reflects a 4.85 fold increase (Biplob, 2010).

Nearly three quarters of Bangladesh's total population lives rurally including the majority of the over 60 population. This reflects a life experience where older persons are vulnerable to poverty, food insecurity, restricted access to health and social services, limited options for livelihoods security as well as exposure to natural disasters such as floods and cyclones. The challenge for older Bangladeshis is further compounded by a lack of participation in and exclusion from the political arena. One area where older persons are most vulnerable is in sustainable livelihoods, including access to formal savings and loans institutions and opportunities to diversify and expand livelihoods.

2.1 Demographic findings

This predominantly qualitative research captured a snapshot of the opportunities and barriers faced by older persons in ensuring income and social security. Two NGOs, the Resource Integration Centre (RIC) and Participatory Development Initiatives of the Masses (PDIM) hosted FGDs providing exposure to different types of NGO community based support programming for older persons.

RIC began its work with older persons responding to the 1988 floods. Its organisational focus is predominantly rights based. The majority of RIC's field work focuses on Older Citizen's Monitoring and operates through Older Persons' Associations (OPAs) to monitor access to the old age allowance (OAA), widow's allowance and health services. RIC's livelihoods programming focuses on training, education, and awareness raising as well as providing low interest loans to eligible older persons.

Participatory Development Initiatives of the Masses (PDIM) has been operating in 22 unions in four districts of Bangladesh since 1992. PDIM's work focuses on improving access to productive resources, training, awareness raising, social mobilization, advocacy and lobbying for the most vulnerable Bangladeshis. Since 2009, PDIM has expanded its programming to include older persons, notably through OPA mechanisms. PDIM livelihoods work is recent to the organisation and has taken the form of developing agriculture and livestock opportunities in target areas through education and training on low cost and sustainable technology. PDIM also promotes small entrepreneurial activities through training, the development of market linkages, and the provision of goats for asset accumulation and livelihoods security.

Throughout the Bangladesh research, 16 FGDs were held: seven in peri-urban areas of Ghazipur and Cox’s Bazar; and nine in rural Ghazipur, Sherpur, and Moheshkhali. A total of 191 older persons were consulted through the FGDs; 105 men and 86 women. A breakdown of participants is illustrated in table one.

Table One - Bangladesh research participants

Totals	Men	% men	women	% women	Total	Total %
	105	55%	86	45%	191	100%
Age of Respondents						
<60	7	3.7%	19	9.9%	26	14%
60-69	58	30.4%	39	20.4%	97	51%
70-79	34	17.8%	21	11.0%	55	29%
80+	6	3.1%	7	3.7%	13	7%

The average size of households containing an older person was 5.6 persons with the vast majority of households hosting at least three generations. Only four households contained a single older person living alone: three women and one man.

There were also two FGDs that contained ethnically distinct tribal groups. These included one Rakhain group in Moheshkhali and one Garo group in Sherpur. In addition, there were two groups in Sherpur which were exclusively Christian (including the Garo tribal group). One group in Moheshkhali was Buddhist (the Rakhain group).

2.1.1 Gender

Gender participation was virtually equal, with 45 per cent female and 55 per cent male. Participation by women in the FGDs was somewhat more muted in groups that were predominantly conservative Muslim, but this was overcome by actively encouraging women in questions, discussion and debate.

The rate of widowhood for all respondents was 32 per cent. An additional two per cent of respondents were either unmarried or abandoned. The burden of widowhood was felt strongly by older women. Fifty three out of 86 older women or 62 per cent were widows; only nine out of 105 older men were widowed. The primary reason for the higher numbers of female widows is due to men traditionally marrying women substantially younger than themselves who then outlive them. This is then further compounded by women living an average of two years more than men. Thus, a gender disparity was noticeable across all research locations with slightly more than half of older men living with wives who were generally younger and more physically able to assist with measurable economic production and household contributions.

2.1.2 Literacy

Literacy rates as cited by respondents were 46 per cent. This compares favourably with the national average literacy rate for all Bangladeshis, which is 47.9 per cent⁴ (CIA World Factbook; 2001 Census). FGD participants who could only sign their names were not considered literate. However, participants who could read and write in their native ethnic language were included in the 46 per cent. This applied to eight men and one woman who were literate in their indigenous Rakhain tribal language in Moheshkhali but could neither read nor write Bangla.

Throughout the research area, men reported higher literacy rates with 66 per cent of all men citing literacy against only 21 per cent of all women. Older illiterate women, women in rural areas, and ethnic minorities are especially marginalised by illiteracy and resulting lack of access to written information. This is especially clear when one compares national literacy rates by sex at 54 per cent for all Bangladeshi men and 41.4 per cent for all women.

