

A study of older people's livelihoods in India



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Acronyms

ESHG	Elder Self Help Group
FGD	Focus Group Discussion
HI	HelpAge India
MFI	Micro Finance Institution
OPA	Older Persons' Association

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 India 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 identify 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. A wide spread of younger older persons (those aged 60-79) as well as the oldest old (those aged 80+) of both sexes were involved in the participatory research. The research further included responses from older persons involved in HelpAge and Cordaid partner initiatives (91 per cent) as well as those not involved (nine per cent).

Research locations were decided upon by HI and based on a selection of communities in both Tamil Nadu and in Bihar to provide a social, economic, and geographic spread. Locations included villages sufficiently geographically distant from HI offices to have received few visitors reducing villager experiences of *research fatigue*. This was particularly helpful in Tamil Nadu where many tsunami affected villages had had a multitude of visitors since the disaster. Locations in Bihar and in Tamil Nadu were spread across three distinct geographic areas and up to three hours apart by vehicle increasing the randomness of participants. Research locations were also selected to include rural, flood prone and food insecure areas of North Bihar, and semi-urban/urban, tsunami affected areas of Tamil Nadu.

Field visit methodology included use of focus group discussions (FGDs) with older persons to identify the challenges faced by older persons and their families in ensuring livelihoods security. FGDs followed a consistent format and took between one and two hours. To capture

disaggregated information on respondents, all FGD respondents were asked demographic questions identifying: sex, age, marital status, household composition, livelihood, literacy, and land ownership. Specific vulnerabilities of households to economic, social and other shocks were explored in as much detail as possible within the short research time frame. Because the research areas are prone to emergencies, preparedness and response was explored by considering the roles and responsibilities that older persons assume during emergencies. FGD participants were questioned on their understanding of the role, added value and sustainability of the older person specific initiatives being carried out by partner agencies. FGDs concluded with an opportunity for participants to ask the interviewers and HI staff questions.

A desk review of relevant documents was undertaken before the country visit. In addition, an overview of relevant livelihoods publications was carried out to explore ways in which prevailing livelihoods and vulnerability frameworks include and consider older persons.

1.4 Research Locations

Bihar research was carried out in Madhubani District in North Bihar and Darbhanga District. Both are areas where HI has worked since 2007. The research area is geographically isolated and roughly 6 ½ hours by road from Patna, the capitol of Bihar. Both districts are agricultural with 80 per cent of Bihar's workforce depending on agriculture for the livelihoods. Most people live rurally: Madhubani is 97 per cent rural; and Darbhanga 92 per cent rural. Household size for both districts averages 5.4 persons per family¹. According to the 2001 Census of India, 7 per cent of Darbhanga District's population was 60 years or older as was the over 60 population of Madhubani District. Both districts are over three quarters Hindu. Muslim populations in both districts are measurable: Darbhanga 23% and Madhubani 18%.

Rural poverty in Bihar is the result of limited access to adequately remunerated labour, limited diversified livelihoods options as well as poor health services, low education levels, and inadequate provision of social services. *The rural poor tend to depend on agricultural wages or casual non-farm jobs for income, a large percentage being landless or near landless, owning lower quality livestock and likely to be poorly educated (80 per cent of the bottom quintile household heads have no education). Social or caste characteristics are also strongly associated with a lack of opportunities*². Bihar has the lowest literacy rate in India, with women's literacy being only 34 per cent. During independence in 1947 when today's older women would have started school, women's literacy in Bihar was 4.22 per cent³, manifesting in low literacy levels for older Bihari women.

The Tamil Nadu leg of research was carried out in predominantly coastal villages in eastern and central Tamil Nadu where HI has worked since the 2004 tsunami. Although Tamil Nadu is the most urbanised state in India, the majority of villages visited were fishing villages. A handful of villages visited were further inland where rural agricultural poverty is high. According to the 2001 Census of India, 88 per cent of Tamils were Hindu with six per cent Christian and 5.6 per cent Muslim. Tamil Nadu boasts a high literacy rate with 73 per cent literacy in 2001. Household size in Tamil Nadu is the lowest in India with only 3.4 persons per family⁴.

