

*Full Length Research Paper*

## Impact of old age allowance among rural aged: An empirical investigation

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Accepted 5 August, 2013

Evidences of the recognition of the elderly rights at the state level are found in the constitution of Bangladesh. However, the aged people are facing various unexpected sufferings, which are caused by poverty and health related complications. Considering the pitiful financial conditions of aged, the Government of Bangladesh launched a Social Safety Net Program (SSNP) namely Old Age Allowance Program (OAAP) from 1997. The aim of the present study is to assess the impact of OAAP on elderly welfare in the rural areas of Bangladesh. For this, data were collected from 344 (22% of total recipients) beneficiaries using simple random sampling technique from Godagari Upazilla of Rajshahi district, Bangladesh. Face-to-face interview was conducted with a structured questionnaire. Descriptive analyses of data using various statistical tools such as frequency distribution, percentage distribution and chi-square test were made to trace out the impact of OAAP. It is found from the study that OAA helped aged persons to be placed in a better position, earn respect in the society and to their family members as well, though they are not satisfied with the amount of allowance. In other words, the small amount of OAA has limited economic impact on the aged people. But the social impact of this allowance is more significant. The aged people have accepted this program positively. It is high time to think and to take long-term phase by phase sustainable aging policies with the inclusion of this issue in the country's five year planning.

**Key words:** Old age allowance (OAA), social safety net program (SSNP), impact and rural aged.

### INTRODUCTION

Bangladesh, the eighth largest (153 million in 2012) and one of the most densely (1062 persons per sq. km. in 2012) populated countries in the world (PRB, 2012). It has started to experience another emerging issue of population ageing in its highly vulnerable population and development context (BBS, 2008). In 1951, elderly people (aged 60+) constitute nearly 4.4% of the population of the country (BBS, 2007). But it constitutes 7% of the population of the country in 2012 and this figure is predicted to rise to 22% by 2050 (UN, 2012).

Most of the aged people in the country usually do not have economic provisions such as savings or monthly pension to take care of their financial well-being. They do

not have other option but to depend on others such as their children which often gives them the feeling that they are some kind of burden on their families. The Constitution of Bangladesh pronounced certain rights to under privileged people of the country since its adoption in 1972. Article 15(D) of the Constitution stipulates that state will provide necessary assistance to the people having insecurity from unemployment, old age, widowhood, loss of parents or physical and mental disabilities. As a result, Social Safety Net Programs (SSNPs) have been pursued by successive governments as an effective tool to combat poverty and to bring the distressed people into social inclusion.