Nearly 80 per cent of the 53 female widows participating in FGDs (42 women) were illiterate as opposed to five male widowers out of nine (56 per cent). Of all women, nearly half (49 per cent) were illiterate versus only five per cent of older men being illiterate. The reason for low female literacy rates was due to girls not being educated 60 years ago. As noted by members of an all female FGD in Sherpur, *when we were young, there were no schools and opportunities for girls to learn.*

2.2 What do older persons do?

2.2.1 Older person's contributions to households

In research locations in Tanzania and India, older persons were asked about their contributions to the household to elicit information on what older persons do. However, due to time restrictions and a recent summary analysis on older persons' activities⁵, this was not carried out to the same degree as in other locations.

Older persons are key contributors to household security through compensated waged labour, profits from small businesses, through the growing of agricultural foodstuffs as well as livestock rearing for direct household consumption and sales. Older persons, especially women, support households through complementary domestic activities: cooking, cleaning, washing, and other household chores, and to a lesser degree waged labour. Both older men and older women are primary caregivers for children and grandchildren in their care.

Older men were far more likely than older women to engage in waged labour (especially noticeable in conservative Muslim communities). Daily labour options varied across the regions but included agricultural (mostly paddy) based work, timber felling and transport work, stone collection, fishing, and shrimp processing. Labour was remunerated at an average daily wage of between 50-300 taka/day (US\$0.74-4.41). Daily wages were higher in the semi-urban agricultural locations nearest to Dhaka and in Cox's Bazar (where salt cultivation and betel farming are lucrative) and lowest in the rural, poor, timber cutting areas of Sherpur in the north. Older men were able to carry out between 8-10 days of labour per month and secure on

⁴ CIA World Factbook 2010, <https://cia.gov/library/publications/the-world-factbook/geos/bg.html> (15 June 2010)

⁵ Truelove, K, *Working for life: making decent work and pensions a reality for older people*, London, HelpAge International, May 2009

average around four months of consistent paid labour each year. Waged labour was paid out at a rate roughly a third less for women (as compared to men) and a similar amount less for the Garo ethnic minorities in Sherpur. The older Rakhain FGD participants in Cox's Bazar did not note any difference in daily wage due to ethnicity.

Research findings supported evidence from previous HelpAge research and evaluations that older persons in Bangladesh remain economically productive for as long as they are physically and mentally able and so long as household requirements demand their contribution. It is only as physical capacity decreases and older persons are less able to work that their labour is less valued. *It is hard for us to get work because we are older, why pay an old man the same amount to do half the work that a younger man could do*, as noted by an older man in Sherpur.

2.2.2 Why do older persons need cash?

Older persons throughout the research areas sought remunerated income in order to meet household needs and close the gaps between expenses and income. Reasons for needing cash were manifold, but older persons highlighted food and medical care as the main priorities.

Unlike other research locations, older persons rarely cited the need for cash to input into agricultural, fishing, livestock or business investment. As shared by an older man in Pubail Union, Gazipur, *we are reluctant to get involved in business investment at this time in our lives, getting involved in business is a hassle*. When older persons did mention cash for investment, the respondents were more frequently women, as noted by an older woman in Pubail Union, Gazipur, *if I have 1,000 taka (US\$14.7), I will buy four chickens at 150 each (US\$2.2), I will then spend the remaining for household needs*. However, this response was the exception rather than the rule.

Furthermore, and in contrast to findings in India and Tanzania, older persons did not highlight the education of grandchildren as a priority. As noted by one respondent from Panchdona Union in Narsingdi and reiterated across research locations, *we as old women have already done our duty to educate our own children. It is our children who must educate the grandchildren not us*.

2.2.3 Where does the extra money come from?

Where shortfalls between income and expenditure exist, older persons looked to diverse resources for income. The primary source of support for older persons was family including remittances from children working outside the community, followed by remunerated labour and loans from neighbours. *Older people tend to rely on informal sources of support, such as family and friends. Declines in social structure including the transition from extended to nuclear and smaller families can weaken these traditional sources of support, creating the need for alternative[s]⁶*. Micro finance institutions (MFIs) and NGOs were a final option, although with many restrictions as will be further discussed below.

⁶ Biplob, S and HelpAge International Bangladesh, 2010, p5

Self

In addition to engaging in daily labour activities, older Bangladeshis will try to save small sums of cash. However, most poor older Bangladeshis find it exceptionally challenging to save. Even when small amounts are saved by older persons, they are insufficient to meet more than the most basic needs and are not enough to address unanticipated emergency household needs or provide for investment opportunities. As shared by one older woman in Panchdona Union, Narsingdi, *in the past we saved one handful of rice from each meal, but this was always used up within a week or two when we were short of food. It is only good for small short term savings.* Even when poor older persons can save, it is often a negligible amount as highlighted by an older woman in Kangsha Union, Sherpur, *if I earn 100 taka, first I will go to the Bazar and buy food. If possible, I will save 10 taka for the grandchildren; if there is any extra, I will put it towards savings.*

Beyond miniscule individual savings, older persons said that animal stocks could serve as a financial resource and during times of need be sold for ready cash. With regard to livestock assets, more affluent households kept cows and goats, poorer households might have chickens. Household without livestock were either headed by much more affluent older persons who depended on business investments or private income (such as professional government pensions) or by the extremely poor households who were without any livestock assets.