¹ Ministry of Health and Family Welfare (MOHFW), Government of India (2007), *National Family Health Survey*, <http://www.nfhsindia.org/> (25 April, 2010)

² World Bank, *Bihar: Towards a Development Strategy*, New York, World Bank, June 2005, p1-2

³ *Census Statistics for Bihar*; <http://gov.bih.nic.in/Profile/CensusStats-03.htm>

⁴ Ministry of Health and Family Welfare (MOHFW), Government of India (2007), *National Family Health Survey*, <http://www.nfhsindia.org/> (25 April, 2010)

1.5 Research Limitations

Time restrictions in carrying out the research and distances between locations were the biggest challenges encountered, it was only possible to carry out one semi structured interview during the research period. While all efforts were made during FGDs, and following desk research, to clarify and double check participant responses, the added value of using semi structured interviews for triangulation was not possible. In addition, the lack of semi structured interviews meant that exploration into more sensitive subjects was not able to be explored.

Due to limited field time and the highly complex and sensitive nature of discussions on caste, it was difficult to glean more than a cursory perspective of the role that caste plays in limiting or facilitating older persons' access to livelihoods opportunities. The only clear, and unsurprising, conclusion which can be drawn is that being of the high Brahmin caste makes it easier to access formal institutions in locations which are socially, culturally, and geographically isolated such as agricultural villages in Bihar. The impact of caste on older people was far less clear in the more economically diversified and less backward state of Tamil Nadu where it is illegal to discriminate according to caste. Further exploration of the role of caste as a barrier to livelihoods security would be interesting, but may ultimately be of more academic rather than programmatic interest.

2 Findings

India's population is young with 30% of the population under the age of 14. However, life expectancy is high at 66 years and is steadily increasing. Those older men who reach age 60 can hope to live another 16 years and older women another 18 years⁵. Throughout the country, more people are surviving to older age and once there are living longer. Estimates on the exact number of older persons in India varies according to source and age, but recent HelpAge India data indicate that those aged 60 years and more comprise roughly 8% of India's population. This older age group will continue to grow, and it is anticipated that by 2020 older persons will comprise 12% of the population⁶.

Nearly three quarters of India's older population lives rurally, a third live below the poverty line, with more than 70% illiterate. For older Indians, this translates into a life experience characterised by poverty, food insecurity, restricted access to health and social services, and limited options for livelihoods security. Economic challenges for older Indians are further compounded by limited 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. Access to timely and cost-effective credit to older persons is a critical gap in the country today. This brief research sought to explore the opportunities and barriers faced by older persons in ensuring income and social security.

2.1 Demographic Findings

This predominantly qualitative research sought to capture a snapshot of the opportunities and barriers faced by older persons in ensuring income and social security. Throughout the Indian

⁵ UN Department of Economic and Social Affairs, *Ageing Wallchart*, Geneva, UN Department of Economic and Social Affairs, 2006

⁶Suresh, V and P Vera-Sanso, *No Mercy Killing, This*, Delhi, The Hindu March 21, 2010

research, 24 FGDs were held: ten in semi-urban areas of Tami Nadu and 14 in rural areas of Tamil Nadu and Bihar. A total of 410 older persons were consulted through the FGDs; 148 men and 262 women. A breakdown of participants is illustrated in table one.

The average size of households containing an older person was 5.6 persons, and in keeping with state averages, 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.