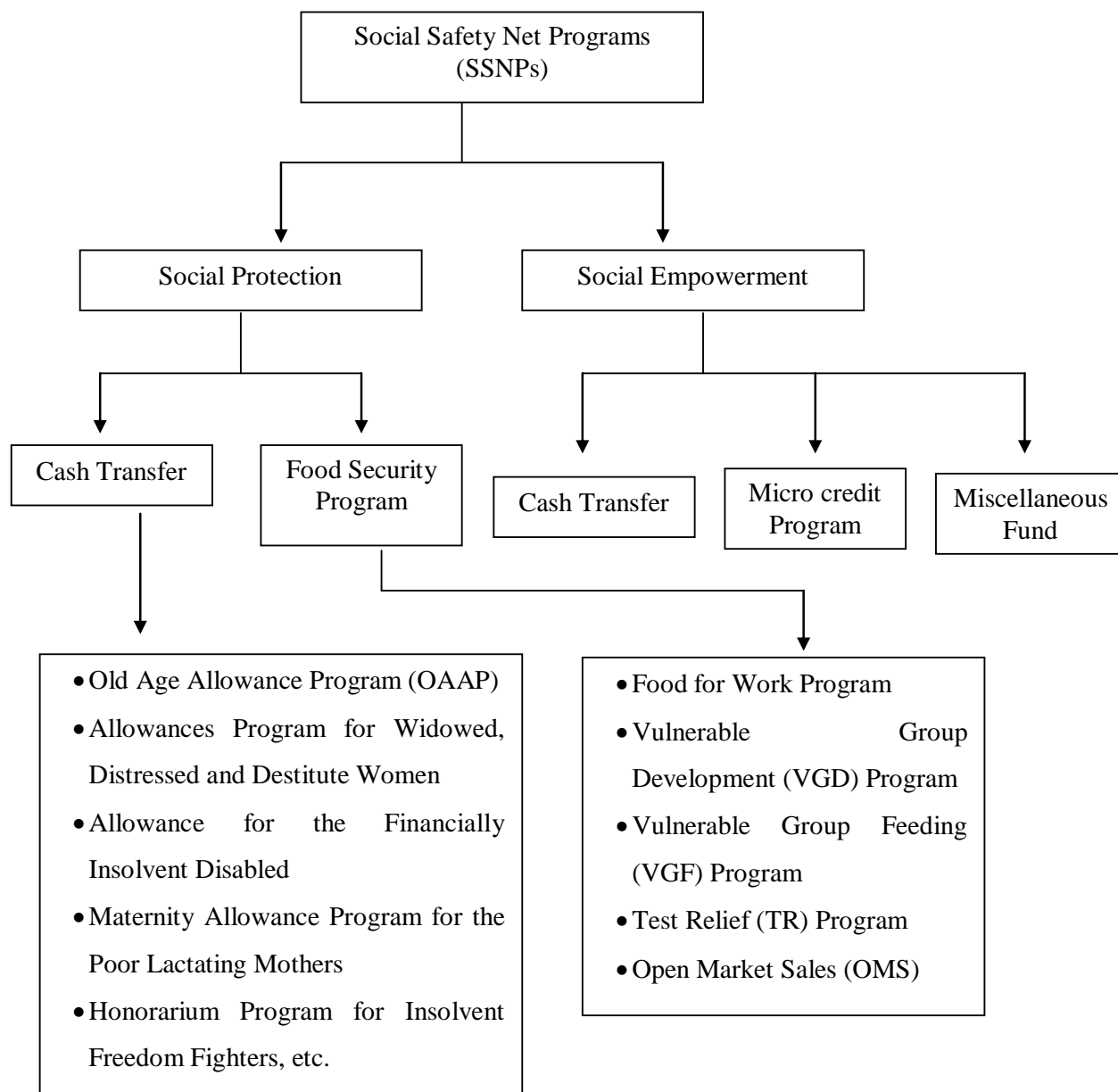


Figure 1. Current social protections in Bangladesh.

Government of Bangladesh (GoB) has initiated a number of SSNPs in the country both in the form of 'cash' and 'kind' transfers. Current social protections under the SSNPs in Bangladesh can be summarized in Figure 1.

Old Age Allowance Program (OAAP) is a cash transfer program in which the beneficiaries are the destitute elderly of the society. The World Bank (2013) Group defines cash transfer as the provision of assistance in the form of cash to the poor or to those who face probable risk, in the absence of the transfer, of falling into poverty. The program was launched in 1997 to 1998 fiscal year by the Ministry of Social Welfare (MoSW) in order to ease the plight of the targeted old people by providing them a

direct provision of monthly allowance to defray some of their costs of living. The annual distribution of OAA, number of beneficiaries and related information since its inception is presented in Table 1.

SSNPs are seen as an effective instrument for reducing the vulnerabilities of distressed population across the globe (Rook, 2011). Bangladesh Institute of Development Studies (BIDS) conducted a study in 2008 which focused basically on the demographic characteristics of the beneficiaries. Every year in Bangladesh, approximately 80,000 new older persons are entering into aged group (60+) who, in general, constitute a socially and economically vulnerable group with basic needs

**Table 1.** Old age Allowance Program (OAAP) in Bangladesh (1997-2012).

Fiscal year	Total allocation (Taka in million)	Number of beneficiary (in million)	Taka per person (per month)
1997-1998	125.00	0.40	100
1998-1999	485.00	0.40	100
1999-2000	500.00	0.41	100
2000-2001	500.00	0.41	100
2001-2002	500.00	0.41	100
2002-2003	750.00	0.50	125
2003-2004	1800.00	1.00	150
2004-2005	2603.70	1.31	165
2005-2006	3240.00	1.50	180
2006-2007	3840.00	1.60	200
2007-2008	4485.00	1.70	220
2008-2009	6000.00	2.00	250
2009-2010	8100.00	2.25	300
2010-2011	8910.00	2.475	300
2011-2012	8910.00	2.475	300

Sources: GOB, 2007; GOB, 2009; Budget Documents, 2009-2010; GOB, 2010; Budget Documents, 2010-2011; MoSW, 2013.