One further method by which older persons use their own labour to secure loans is through a type of short term indentured labour. The process is common throughout Bangladesh, but was detailed most comprehensively in Kancha Union in Sherpur. A labourer (of any age and including older persons) will borrow between 200 to 1,000 taka (US\$2.94-14.7). The value of the loan will be equivalent to up to one week of hired self labour. The debtor is then required to work off the value of the loan during that week. As a short term solution, older persons preferred this to going to a pawnbroker (see below), but did note that the ability to borrow money this way depended on the physical ability of the older persons and was not necessarily a feasible option as physical strength ebbed in older age.

Family

Household size for families containing older persons averaged 5.6 in number. This evidence points to a trend of larger household sizes in rural areas and larger household sizes for multigenerational households, indicating that for the time being and within the limited number of village locations visited during the research, extended families networks are still in strong evidence. In comparison, the average size of all Bangladeshi households has dropped from 5.6 in 1973 to 4.7 in 2007⁷, bringing with it a reduction in the strength and security of traditional family networks of support. As noted by an older man in Panchdona Union in Narsingdi, *nowadays children do not care for older persons as they did in the past. Even sons don't save food for their fathers. This becomes even worse when children marry and pay more attention to their own immediate families.* The level of current support and anticipated levels of future support for older persons living in these larger households is less easy to gauge and will vary

⁷ Biplob, S and HelpAge International Bangladesh, 2010

as economic outmigration continues to draw adult children from rural three generational households.

Older persons said that children and extended family remain the first line of support, even the traditional family unit undergoing cultural fragmentation. As shared by members of the Garo tribe in Sherpur, *if our children cannot provide for us, we will starve*. This was reiterated by older people in Narsingdi, Panchdona Union, *without family you are especially vulnerable as an older person*. Family networks were used by older Bangladeshis to access loans that were typically small in amount and used to meet daily household expenses. Children were also used as direct resources for cash needs. Illustrated by an older woman in Pubail Union in Gazipur, *my son pays for my medical treatment*. An older man in Kancha Union in Sherpur who lives with his wife and cares full time for his grandson observed that *the grandchild's parents give me money to cover the costs of the child's care and with that donation [and work as a fisherman], I am able to cover the needs of my household*.

Family members, particularly adult sons working outside the community⁸ and overseas were extremely important in their role as providers of remittances. Fifteen of the FGD groups had at least one respondent stating that they had at least one child working outside the village sending money home. In peri-urban locations, the number of grandparents with adult children working outside was measurably higher. Across the research area, remittances were seen as being *very important* in meeting daily expenses. However, further probing indicated that remittances did not provide additional sources of cash, but rather were used to pay off existing loans taken out by older persons to cover travel costs to enable children to work overseas in the first place.

Remittances from children working within Bangladesh appeared to be more consistently useful in directly and positively impacting on older person's cash flows. One older woman in Kangsha Union, Sherpur said, *I have a son living in Malaysia, but he must first repay money he borrowed from in laws to pay for his flight before he can give money to me. However, I have sons working in Dhaka who regularly help me*. An older woman in Kangsha Union, Sherpur noted, *I receive between 500-1,500 (US\$7.35-22) taka every month or so from my son in Dhaka, sometimes in the form of food and sometimes in the form of cash*.

When loans were taken from family members, the modalities of repayment were specific to each loan, and there were no instances of either interest being charged to family members or collateral being required before a loan was dispersed. Total loan amounts depended on the relationship between the lender and the debtor, the liquid assets the lender had, and the perceived ability of the debtor to repay in *good* time. Amounts cited varied enormously. Loans from family would cover both small day to day expenses such as food, transport or other household expenses for amounts under taka 100 (US\$1.47) as well as much larger loans from multiple family members for taka 100,000 (US\$1,470) or more for items such as airfare for sons to work abroad.

The primary reason for family members not supporting older relatives was due to both the economic challenge that adult children themselves face as well as changing social support

⁸ Typically in Dhaka and Chittagong.

networks. As noted in Pubail Union in Gazipur, *children do not always have enough to meet their own needs let alone help us.*

However, issues of social reciprocity were also noted as a reason that older persons do not always receive support. By engaging in mutual lending between the generations, systems of social debt arise which encourage younger generations to loan to older generations and vice versa in order to build up social capital to better protect themselves against times of need. This was observed in Pubail Union, Gazipur where one older man stated that *one challenge we have as older people is that we do not have enough to give our children money; as a result, our children don't tend to give support in return.* The ability of older persons to engage in reciprocal lending is further compromised by the fragmentation of land holdings: *the chopping up land makes an older person more vulnerable, if they retain assets, then children will treat them better.*

