

## SOCIO-ECONOMIC IMPLICATIONS OF AGING IN INDIA

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### ABSTRACT

*This paper attempts to explore and analyze the prevailing scenario of the Indian public healthcare sector in relation to India's aging population and the facilities provided in both the private as well as public sectors. Based on the various government policies relating to pensions, social security and protecting the rights of senior citizens the paper identifies the discrepancies that exist between the policies set by the government and its implementation as against the actual scenario. It also focuses on the private sector, and how it has evolved to provide services to fulfill the needs of the aged. It further studies the various initiatives and schemes undertaken by the government and also provides suggestions to address the root causes with regard to the shortcomings of social security and retirement in India. The paper attempts to assess both the social and economic impact on India's increasingly aging population and the influence of this demographic change as our culture becomes increasingly westernized and the concept of joint families begins to lose its appeal. The research raises a question on the applicability and feasibility of the processes currently employed and proposes how to tackle the existing issues therein. Factoring in changes in life expectancies, medical improvements, and India's struggle with poverty as well as other such influences on the treatment of seniors this paper provides an overview of the aging problem in India and support.*

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**Keywords:** Aging Population, Private Healthcare, Public Healthcare, Old-Age Homes, Life Expectancy.

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### INTRODUCTION

India has experienced a major increase in the longevity of the average life-span. This extension in life expectancy has led to the multiplication of old-age related services ranging from old age homes to support services and consumables such as adult diapers. The needs of the elderly, elder-care issues, State vs. family care, elder abuse, interventional and action plan research are some areas that need accentuation (Ramamurthi, 2003). Among the positive factors which have been sustaining the elderly in India is the strong attachment of family members to the elderly. Chanana and Talwar 1987 Even today society looks unkindly on those who neglect elders in the family. This paper aims to analyze and provide fresh insight into the aging problem of India and support as well as the possible measures to be adopted in order to tackle an increasingly aging population in the future (Chanana and Talwar, 1987)

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## **PRIVATE HEALTHCARE IN INDIA**

- **Access to the Private Healthcare System**

Private healthcare in India is a ballooning industry with several thousands of crores being invested by large industrialists and businessmen to provide quality-often luxury healthcare services to the elite population as they age. The services provided are extensive ranging from live-in nurses to hospital rooms with services analogous to five star hotels. Doctors and supporting medical professionals are usually highly qualified and have the freedom to prescribe expensive tests and procedures. The issue with our private healthcare system is that alarmingly it is accessible only to such a limited segment of society. Most aging citizens need to look for relatively cheaper alternatives so that their funds are not depleted at such an alarming rate. Our private medical system has often been criticized for being so exclusive and difficult to access-however there are certain measures that can be taken so that equity in healthcare when it comes to an aging population can be achieved.

- **Measures to Give Access to Senior Citizens**

As in the case of education, policies that are restrictive and encourage the booming of more healthcare services can be implemented. A quota for the economically weaker segment of society can be necessitated to be filled by all hospitals, or a price ceiling that prevents hospitals from charging above a certain limit can be implemented. However, this might not be truly efficient due to loopholes and problems with implementation. Also, if a price ceiling is implemented it might lead to fewer businessmen being willing to supply healthcare services; eventually adversely affecting the aged.

## **PUBLIC HEALTHCARE IN INDIA**

- **Importance of the Public Healthcare System**

In any developing economy, the crux of building an effective healthcare model for the present and its future is its public healthcare institutions. Taking into consideration the increased medical requirements as the society ages as a whole it is imperative to look into India's public healthcare sector. In economies like India and by far most countries globally, the public healthcare system acts as an inherent and a fundamental mechanism of administering economical healthcare to its citizens that is efficacious in nature. India being a developing economy, it is difficult to expect a majority of the population to have access to the private healthcare sector due to economic reasons. Hence, assessing the efficiency of the public healthcare sector of India is crucial to understand the quality of healthcare provided to the majority of the aging population of India. Though it is a matter of political debate about the degree of role that governments should play in the provision of healthcare, it is perhaps a compelling justification that healthcare, in the same way as education, is a basic human entitlement, and thereby a matter of priority for government intervention. In this context, it is also important to consider the bearing of an individual's health on the overall functioning of the economy. Although senior citizens are often seen as an economic burden, by increasing the retirement age and encouraging them to adopt healthy lifestyles they can benefit the economy.

Thus, these externalities illustrate that government intervention is required to provide healthcare at a socially optimal level. Especially as medical improvements elongate life expectancies, as well as fewer wars, bombings and an increasingly safer world results in its citizens living longer lives on an average.