**Table 2.** Study areas and sample size at a glance.

Name of unions	Total OAA recipients	Sample size	Male	Female
Mohonpur	336	76	38	38
Reshikul	330	74	37	37
Matikata	511	114	57	57
Basudevpur	358	80	40	40
Total	1535	344	172	172

remaining unsatisfied in many cases (Hossain, 2007). From policy perspective, OAAP demands a systematic study to review its targeting mechanism and its gradual expansion both in terms of coverage and amount of allowance. So, the present study has been designed to explore the impact of OAA on elderly welfare in the rural areas of Bangladesh.

## RESEARCH METHODOLOGY

To obtain specific and reliable feedback, the area of this study has been confined to an Upazilla, named Godagari of Rajshahi district, Bangladesh and the beneficiaries getting the OAA at least from last two years (24 months) were considered as respondents in this study. There are nine unions (the smallest rural administrative and local government units in Bangladesh) in this Upazilla. Out of these unions, a total of 344 respondents (about 22% of the total OAA recipients of the union) were selected from four unions of this Upazilla following simple random sampling technique as presented in Table 2.

The respondents were interviewed face-to-face using a structured questionnaire of which 50% are male and 50% are

female. Well known statistical tools such as frequency distribution, percentage distribution and chi-square test were used to analyze the data using Statistical Package for Social Sciences (SPSS). Besides, several types of books, journals, dailies and research papers were used as secondary sources. Ministry of Social Welfare, Ministry of Planning, Ministry of Finance are the most significant secondary sources of this study.

## RESULTS AND DISCUSSION

### Age of the respondents

In both the cases of population and sample, the standard deviation represents the average variability in a population. The greater this variability around the mean of a distribution, the larger is the standard deviation. From Table 3, it is seen that the mean age of 344 respondents is 71.42 years with a range of 50 to 120 years and a standard deviation of 7.69 years. It implies that 328 (about 95%) respondents are between  $(71.42 \pm 2 \times \text{st. deviation})$  or  $(71.46 \pm 15.38)$  that is,

**Table 3.** Descriptive statistics related to age of the respondents.

<b>Respondents and age (in year)</b>	<b>Male</b>	<b>Female</b>	<b>Both</b>
Minimum age	50	50	50
Maximum age	120	100	120
Mean age	72.02	70.82	71.42
Std. deviation	8.29	7.00	7.69
Total	172	172	344

**Table 4.** Respondents according to the duration and amount of getting OAA.

<b>Duration of getting OAA (month)</b>	<b>Amount (TK.)</b>	<b>Respondents</b>		
		<b>Male</b>	<b>Female</b>	<b>Both sexes</b>
24-48	4560-8340	147(85.5)	140(81.4)	287(83.4)
49-72	8341-11040	10(5.8)	10(5.8)	20(5.8)
73-96	11041-13440	3(1.7)	6(3.5)	9(2.6)
97 and above	13441 and above	12(7.0)	16(9.3)	28(8.2)
Total		172(100.0)	172(100.0)	344(100.0)

Note: Values in the parenthesis indicate percentage of the respondents.

**Table 5.** Position of the elderly in family.

<b>Respondents</b>	<b>Situation in the family</b>	<b>Before receiving OAA</b>	<b>After receiving OAA</b>
Male	Satisfactory	8(4.7)	102(59.3)
	More or less satisfactory	111(64.5)	57(33.1)
	Not satisfactory	53(30.8)	13(7.6)
Female	Satisfactory	5(2.9)	103(60.0)
	More or less satisfactory	118(68.6)	62(36.0)
	Not satisfactory	49(28.5)	7(4.0)
Both	Satisfactory	13(3.8)	205(59.6)
	More or less satisfactory	229(66.6)	119(34.6)
	Not satisfactory	102(29.6)	20(5.8)

Note: Values in the parenthesis indicate percentage of the respondents.

between 55.78 years and 86.84 years. In other words, about 8 respondents (that is, about 2.33%) are younger than 55.78 years and about 8 respondents (that is, about 2.33%) are older than 86.34 years.