Neighbours

When relatives are not able or willing to assist older persons to supplant or create immediate cash flow, older persons turn to neighbours for assistance. As shared by one respondent in Narsingdi, Panchdona Union, *when a neighbour sees a person suffering and missing breakfast and lunch they will provide them with dinner so that they do not go hungry.* There are limitations on loan amounts from neighbours which depend both on the ready cash held by the neighbour and the older persons' ability to repay the loan. The individual inclination of the neighbour is also important. An older woman from the Garo hill tribe in Kangsha Union Sherpur commented that neighbours will provide assistance but *they will help, but only if they are kind.*

The amounts that older Bangladeshi respondents borrow from neighbours varied across the research area, gender, and ethnicity. Time frames for loans depended on the taka amount. Smaller loans were expected to be repaid quickly, within two weeks to a month. Larger loans were given more time for repayment, but typically no more than two or three months. For all loans from neighbours, no interest or collateral was required. For older men, loan amounts were cited as most commonly being from amounts varying from 2,000 (US\$29.4) to 10,000 taka (US\$147), although in extreme cases it was possible to borrow up to 50,000 taka (US\$735). One man had even taken a loan from a neighbour for 200,000 taka (US\$2941). Both women and ethnic minorities cited smaller loan amounts, 20 taka (US\$0.29) to 500 taka (US\$7.35) as most common. Respondents from the Rakhain minority FGD said they only take loans from neighbours of around 500 taka (US\$7.35) regardless of sex. This reflects their high levels of economic insecurity and the lack of cash capital within the community. When probed further, women in Sherpur did cite larger loans for specific items such as 700 taka (US\$10.29) taken as a loan to pay for a medical emergency (asthma) and half of a bicycle purchase (to enable a teenage son to get to secondary school), but this appeared to be the exception rather than the rule.

While formal repayment times were not set out as part of loan qualifications, older persons did say that timely repayment was crucial to maintain a good relationship with the lender and retain a good credit reputation in the community, both necessary to ensure future lending opportunities. Loans were repaid through the sale of assets. *For large amounts, one must mortgage land, jewels or other assets including livestock,* as cited by an older person in Sherpur.

Older persons also explained that larger amounts could be borrowed from neighbours (e.g. to cover the travel cost for a son working in the Gulf States), but only by engaging multiple debts. As observed by an older man in Narsingdi, Panchdona Union, *If we need 50,000 (US\$735), we would go to four or five friends and ask them to help. Otherwise, we would sell assets, such as a cow, to secure the total amount.* However, in all communities, older persons expressed reticence about the whole idea of taking out loans preferring to go without or to translate assets directly into cash. As shared by an older man in Jhilongia Union, Cox's Bazar, *we will only take a loan if we know that there is a future way to repay it.*

Moneylenders and pawnbrokers

When amounts needed by older persons surpassed both family and neighbour ability to resource, older persons turned to moneylenders and pawnbrokers. In India, older persons were careful to distinguish between moneylenders and pawnbrokers. Older people in Bangladesh lumped the two together into one category and as such will be considered as one category for this report. Conditions for borrowing from both moneylenders and pawnbrokers were more formal than loans from family and friends and involved both interest payments and assets for collateral.

Amounts taken were between 10,000 (US\$147) and 20,000 taka (US\$294). Higher amounts were noted too. In Jhilongja Union, Cox's Bazar, one older man observed that loans could be taken out for up to 200,000 taka (US\$2941) to pay for airfare costs to send adult children to work in the Gulf States. It was expected that even though the debt technically belonged to the older person, it would be repaid from sons' remittances and thus represented a lower risk loan to the moneylender. Older persons said that when land is used to secure loans this high, the lender will retain the land for two to three years even if the loan is fully repaid, thus using the productivity of the land in lieu of added interest.

Interest rates varied between and within locations with rates as low as 2.5 per cent per month and increasing to over 25 per cent per month. In all cases, jewellery, gold, and land documents were required as security before a loan was dispersed. One example was given by Xavier in Gazipur, Pubail Union. He shared that he took out a loan of 10,000 taka (US\$147) to pay an overdue utility bill. He was charged monthly interest of 10 per cent and the loan agreement stated that he had to continue to pay 1,000 taka (US\$14.7) back each month (the interest payment) until he had saved the full principle amount. It took him 14 months to repay costing him a total of 24,000 taka (US\$353) for a 10,000 taka (US\$147) initial loan. This example was typical of respondents describing loans taken from moneylenders and pawnbrokers.

While children could take loans out on behalf of parents (and vice versa), children as potential labour providers could not be used as collateral in case of non payment. The main reasons cited for taking out loans from moneylenders and pawnbrokers were for weddings and sending children to work overseas.