Table One – India research participants

Totals	Men	% men	women	% women	Total	Total %
	148	36.10%	262	63.90%	410	100.00%
Age of respondents						
<60	15	3.66%	51	12.44%	66	16.10%
60-69	71	17.32%	130	31.71%	201	49.02%
70-79	48	11.71%	67	16.34%	115	28.05%
80+	14	50.00%	14	3.41%	28	6.83%

2.1.1 Gender

Gender participation was more heavily skewed to women’s participation, 64 per cent of the participants were female and only 36 per cent male. FGDs included separate groups of men only (one group) and women only (three groups) as well as mixed sex (twenty groups). Participation by women in the FGDs was measurably stronger in the economically diversified and developed Tamil Nadu. In the predominantly agricultural and often conservative Muslim Bihar, men dominated FGD discussions. However, efforts to overcome women’s reticence in sharing information were achieved by actively encouraging women to participate in questions, discussion and debate.

Over a quarter of the respondents were without a surviving spouse. The rate of widowhood for all respondents was 26 per cent. The burden of widowhood was felt strongly by older women, with well over a third of older women (39 per cent) widows. In comparison, only two per cent of 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 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 younger and more physically able to assist with economic and household contributions.

2.1.2 Literacy

Literacy rates reflected that roughly one in four had some literacy skills (27%). FGD participants who could only sign their names were not considered literate. Throughout the research area, men reported higher literacy rates with 38% of all men citing literacy against only 21% of all women. These rates compare unfavourably with the national average literacy rate for all Indians of 61 per cent. Older illiterate women and men and women in isolated rural areas with limited access to formal education were especially marginalised by illiteracy and resulting lack of access to information. This was starkly clear when comparing literacy rates from Bihar respondents, 6 per cent with literacy skills (2 per cent of women) against Tamil Nadu respondents where over half (51 per cent) could read and write (26 per cent for women).

2.2 What do Older Persons do?

2.2.1 Older Persons' contributions to households

To determine levels of direct, indirect, and domestic contributions to households including older persons, FGDs asked: *what do older men and older women do?* During field visits, this question was kept vague to help older persons consider those activities beyond paid labour that add value to household economic security. Compensated labour included all waged labour which provided direct financial yield. Uncompensated labour included farming and fishing which provide food for the household as well as providing financial gain through sales of agricultural or fishing products. Older persons' contributions through complementary domestic support, such as child care and/or cooking, are of vital importance as they enable other household members to engage in paid labour or activities which directly contribute to household financial security. Older persons actively contribute to households through waged labour, profits from small businesses, fishing, the growing of agricultural foodstuffs and livestock rearing for direct household consumption and sales. Older women predominantly provide domestic support: cooking, cleaning, washing, and other household chores, and to a lesser degree waged labour.

North Bihar is mostly a wheat and maize agricultural area that becomes flood affected up to six months of the year. Able bodied older men and older women regularly engage in agricultural labour. Both older men and older women carry out livestock care, feeding, and occasional livestock sales. Additional work for older persons was typically caste dictated and might include: cobbling/shoemaking, blacksmithing, selling of livestock and livestock milk, carrying out petty business initiatives from selling cosmetics to milk curd. Domestic labour included cooking and cleaning. In roughly half the Bihari villages, older women are responsible for the cooking. Other women noted that it was the responsibility of their daughters in law. Both older men and older women are primary caregivers for children and grandchildren. Although, as noted by one older woman in Rhadikhapur, *many of us are being cared for by our grandchildren rather than the other way around.*

The Tamil Nadu areas visited during the research were primarily tsunami affected fishing villages. As a result, older persons were active as fishers and fish vendors. In addition, and especially for women in the area, many ran petty businesses and small shops. Older persons also participated in the Government of India 100 days labour scheme which offers 100 days of work at Rs 80/day (US\$1.82). Only a handful of older persons interviewed in Tamil Nadu were farmers.

The biggest difference for older farmers in Bihar as opposed to fisherman and small business persons in Tamil Nadu was in the amount of waged income they earned. Even the poorest older FGD respondents Tamil Nadu could expect to earn between four and eight times the income of their Bihari counterparts. This disparity in income was further reflected both in the reasons that older persons take out loans as well as the amounts of those loans and the conditions for repayment.