### Time duration and amount

The time duration of getting OAA (in months) was categorized into four groups as 24 to 48 months, 49 to 72 months, 73 to 96 months, and 97 and above months respectively. From Table 4, it is found that about 83.4% of the respondents were getting allowances for 24 to 48

months and only 2.6% were getting for 73 to 96 months. The number of male respondents was higher (4.1% higher) than the female respondents who were getting allowances for 24 to 48 months.

### Old age allowance (OAA) and position of the elderly

In consideration of gender, before receiving allowance, only 4.7% male respondents were in a satisfactory position with their families. But after receiving OAA, it was increased to 59.3% (Table 5). In a study, Ahmad (1991) defines the social security as public action including that

**Table 6.** Relation with the family members before and after getting OAA.

Relation with	Before receiving OAA			After receiving OAA			
	Male	Female	Both	Male	Female	Both	
Son	Not satisfactory	28(16.3)	15(8.7)	43(12.5)	4(2.3)	1(0.6)	5(1.5)
	More or less satisfactory	114(66.3)	126(73.3)	240(69.8)	45(26.2)	53(30.8)	98(28.5)
	Satisfactory	19(11.0)	14(8.1)	33(9.6)	112(65.1)	101(58.7)	213(61.9)
	Have no son	11(6.4)	17(9.9)	28(8.1)	11(6.4)	17(9.9)	28(8.1)
	N	172(100)	172(100)	344(100)	172(100)	172(100)	344(100)
Daughter	Not satisfactory	9(5.2)	6(3.5)	15(4.4)	3(1.7)	2(1.2)	5(1.5)
	More or less satisfactory	120(69.8)	109(63.4)	229(66.6)	43(25.0)	43(25.0)	86(25.0)
	Satisfactory	35(20.3)	39(22.7)	74(21.5)	118(68.6)	109(63.4)	227(66.0)
	Have no daughter	8(4.7)	18(10.5)	26(7.6)	8(4.7)	18(10.5)	26(7.6)
Neighbor	Not satisfactory	13(7.6)	18(10.5)	31(9.0)	2(1.2)	2(1.2)	4(1.2)
	More or less satisfactory	116(67.4)	103(59.9)	219(63.7)	56(32.6)	42(24.4)	98(28.5)
	Satisfactory	43(25.0)	51(29.7)	94(27.3)	114(66.3)	128(74.4)	242(70.3)
Relatives	Not satisfactory	11(6.4)	14(8.1)	25(7.3)	1(0.6)	1(0.6)	2(0.6)
	More or less satisfactory	113(65.7)	92(53.5)	205(59.6)	52(30.2)	39(22.7)	91(26.5)
	Satisfactory	48(27.9)	66(38.4)	114(33.1)	119(69.2)	132(76.7)	251(73.0)

Note: Values in the parenthesis indicate percentage of the respondents.

by communities, to protect the poor and vulnerable from adverse changes in living standards. Again the study shows that before receiving OAA, 2.9% of the female respondents were in a satisfactory position with family while after receiving, it was increased to 60.0%. On the other hand, in case of before receiving allowance, 30.8% male respondents were in a non-satisfactory position with family while after receiving, it was decreased by 7.6% and before receiving allowance, 28.5% of the female respondents were in a non-satisfactory position with family while after receiving, it was decreased to 4.0% (Table 5).

In Bangladesh, adult children, particularly sons, are considered to be the main source of security and economic support to their parents, particularly in the time of disaster, sickness and in old age (Cain, 1986). So, it is very important to assess the relation of elderly people with the family members. In Table 6, the relation of the respondents with the sons, daughters, neighbors and relatives before and after getting OAA were presented. The results show that the relationship with son increased satisfactorily from 9.6 to 61.9%, with daughters, it increased from 21.5% to 66.0% and with relatives, and it increased from 33.1 to 73.0%. This implies that the OAA has a positive role in improving the status of the aged to the family.

The study shows that before receiving of OAA, only 10% male respondents were in a satisfactory position while after receiving, it had increased up to 72.1%. Before receiving allowance 2.3% female respondents

were in a satisfactory position in society while after receiving it had increased up to 72.7%. On the other hand, before receiving allowance 23.3% male respondents were in an unsatisfactory position in society while after receiving case, it had decreased to 5.2%. And before receiving of OAA, 16.9% female respondents were in unsatisfactory position in society while after receiving; it had decreased to 2.3% (Table 7).