Pawnbrokers were also a resource to use when other informal lending options are not available or have been oversubscribed. In Baromoheshkhali Union, Cox's Bazar, an older man shared that he took a loan from the pawnbroker to pay for his son's airfare. He had borrowed 230,000 (US\$3,382) of the 250,000 taka (US\$3,676) required but still had a shortfall of 20,000 taka (US\$294). To meet this need, he borrowed 20,000 taka (US\$294) from the pawnbroker at 10

per cent monthly interest and has a year to pay off the debt. Currently the son is sending remittances to cover the costs of the loan, but should the son stop earning or stop sending remittances, the older father will be held responsible for a debt he does not have the means to repay. As noted by an FGD participant in Baromoheshkhali Union, Cox's Bazar, *as a result the priority is to repay the pawnbroker before repaying friends.*

Those older persons throughout the research area lacking in assets stated that moneylenders and pawnbrokers were outside of their purview. As observed by an older woman in Holdia Union, Munsigonj, *we don't use pawnbrokers. Why would we go? We have nothing of value to pawn.* This sentiment was reinforced by an older woman in Kangsha Union, Sherpur who explained why older persons did not use moneylenders, *we don't have enough to pay the loan back with interest. We have no assets to use for collateral.* As noted by an older Garo woman in Sherpur, *we are dying of poverty already, if we take a loan, the interest will kill us.*

However, for all respondents the key to accessing moneylenders and pawnbrokers was economic viability and not youth. A respondent from Panchdona Union, Narsingdi summarized this: *Age is not a factor for borrowing, even if an old woman is shivering with age – if she has assets, she can borrow from a money lender or a pawnbroker.*

2.2.4 Formal savings and loans institutions

One aim of the research was to determine whether and how older persons were excluded from formal savings and loans institutions. FGDs throughout the research areas sought to understand what options older persons pursued in terms of accessing banks, MFIs, and self help groups or savings associations.

Micro-finance institutions (MFIs)

NGO and MFI initiatives are one option for older persons attempting to improve economic security through savings and loans activities. Older persons in all research locations reflected a complex relationship with MFIs (including NGOs such as RIC who engage in lending). They indicated that older persons are both discriminated against accessing MFI savings and loans services and simultaneously self excluding themselves.

Older persons noted four main sources of MFI loans: RIC, PDIM, women's groups (from different NGOs), and the Grameen Bank. All lending sources offered loans on similar repayment schedules of 40-45 weeks per loan. They further cited similar monthly interest rates of 2.5 per cent per month. However, a glance at Table 2 illustrates that older persons who take out loans either repay at highly inconsistent rate and/or their understanding and pursuant reporting of repayment modalities is inaccurate. The responses reflect confusion regarding conditions set by formal institutions for both saving loans showing that clear, up to date, and correct information was neither accessible for older persons nor accessed by them. This was especially troubling for illiterate older persons who were doubly marginalised by inaccurate and inconsistent information on MFI services.

Loan amounts varied across and within research locations starting at 6,000 taka (US\$88) and increasing to 80,000. Virtually all older persons had borrowed some money from friends and

relatives during the past 12 months. However, of respondents from 14 FGD asked about taking out loans from NGOs or MFIs⁹, only six men (3.5 per cent) and 20 women (11.6 per cent) had taken loans. No one from either the Rakhain or Garo minority FGD groups had accessed MFI loans nor had anyone from the Bangladeshi Christian FGD. Members of that group did note though that they have access to a Christian Savings and Loan Cooperative through which they both save and borrow money.

Table Two – Sample Responses of Loan Recipients

Lending Institution	Amount (taka)	Repayment rates per week	Number of weeks	total paid (taka)	total interest	total interest %
PDIM	5,000	110	50	5,500	500	10.0%
Coast Trust	7,000	190	45	8,550	1,550	22.1%
PDIM	8,000	200	50	10,000	2,000	25.0%
Coast Trust	10,000	250	45	11,250	1250	12.5%
RIC	15,000	400	45	18,000	3,000	20.0%
Coast Trust	15,000	400	45	18,000	3,000	20.0%
Coast Trust	20,000	520	45	23,400	3,400	17.0%
RIC	30,000	780	45	35,100	5,100	17.0%
ASA	30,000	800	44	35,200	5,200	17.3%
Grameen	80,000	1925	44	84,700	4,700	5.9%

Reasons for loans were diverse and included the purchase of livestock for asset accumulation, payment of ritual expenses such as marriage, business investment (most common for sons and sons in law), and payment of travel fees to enable sons to work overseas.

Due to the relative ease by which younger older women can access MFI loans (typically women in their early 60s and younger), many younger older women stated that they take out loans for their sons to use for their businesses. The son then repays his mother who then repays the loan to the lender. This was particularly common with younger older women borrowing from the Grameen Bank. However, this can create additional stress for older women as noted by a grandmother in Kancha Union, Sherpur. *Our children are taking out loans in our names, but as old people we are not able to repay the loans because there is no regular work.*

Whether they were in the form of an 'older person friendly' RIC loan or via the Grameen bank, older persons gave four main reasons for not choosing to access MFI loans opportunities. Firstly, as noted by a respondent in Pubail Union, Gazipur: *not everyone requires a loan.* Many older persons stated that they *are not interested in taking out for business expansion because of the lack of business opportunities.* Other respondents declined from taking loans stating that

⁹ The data from the remaining two FGDs is not sufficiently clear to include in this conclusion.

the use of interest was anti-Muslim (Sherpur). Still others felt that taking a loan *increases our vulnerability and just creates a lot of hassle* (Kangsha Union, Sherpur). For active older persons, the reason for not taking loans was simple: *we can still earn, we don't need to go for loans yet; also the interest is a burden* (Kangsha Union, Sherpur).