2.2.2 Why do older persons need cash?

Older persons sought remunerated income to meet household needs and close the gaps between expenses and income. The main reasons that older persons gave for cash needs differed dramatically between Bihar and Tamil Nadu. In Bihar, all older persons agreed that cash was needed for the purchase of food. The primary agricultural crops in the research area in Bihar are wheat and maize. However, as noted by older persons, *we need to money to purchase rice as it is the staple diet for us all.* In addition to cash for food, older Biharis prioritised the need to pay for emergency medical costs. The third reason for needing cash was to meet obligations for festivals, rituals, weddings, and for shelter repair and improvement. Additional needs included: agricultural and livestock investment, education for grandchildren,

clothes, business investment. One group of older persons wanted cash for the purchase of boats.

Where food was prioritised as the greatest household need in Bihar, it was not for Tamil respondents. Older Tamils highlighted cash needs for business investment as their number one priority, followed quickly by medical emergency needs. Education for grandchildren was a third priority and then cash for rituals and festivals. Other responses included: transport, money for children's and grandchildren's businesses, agricultural and livestock investments, shelter, and general household needs.

These stated household needs reflect the differing economic situation for older Tamils and older Biharis. While both groups prioritise the need for cash to cover unplanned medical treatment needs, in Tamil Nadu older persons are sufficiently above the poverty line to see loans as a way to stabilise and/or expand their livelihoods. In Bihar, older persons are unable to regularly feed themselves and their families and needs are almost entirely subsistence based. As noted by older Biharis in all field research locations, *we are now and have been in debt for most if not all of our adult lives*.

In both locations, respondents said that older persons who can no longer work and have no family support must resort to begging and/or community charity. In villages in Tamil Nadu where the ESHGs have the support of Village and District Level Federations to provide support for destitute older persons, destitute older persons were observed to be cared for through the ESHGs and not left to cope with old age poverty on their own. In Bihar communities, members struggled to meet their own needs let alone be able to care for destitute older neighbours.

2.2.3 Where does the extra money come from?

When shortfalls between income and expenditure exist, older persons looked to diverse resources for income. Loans sources were directly related to the amounts needed. Older persons noted three universal sources for loans: family, friends and neighbours; remittances from family members working outside the community; and village money lenders. In Tamil Nadu, respondents also used pawnbrokers as a source of loans. Additional sources of income included old age pensions, loans from shopkeepers, bank loans, and HI Elder Self Help Groups (ESHGs).

Family, Friends and Neighbours

Family, friends and neighbours, and now the ESHGs, were most the common source for small loan amounts of up to Rs 500 (US\$11.36). Larger loans, up to Rs 10,000 (US\$227.27) were accessed via the local money lender (*mahajan*) or the pawnbroker. In Tamil Nadu, ESHGs were used for larger loans. In Bihar, where ESHGs are still in their infancy, and have smaller pots available for lending, they are only used for small loans. These smaller loans from friends, family and neighbour reflect that most households in the research area villages shared a similar economic situation. This was especially the case in the poorer Bihar locations where it would be unusual for family, friends and neighbours to have more than Rs 500 (US\$11.36) available for lending.

When loans were taken from family members, the modalities of repayment were specific to each loan. Interest was often charged both by family members and neighbours. With neighbours, higher value loans demanded collateral before a loan was dispersed. Loan totals 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. Interest rates varied from three per cent to ten per cent (similar for both locations). Average interest rates hovered around five per cent per month.

In Bihar, household size for households containing older persons averaged more than five in number. This indicates a trend of larger household sizes in rural areas and larger household sizes for multigenerational households in Bihar. Thus for the time being and within the limited number of villages visited during the research, extended families networks remain in strong evidence. The measurably smaller household sizes in Tamil Nadu (3.4 persons per household) reflect a decrease in extended households and imply situations of more limited extended family support, especially for older persons. This was noted by respondents in Naggapatnam who observed that it is common now for *children to live in the same village, but in separate houses*.