#### Association between the respondents and the effect of OAA

Although the monthly amount of OAA to elderly was very small, it has been a very good starting and initiative from the government. Considering this, respondents were asked about the effect of this initiative in their practical life. In Table 8, it is clearly shown that about 90% of the respondents' situation improved. It also indicated that females (about 7.6%) were more satisfied than their male counterpart.

In addition, to see the association between the respondents' and their opinion,  $\chi^2$  test was carried out. At 5% level of significance with 2 degrees of freedom (d. f.), the tabulated value of  $\chi^2$  was 5.999.

This is lower than the calculated value of  $\chi^2$ , being 6.002. So, it can be said that there is a significant association between Gender of the elderly and their

**Table 7.** Role of OAA to uplift the social position of the elderly people.

Gender	Situation in the society	Before receiving OAA	After receiving OAA
		No. of respondents	No. of respondents
Male	Satisfactory	17(9.9)	124(72.1)
	More or less satisfactory	115(66.9)	39(22.7)
	Not satisfactory	40(23.3)	9(5.2)
Female	Satisfactory	4(2.3)	125(72.7)
	More or less satisfactory	139(80.8)	43(25.0)
	Not satisfactory	29(16.9)	4(2.3)
Both sexes	Satisfactory	21(6.1)	249(72.4)
	More or less satisfactory	254(73.8)	82(23.8)
	Not satisfactory	69(20.1)	13(3.8)
$\chi^2$ value		12.069	2.122
Degrees of freedom (d. f.)		2	2
Significant level		0.002	0.346

Note: Values in the parenthesis indicate percentage of the respondents

**Table 8.** Relationship between the respondents and their opinion about the effect of OAA.

Opinion about the effect of OAA	Male	Female	Both sexes	$\chi^2$ value	Degrees of freedom (d.f.)	Significant level
Improved	148(86.0)	161(93.60)	309(89.8)	6.002	2	0.05
Unchanged	22(12.8)	9(5.2)	31(9.0)			
Don't know	2(1.2)	2(1.2)	4(1.2)			
Total	172(100.0)	172(100.0)	344(100.0)			

Note: Values in the parenthesis indicate percentage of the respondents.

**Table 9.** Opinion of the respondents about the present amount.

Opinion about the present amount	Male	Female	Both sexes
Sufficient	10(5.8)	11(6.4)	21(6.1)
Not sufficient	162(94.2)	161(93.6)	322(93.9)
Total	172(100.0)	172(100.0)	344(100.0)

Note: Values in the parenthesis indicate percentage of the respondents.

opinion about the effect of OAA.

### Opinion about the present amount

Most of the people of Bangladesh are poor and they live from hand to mouth. So, any kind of support from any corners however little it may be, would be considered as very helpful to the poor. Hasan (2012) in a study showed that OAAP can not make any body rich but nobody will

die without food now because of this program. From Table 9, it is found that more than 90% of the elder (both male and female) said that the existing amount is not sufficient for maintaining a minimum standard of living in Bangladesh.

### Conclusion and policy recommendations

Elderly populations are the asset of any nation and OAAP

has created a significant sense of solidarity among the elderly poor. A universal agreement among the policy makers regarding the ageing issues signifies the importance of the issues in the national developmental agenda. From the study, it is clear that the position of the elderly in the family and their relationship with the family members (with the sons, daughters, neighbors and relatives) has increased after getting the OAA (Tables 5 and 6). They termed the existing amount of OAA as insufficient (Table 9) and it should be increased significantly (Table 8). The results also showed that the OAAP has an effect to uplift the social position of the elderly people but it is not statistically significant (Table 7). Many lessons can be learned from industrial societies who are facing the problems associated with their increasing aged people and it is appropriate time for Bangladeshi policy makers to give due importance to the forthcoming age wave especially prioritizing the following programs:

- i. The amount of money and the number of beneficiaries under OAAP should be increased,
- ii. The elderly should be provided community based services with their active involvement,
- iii. Government should try/make efforts to achieve the targets of Millennium Development Goals (MDGs) regarding ageing, involving all the related organizations of the government and non-government sectors.

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