Older persons in Kangsha Union said that for those who do require a loan, the challenge of being able to adhere to the weekly repayment requirements is often too stressful or impossible to fulfil. As shared by a respondent in Kancha Union, Sherpur, *there is not enough food to feed ourselves, how can we feed the requirement of weekly payments*.

Thirdly, older persons stated that they would not be able to use a loan effectively. Either subsistence needs were too acute, *if we get a loan, we will just eat the whole amount for food, our foods are so acute* or the older persons were anxious about not having appropriate skills to manage the loans, *we don't consider different kinds of investment because we don't have any additional skills* (Kancha Union, Sherpur). In addition, there was a clear lack of understanding of the modalities and potential advantages of taking out loans. Older persons were able to give the time period of repayment, the weekly repayment amounts, and the initial principle amount. However, when the numbers were crunched, it was clear that older persons were confused about weekly repayment amounts and in all cases did not fully comprehend how much they were being asked to pay in interest. This gap in knowledge is an area where OPA partners may wish to focus programmatic efforts. Training and skills development on money management, budgeting, savings and loans would improve the ability of older persons to use lending mechanisms to increase and diversify their asset bases, thereby reducing their levels of overall economic and social vulnerability.

Finally, there was evidence that older person are indeed excluded from MFIs on the basis of age for both men and women and gender for men. Examples were given across the research area showing that women do not borrow from women's groups because of age discrimination contradicting earlier experiences where older women explicitly used MFI resources to take out loans for sons and sons in law. As commented in Panchdona Union, Narsingdi, *if you are old, you are not invited into women's groups*. Sahila, a 70 year old widow also from Panchdona Union, Narsingdi said this about the Grameen Bank, *the Grameen bank doesn't like old women. In 1998, I took out a loan for 18,000 taka (US\$265) and repaid promptly. But when I returned to borrow more, the bank people said to me, you cannot take any more loans because your hair has turned white*. Across the research area, older men stated that they were excluded from many MFIs because they were male. At the same time, though, older men accessed MFI loans through their wives.

In addition to these concerns and in keeping with responses from both India and Tanzania, older persons also stated that they don't like having to deal with the MFI debt collectors, stating that they are *aggressive and nasty*.

Banks

Older poor Bangladeshis do not in general use banking services. The reasons given for not using formal banking services were twofold: minimum loan amounts are too high to be helpful; and banks require lenders to mortgage assets. Furthermore, most banks required older persons to provide proof of tax payments, documentation of land ownership, and a letter from

the Union chairman to prove identification. For older poorer persons, these documents were simply not available, thus removing themselves from participation in formal banking opportunities.

A handful of older FGD respondents had accessed banking services, but these were most commonly loans from agricultural banks who provided loans as small as 5,000 taka (US\$73.5) for agricultural purposes and do not require collateral. Bank interest rates were understood to be around 15 per cent. Unlike respondents in India or Tanzania, the high interest rate was not given as a reason to self exclude from formal banking opportunities.

Those older FGD respondents who banked with institutions outside the agricultural banks were comparatively well off such as three businessmen in Panchdona Union, Narsingdi who had operating savings accounts. *We are interested in saving in banks, the men observed, because it keeps our cash safe from being stolen or being used.* However, none of the three men was able to summarise the modalities of the savings including either interest rates or service charges. None of the three had taken loans from the bank.

Finally, the research sought to determine whether banks were guilty of discrimination based on age. This question was put to all older persons and the response was near universal. Banks discriminate on the basis of economic capacity not on age, *no one will loan to a person without assets, regardless of their age.*

Government pensions and allowances

The government of Bangladesh has a series of safety net policies in place intended to help protect the needs and rights of vulnerable Bangladeshis of all ages. For the purpose of the research (and as a result of time restrictions), only the old age allowance (OAA) and Widow's Pension were explored in any detail.

The OAA is 300 taka per month (US\$4.41) and was reported by respondents as being paid out quarterly via the Sonali Bank. Before 2010, all persons above the age of 60 and who fell within the applicable criteria were eligible. In 2010, this changed when the Government of Bangladesh increased the eligibility age to 65 thereby excluding all those between the ages of 60-64 who should have come eligible in 2010. Throughout the research, the number of older persons eligible for both the OAA and the widow's pension were found to be far higher than those receiving the government transfers. This is confirmed by additional research which found that nationally at least 1.6 million eligible older people do not receive the OAA¹⁰.

As with the OAA, the widow's pension is 300 taka per month (US\$4.41) and was paid quarterly. For both the OAA and the widow's pension, the recipient must collect the payment in person from the bank to prove identity. Older persons said that it was unacceptable to send a proxy thereby making it challenging for the housebound and mobility challenged to access these services. An additional concern is that the transportation cost of getting the pension is perceived as high, up to 10 per cent of the monthly total. Although, respondents did agree that with quarterly transfers, this opportunity cost becomes less of a concern for recipients.