The primary reason given for family members not supporting their older relatives was due to economic challenges faced by adult children combined with changing systems of social support. As noted by an older person in Naggapatnam, *we are being neglected by our children, they no longer help us*. Another Naggapatnam group discussed the breakdown of traditional family support network stating that older people may receive food and shelter from their children in the same village, but they do not benefit from social care or support, *adult children become selfish nowadays even if they are living in the same village*.

However, in some areas children were seen to help, especially by providing remittances. Responses on the value of remittances varied dramatically across locations from Bihar where economic opportunities were heavily limited beyond subsistence agriculture to Tamil Nadu where diversified opportunities were very much in evidence and where money lenders and pawnbrokers played a larger role in providing cash flow. In Bihar, family members worked outside natal communities in Delhi, the Punjab, and overseas. These relatives, usually adult sons, were seen as *extremely important* to older persons in their role as providers of remittances. Older persons in Bihar shared that *most families have at least one relative working outside the village and sending support home*. In the words of one older father, *the most important source of cash income is the remittance from my son*. In Tamil Nadu, only a handful of individuals had children working outside. The overwhelming majority of older persons in Tamil Nadu had relatives working and living in the same or surrounding villages.

Moneylenders and Pawnbrokers

When amounts needed by older persons surpassed both family and community ability to resource, older persons turned to moneylenders and pawnbrokers. Pawnbrokers only loan money in exchange for collateral, while moneylenders simply used collateral for security. Conditions for borrowing from both moneylenders and pawnbrokers were formal than loans from family and friends and involved interest payments and the provision of assets as collateral.

Amounts taken varied and were much lower in Bihar where economic opportunity was more limited. Loans were cited as being, on average, between Rs 200 and Rs 5,000 in Bihar (US\$4.55-113.64) and from Rs 1,000 to Rs 10,000 in Tamil Nadu (US\$22.73-227.27). Loans up to 100,000 (US\$2,273) were noted in Tamil Nadu, providing one had land as collateral, but only 20,000 in Bihar (US\$455), and were usually for weddings. Interest rates varied between and within locations with rates starting as low as three per cent per month and increasing to over 25 per cent per month. In all cases, loans from a pawnbroker demanded jewellery, gold, and land documents to be used as security before a loan was dispersed.

Older persons throughout the research area lacking in assets stated that moneylenders and pawnbrokers were outside their economic purview. For all older persons, the key to accessing moneylenders and pawnbrokers was economic viability and not youth. A respondent from Sundari village in Bihar summarized this: *age is only a barrier if the older persons cannot show ability to repay, through employment, land ownership or proof of other assets*.

2.2.4 Formal Savings and Loans Institutions

One aim of the research was to determine whether and how older persons felt they were excluded from formal savings/loans institutions. FGDs in both Bihar and in Tamil Nadu sought to understand what options older persons pursued in terms of accessing both banks and other MFIs and self help groups. As noted by HI, older person historically *were not considered credit-worthy and therefore were denied access to cost-effective formal institutional credit*⁷. However, responses by older persons indicate a more complex relationship with formal credit institutions and indeed often challenged this very assertion.

With regard to other self help groups, specifically women's self help groups, respondents in Bihar did not report either being involved in or having the option of being involved in women's groups. In Tamil Nadu, older women said that women's self help groups did operate locally, but that as older women they were both excluded from membership on the basis of age, usually given as under 60 years, and due to the requirement that women only be part of one self help group at a time. Likewise, older women expressed interest in not being involved in women's self help groups. The reasons given were threefold:

- Having different needs and interests than younger women
- A desire to be involved with members of their own peer group
- A desire to focus exclusively on savings and loans activities rather than on women's advocacy activities.

Informal loaning options, aside from OPA loans, also excluded older person, especially, women. However, exclusion was based on ability to repay, previous credit history, available land, human and asset collateral and not due to old age.