- **Public Healthcare Model in India**

The public healthcare delivery model is based on two linchpins. One focuses on making healthcare more accessible for a vast population throughout the country. The other prioritizes on making available affordable and timely treatments. India's rapidly growing population spread across several states makes these goals a huge challenge to implement. These measures have to be implemented as coherently as possible and at costs that are both supportable for the participants and financially sustainable for the nation.

### **HEALTHCARE ISSUES IN INDIA**

Currently, the overall healthcare system in India still has a lot to achieve. Inadequate, and in certain cases, misallocated financial resources is a major challenge. Some of the other challenges facing the healthcare system are the scattered geographical distribution of healthcare institutions, making timely treatment difficult to access and also the lack of quality of nursing staff and doctors in public healthcare centres. A number of cities lack the proximity of good hospitals and medical care- these are crucial as a population ages considering they are more susceptible to illnesses and sudden seizures. The lack of capacity is also another factor of paramount concern, which increases the waiting period for patients who need medical attention at the earliest. A majority of government hospitals and clinics require clout and contacts for an appointment due to the mere number of patients in comparison to the doctors available. A large segment of India's population finds private healthcare unaffordable thereby putting undue pressure on the public healthcare sector. As a person retires, they usually receive meager pensions if any and private healthcare may lead to fast depletion of funds. Though the government acknowledges these and several other challenges, measures are yet to be undertaken to fulfill its obligations.

### **SOCIAL SECURITY IN INDIA**

Social security essentially means ensuring that no segment of society is susceptible or deprived. Considering that as the population ages they often become both-social security laws in our country have always been a source of contention. As of today, in India no formal law for social security exists; although scattered laws regarding pensions and gratuity have been enacted. Whereas in most developed nations, it is often ensured that no old person should be forced to work beyond their capacity and has the ability to maintain a decent standard of living. In the Constitution, Article 41 of Directive Principles asks the state to "within the limits of its economic capacity and development," make effective provision for securing the right to work, to education and to public assistance in cases of unemployment, old age, sickness and disablement, and in other cases of undeserved want." Article 42 says the state shall make provisions for securing just and humane conditions of work and for maternity benefits.

Hence, maintaining a decent standard of living in one's old age on an individual level and being able to guarantee it to India's population as an aggregate is an objective that the Indian government must strive to achieve.

### **PENSIONS IN INDIA**

As India's economy expands and our population gets older an increasing emphasis is expected on pensions so that elders are able to lead a life of dignity. Schemes such as the National Pension Scheme, it is a voluntary pension scheme that is managed by the Pension Fund Regulatory and Development Authority (PFRDA). The NPS also provides its subscribers with certain tax benefits, exempting them from the payment of tax up to a certain limit. It has a set withdrawal policy which is split into two parts-If the withdrawal is done prior to attaining the age of sixty and if it is done after.NPS restricts withdrawals before the age of 60. As per latest regulations subscribers can make withdrawals from the scheme only after 10 years, only 3 times during the entire duration and at no point in time will withdrawals exceed the sum total of contributions made by the subscriber. At age 60, minimum 40% of the accumulated corpus has to be used to purchase an annuity. The subscriber can withdraw up to 40% of accumulated corpus tax-free.

### **RESEARCH METHODOLOGY**

A primary survey involving 50 participants was conducted; this data was compiled to form the basis of the research paper. Literature review of articles and books regarding this topic was also done.

### **OBJECTIVES OF THE STUDY**

The main objective of this study was to grasp the current situation of the elderly in the country as well as assess the problems they struggle with. Assessing the aging population of India relative to the youth, the hold of private healthcare as well as its affordability, public healthcare in India, social security schemes and pension schemes launched by the government, as well as the increase in old-age homes, need for family support and elongated life expectancy have been covered to understand the situation of the aging demographic.

### **LIMITATIONS OF THE STUDY**

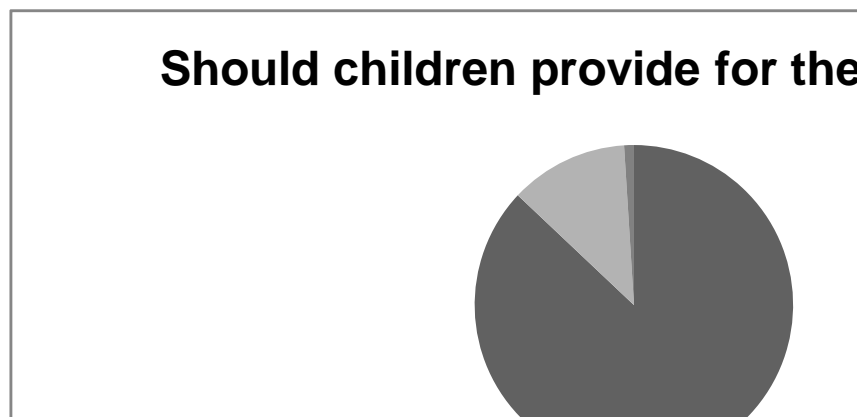
This study was done over a limited period of time, the sample size taken is not adequate for aid in policy making although it does provide an overview of the issues affecting the aged in our country and situation in India.