¹⁰ Truelove, 2009

Whether one received an OAA or the widow's pension was unimportant. As one older woman in Pubail Union in Gazipur observed, *it doesn't matter what we are getting, whether it is the widow's pension or the OAA, what matters is that we are getting something to help us*. Where business investment was not highlighted as a priority for many older Bangladeshis, those receiving a widow's pension and/or OAA were more likely to cite asset purchase and business investment as uses for the government transfer. As shared by an older man in Holdia Union, Munsigonj, *we use the pension to invest in poultry and livestock farming so that we have assets to fall back on during times of crises*. Not all OAA and widow's pension recipients used the loans for investment, for some the transfers were used predominantly to meet household needs. Another older man in Holdia Union, Munsigonj noted that *I use the pension to pay back outstanding loans*. An older woman from Moheshkhali stated that *the amount of the pension is small, but it is important, I use the money to donate to the temple and then for medicine and food*.

2.2.5 Older persons' association (OPA)

Older person's associations (OPAs) defined as *community-based organisations of older people, aimed at improving living conditions for older people ... [and providing] a mechanism for social support in the community as well as for facilitating activities and delivering services*¹¹ operate through both RIC and PDIM.

Evidence indicates that OPAs have a different impact for older persons in achieving a sustainable livelihood according to their purpose, manifestation, and point in development. OPAs do not take a single consistent form either within regions or countries. Even where partner agencies operate similar structures in the same country, manifestations of the OPA (as it relates to livelihoods support) can differ dramatically. The evolutionary age of an OPA combined with specific operational requirements set out by donors and impacted by local factors lead them to take differing forms in differing localities.

Falling on a continuum of thematic focus, capacity, and intention, OPAs tend to be characterised initially by whether they are *primarily* rights based (such as RIC) or more needs based (such as PDIM). Rights based OPAs positively impact on older persons' lives in health and social protection through activities such as lobbying for the rights and entitlements for and by older persons.

The direct impact link between OPAs and contributing to a sustainable livelihood for older persons is much less clear as was noted by the differing responses between FGDs on the impact of OPA membership and the receipt of the OAA. Where OPAs as part of their needs based programming focus specifically on livelihoods programming such as goat provision by PDIM, there is, at least in the short term, evidence that OPAs act as both a catalyst and a conduit for targeted programme activities including savings and loans, revolving funds, cash transfers etc. The positive support for older persons is that they are targeted as primary beneficiaries. One continuing challenge for OPAs is to develop sustainable community based ways to ensure that destitute older persons are involved in livelihoods initiatives even in light

¹¹ HelpAge International and UNFPA, *Voice of Older People in Asia*, London, HelpAge International and UNFPA, 2010

of a lack of regular and sufficient cash flow. Where OPAs do not have specific livelihoods programming, overt direct linkages were minimally in evidence.

Older persons were inconsistent about the advantage of participation in an OPA as a method to improve one's chance of receiving a pension. In Pubail Union, Gazipur, one woman was vehement in her opinion that *it makes no difference whether or not you are involved in an OPA in order to get the OAA allowance*. The ethnic minority Rakhain in Cox's Bazar disagreed stating that participation in the OPA has been instrumental in helping the older persons in their community access the OAA. Before the OPA was functional, they said, only three older persons received the OAA. After the OPA got involved and began lobbying local government representatives, the number of OAA recipients increased to 24 with an additional 14 on the list to receive it in 2010 (should government funds be forthcoming).

Indirect links between membership and participation in an OPA and improving livelihoods options, opportunities and security were evident from the research. Respondents observed that belonging to an OPA *can* facilitate access to an OAA, and when an OAA is used to invest in livestock or repay loans taken out for livelihood activities, then the indirect link is present. However, older persons said that simply receiving the OAA was not sufficient for a sustainable livelihood, thus reinforcing the conclusion that lobbying for pensions for older persons is only one aspect of ensuring sustainable livelihoods, the other being the implementation of appropriate, replicable and diversified livelihoods schemes for older persons.

Other indirect links between OPA membership and livelihoods security was through improved and increased social networks. Older persons said that OPA membership improved their personal chances of getting loans from friends and neighbours. Membership also provided a shared community platform where all OPA members come together socially to raise awareness of the needs of older persons within the community and increase member knowledge of older persons' rights. For older women and widows who might be socially marginalised, the OPA can provide a vital network of social and economic support.

Finally, although most livelihood activities were carried out by individuals as opposed to some joint livelihoods schemes observed in India, just belonging to an OPA created more confident older persons who expressed higher levels of self esteem, self confidence and improved psychosocial health all of which contribute to older persons being able to and interested in embarking on livelihoods activities with a greater level of well being and expectations of potential success.