When looking at access to banks for both savings and loans, older persons made two main points. First, regardless of whether banks would loan to the over 60s, older persons especially those in Bihar said the *amounts they wished to borrow were substantially smaller* than the amount a bank would lend. Older persons seeking loans in Bihar sought average loans of under Rs 5,000 (US\$114) and most regularly only Rs 500-1,000 (US\$11-23), an amount far below typical bank lending thresholds.

Secondly, older persons in both locations agreed that older persons were not discriminated against by banks, but rather were *excluded from participating in bank savings and loans because they do not have the economic capacity to repay the loans*. When asked whether they felt that it was fair of a bank not to lend to someone without the ability to repay a loan promptly and in its entirety, the responses were consistent and agreed that *banks are only doing their jobs*. According to older Biharis, high bank loan minimum amounts combined with interest rates averaging 10-12 per cent, the need to pay an agent for facilitation of the application, and commission or bribery payments all collude to exclude older persons from accessing formal loan structures.

Older persons also do not attempt to access bank services due to a belief that regardless of any qualifications which might be put into place, they would not be successful in any application. This was reflected by one woman's response in Madhubani, Bihar, *the bank will not give us loans anyway because we are over the age of 60*. However, when the group was asked whether anyone had been specifically turned away from a bank due to age the response was negative.

⁷ HelpAge India, *Elder for Elders Foundation*, Delhi, HelpAge India, 200?, p10

2.2.5 Government Pensions

The government of India has a series of safety net policies in place intended to protect the needs and rights of vulnerable persons of all ages. This includes the old age pension (OAP). Pensions were seen by all older persons as an advantage for improving economic security in old age. This was especially important in very poor and food insecure Bihar. The Indian National Old Age Pension Scheme provides 400 rupees per month (US\$9) to qualifying older persons above the age of 65. Pension applicants must be destitute and have no regular means of subsistence from his/her own source of income or through financial support from family members or other sources. Far fewer older persons receive the OAP than are eligible.

Older persons noted that the pension was *a desire option for contributing to economic security in old age*. However, complaints were made by older persons that the size of the pension is not enough to live off. Older persons also complained about the costs to secure it and the length of time one must wait to start receiving the pension once qualified and been put on the correct government list. In Tamil Nadu, India, pension recipients complained that *you are much more likely to receive the OAP if you are of the highest caste*. This was confirmed by older Biharis who added that *to get a pension, you must pay a bribe*. Older persons agreed that pensions were used to augment other livelihoods strategies rather than serve as a sufficient strategy in and of itself.

2.2.6 HelpAge India Elder Self Help Groups and Older Persons' Association (OPA)

In India, OPAs take the form of Elder Self Help Groups (ESHGs) which in both Bihar and Tamil Nadu were created to distribute emergency response. In both locations, ESHGs were formed through HI intervention and support. In Bihar, the response was to flood emergencies and in Tamil Nadu programming goes back to the 2004 tsunami response. In both locations, the OPAs have evolved into ESHGs focused on enabling older persons to participate in regular savings and accessing low interest loans.

In Bihar, ESHGs encountered during the research were all less than two years old. As a result, the total savings per member averaged less than Rs 500 per person (US\$11). All but one Bihar FGD had active ESHG members saving between Rs 20-25 per month (US\$0.45-0.57). One group was saving twice this to enable members to take out larger loans. Monthly interest for all group loans was calculated according to a reducing balance method and was based on two per cent of the outstanding principle value. Loans were taken out to cover household shortfalls for medical, ritual and food expenses. Only in rare occasions were loans taken out for business, agriculture or petty trade investment. The lowest loan cited was Rs 100 (US\$2.27) and largest was Rs 5,000 (US\$114) for shelter rehabilitation. On average, Bihari ESHG members were drawing loans of roughly Rs 500 per person (US\$11).