### **ANALYSIS OF DATA**

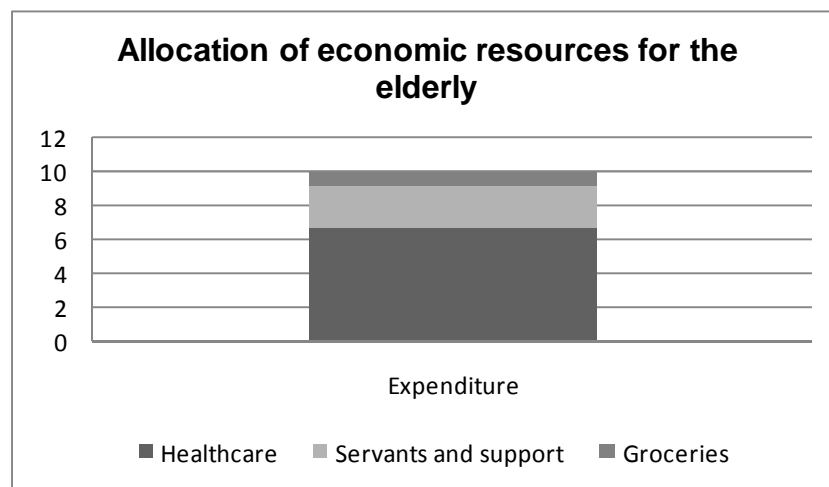
Data was analyzed after being collected from the primary survey done, which was carried out on a population consisting of elders aged above 55. Their plans after retirement, as well as their fears were asked and they were told to rank what they expected to happen after retirement. This provided an insight into what their preparations were and how they expected to live their remaining lives. I also spoke to several people who had elderly parents and asked them how much time and money they spent on an average in looking after them. Although most said that they were glad to have their parents staying with them, they did admit that healthcare can be a huge economic burden and as they grow older their emotional responsibility towards their parents also increases.

**MAIN OBSERVATIONS**

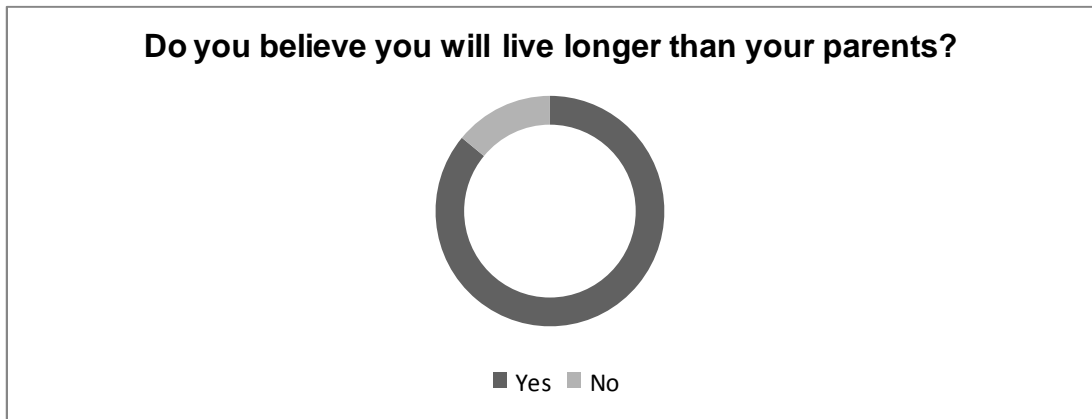
According to the survey most adults believe that it is indeed their responsibility to provide for their parents and ensure that they lead a decent life and are able to maintain their standard of living.



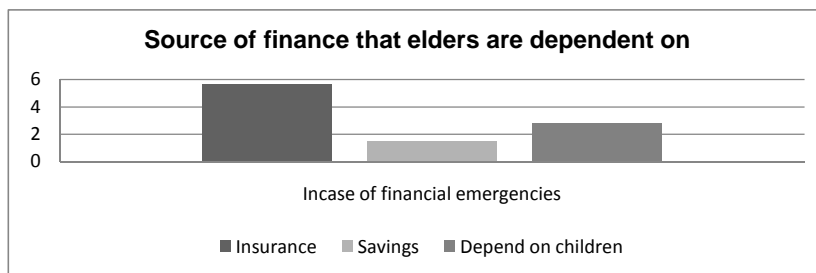
In the survey conducted, an overwhelming 87% of adults answered that they would financially support their parents, while 12% said they expected their parents to support themselves and 1% remained unsure.