2.2.6 Destitute older persons

Four FGD groups shared that they have programmes within their OPA activities to support older destitute persons. Such programmes were noted in Munsigonj, Gazipur, Narsingdi, and Cox's Bazar in RIC supported communities. In these locations, the OPA members keep a community fund for emergencies, funded through regular OPA member contributions. Details of the modalities of this community fund were sketchy across all locations, but older persons implied that any community member in need could approach the OPA to seek support. In Cox's Bazar, older persons further stated that it is the OPA who determines how the fund is used and which vulnerable persons it will support.

However, even with these emerging community support programmes, there remains a gap in support for older persons who can no longer contribute economically to their households, who are without family support, and have the burden of care heaped upon them.

Included in the FGDs was one group comprised exclusively of four older widows who beg for their livelihood (plus one 60 year old mentally disabled daughter of one of the widows). While all the women (less the adult disabled daughter) noted that they have a grandchild or daughter to help them with cooking and household chores, they still must beg to meet household needs. None of the women lived in her own house, but rather all were given a room in a house (or part of a room) owned by a relative or neighbour. Two of the begging widows had been forced to sell their land to pay for medical expenses leaving them destitute and vulnerable. A third had worked as a maid when she was younger, but lost the job after her husband died. The fourth woman had been a housewife, but with the death of her husband was left without a viable livelihood strategy. For all women, any additional arable land that they once had owned had *been eaten by the river* which has expanded in size over the past two generations due to continual flooding.

All four widows stated that household expenses, including the 4 taka (US\$0.06) necessary to pay for the river crossing to reach the local health clinic, came from three primary resources:

- Begging
- Donations from neighbours in cash and kind (usually uncooked rice)
- Day labour (for which they receive two meals and a handful of rice).

None of these women received a widow's pension or OAA, nor were any of the ladies supported by OPA activities in the community. When asked why they were not receiving the OAA, the responses were consistent, *others in the community receive it, but when we went to the local government offices to put our names forward we were asked for bribes of between 2,000-3,000 taka (US\$29.4-44.1) which we don't have*. When asked what the women would do with the pension, all four stated that *if they were to get the pension, we would use the money to purchase an animal so as to plan for the future*.

3 Conclusions

The majority of conclusions from the research are in keeping with earlier HelpAge findings on the challenges associated with ageing and the roles, responsibilities, and contributions that older persons have. For livelihoods opportunities, older Bangladeshis depend first on their extended family and then the community for support. When outside support is sought to secure sustainable livelihoods, older persons turn to moneylenders and/or pawnbrokers as well as micro finance institutions and NGOs.

With regard to access to formal savings and loans institutions, evidence from the research has shown that older persons *are* both discriminated against accessing MFI savings and loans services while simultaneously self excluding themselves. However, they are not excluded from banks on the basis of age, but rather due to a lack of economic resources.

The conclusions of the research are as follows:

- Older persons seek to ensure livelihoods security through asset accumulation, asset diversification, and the support of family and community. Unless supported by civil

society, poor older Bangladeshis do not engage in regular saving activities. Friends, neighbours and the community provide emergency assistance when required, and when they are able. However, contributions by relatives, friends, neighbours and the community do not provide a regular, dependable and consistent economic safety net for older persons.

- Cash needs focus on food and medical care. Interest in entrepreneurial or business activities is only minimally prioritised.
- High loan amount minimums, strict and inflexible repayment conditions, and the need for collateral keep older persons from pursuing savings and loans activities from both formal and informal savings and loans providers.
- For MFI savings and loans providers, exclusion from participation is in part due to age discrimination, but also to the financial capacity and credit worthiness of the older person.
- Inconsistent information on savings and loan conditions further discourages poor older persons from exploring and making use of potential benefits of formal and informal savings and loans. Lack of access to information is compounded by illiteracy, especially for old women. Decisions regarding use of formal and informal savings and loans providers are based on inaccurate and out of date information.
- Need for improved training and skills development on money management, budgeting, savings and loans would increase the ability of older persons to use lending mechanisms to increase and diversify their asset bases, thereby reducing their levels of overall economic and social vulnerability.
- Suitable savings and loans options exist for older persons through MFI initiatives. However, these providers need training and awareness on the value of older persons as savers and debtors before they can act as viable, inclusive, and replicable models of savings and loans programmes for older persons.
- The burden of securing a sustainable livelihood is felt most keenly by widowed illiterate women.
- Existing schemes insufficiently support the needs of destitute older persons.

4 Recommendations

While this research was not intended to evaluate HelpAge or Cordaid programmes, it did identify three immediate areas where they and their partners might consider increasing programmatic focus in order to improve older persons' ability to have secure livelihoods in older age. These were:

- Roll out training programmes to build older persons' knowledge of and skills in budgeting, prioritising expenditure and cash flow, and the use of loans for short and long term investment
- Introduce entrepreneurial training for older persons to include information on MFIs, savings and credit societies, banks, and market accessibility
- Increase advocacy with MFI institutions to encourage them to involve older persons within their lending schemes.

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