In contrast, Tamil Nadu ESHG members regularly took higher value loans which varied from Rs 500 (US\$11) to Rs 50,000 (US\$1,136). Monthly savings for members were generally twice that of Bihari ESHG members and often up to four times. In one FGD, older women cited ESHG loans of Rs 200,000 (US\$4,545). Most loans amounts were around Rs 10,000 (US\$227) or twenty times the value of those taken by Bihari peers.

The reasons behind the differing loan sizes appear to be due to three factors. First, older persons in Tamil Nadu have access to greater and more diversified livelihoods options than older persons in Bihar. Second, the presence of 'share' money in the Tamil ESHG accounts, the result of tsunami funding being used to increase the Tamil ESHG seed capital, enabled older persons to take larger loans more quickly. Finally, the evolution of the ESHG in Bihar was still in early days and averaged only Rs 500-1,000 (US\$11-23) per member greatly reducing the amount of cash available for loans.

For all older ESHG members, the low interest rate was seen as a positive reason to take a loan. As noted by an older woman in Mukhani, Tamil Nadu, *one advantage of the loan is the low interest, and in addition, the interest goes back to the group and not into the pocket of a moneylender.* This was reiterated by a woman in Arkattuthuran, *when we needed money before we had to go to the money lender who charged us ten per cent, now we only have to pay two per cent.* Older persons were also more comfortable borrowing from within a community of peers experiencing similar economic challenges. And as shared by an older woman in Naggapatnam, *the greatest advantage in the loans is the flexibility.*

Because the HI ESHGs focus specifically on livelihoods activities, the direct links between ESHG membership and improved livelihoods security were clear. Older persons agreed that ESHG participation fulfils an economic need for older people not filled by other formal and informal savings and loans mechanisms, that of low interest, flexible loans combined with regular savings.

An additional positive impact that ESHG members noted was improved self esteem and respect by others in the community as a result of their being able to both save and access loans to improve their livelihoods. One respondent in Naggapatnam shared that *we don't have to depend on money lenders anymore.* Another observed that *our grandchildren give us more respect now due to our activities in the ESHG... we are able to stand on our on two legs. When we have savings, our children and grandchildren also respect us.* In Vepilaikali, older persons agreed, *even if our children don't help us, the group allows us to live alone and be independent*

3 Conclusions

The majority of conclusions from the research are in keeping with earlier HelpAge and HI findings with regard to challenges associated with ageing and the roles, responsibilities, and contributions that older persons have. Older Indians depend primarily on the extended family and then the community for support. Where outside support is sought to secure sustainable livelihoods, older persons turn to both moneylenders and pawnbrokers. It was only where HI is operational in elder self help groups that older persons were found have effective and accessible options for savings and loans.

The conclusions of the research are as follows:

- Older persons are active in direct, indirect and domestic support contributing to household security. It is only the compound effects of ageing and physical deterioration that draw older people out of the working arena.
- 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 Indians 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, especially in the poorest and most isolated areas.
- Older persons have virtually no access to savings and loans opportunities. They are unable to access formal credit due to untenable conditions for membership and repayment, lack of collateral, and lack of land ownership documentation,

- With the exception of small emergency assistance from friends, family and neighbours and uncommon and *ad hoc* community group support, informal savings programmes are virtually non-existent. Older persons have limited opportunities to engage in secure and regular saving.
- 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 providers. 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 fear and rumour as opposed to accurate and up to date information.
- HI Elder Self Help Groups provide a useful alternative for older persons seeking to access savings and loans opportunities, but only where HI is operational.
- For both formal and informal savings and loans providers, exclusion from participation is based not on gender or age discrimination, but on the financial capacity and credit worthiness of the older person.

4 Recommendations

While this research was not intended to evaluate HelpAge or Cordaid programmes, it did identify four immediate areas where HelpAge and 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
- Consider ways to share seed money between well established Tamil Nadu ESHGs and less established groups in Bihar.

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