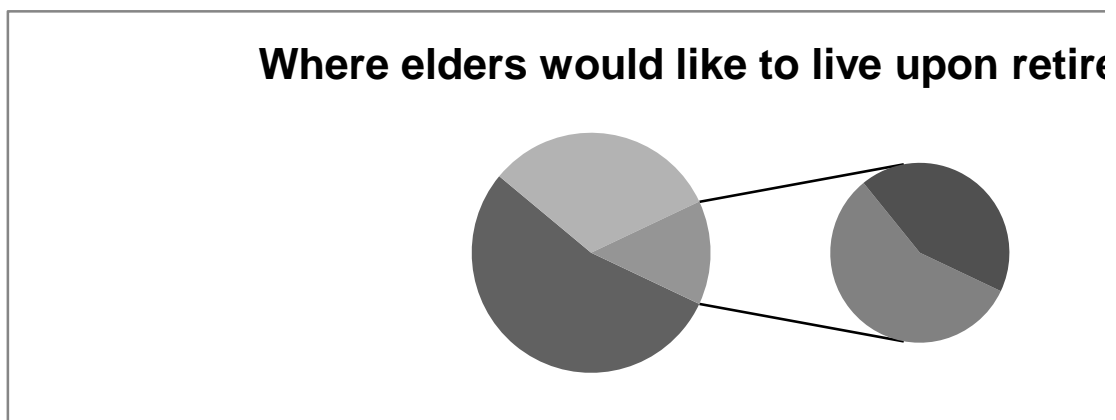
However, some of the respondents admitted that they felt healthcare expenditure on their parents was an economic burden and drained their resources as well as well-being. Even the aged population emphasized on the healthcare expenditure being their primary concern since costs were incredibly high and they feared being unable to afford it. According to the primary survey, on an average only 9% of resources are spent on basic groceries for the elderly while healthcare services such as hospitalization and medicine take a whopping 67% and 24% of resources are spent on employing full time servants, cooks etc. for their domestic needs.



Most of the elderly population said they expected to live longer than their parents since healthcare and technology was constantly improving. As per data from the primary survey, 86% of the older generation believes that they will surpass their parents in age while 14% said they expect not to.



They stated that they knew in order to keep up with inflation and unexpected challenges most of them considered insurance related to major medical issues a good mitigation method. 15% said they would rely on their savings while the remaining 28% said they would depend on their children.



A relatively smaller segment of the population stated that they would prefer old-age homes as they didn't want to be a burden on their children (some of the respondents did not have children) and they would be more comfortable and happier with interacting with other seniors at such homes. Some stated that this was an optimal choice but they also wanted to spend time with their families and their grandchildren who is why they would prefer something in between; such as spending time with them on weekends but also having their own space. The children of elderly parents stated that they were usually at work and hence had employed servants/live-in nurses to look after their parents. In some cases, they had opted to work-from-home on some days and took leave when their parents were seriously unwell. They said that in some cases parents lived separately and they would choose to visit and call but preferred their privacy and hoped that their parents would continue to lead separate lives.

### **INFERENCES AND CONCLUSIONS**

From these observations it is seen that as the population ages they influence both the economic and social aspects of our society as a whole. Pensions and retirement benefits act as a cushion for sustenance however the fundamental expenditure during old age is usually on healthcare. Opting for insurance as well as saving are two individualistic methods that have been undertaken by the most of the elders. India is lacking in many aspects such as providing adequate healthcare to the elderly, as can be seen from above the number of physicians and hospital beds in proportion to the total population is dismally low.

India still lacks a stable social welfare net to support pensioners and as per statistics provided by the Indian institute of statistics we are far behind developed countries in pensions and that keep up with inflation and increasing living costs. To improve this government needs to use some of its resources on improving the life of the elderly by launching more schemes such as the national pension scheme. From what has been inferred from the survey conducted, most seniors would prefer to not remain dependent on their children and prefer their personal space; to achieve this more facilities need to be provided to improve their scope for independence such as reliable old age homes and other such facilities.

The survey has also pointed out that healthcare is one of the largest financial drains for seniors, this may be mitigated by a variety of measures such as an adequate health insurance cover, savings etc. Support and nurses also take up a large chunk of the resources available. It is crucial that our government sets a wholesome plan that covers the impoverished and allows them to also lead decent standards of living.

While it is an inevitable stage of life, making it as pleasant as possible must be an individualistic as well as aggregate goal. Any social action plan, scheme, or program for welfare or intervention can be formulated only on the basis of data generated by research findings. (Ramamurti, 2003) This study shall enable policy makers to gain an overview and insight into the current situation of the elderly in India, and lead to changes in policies regarding pensions, social security and retirement.

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