IMPACT OF ELDERLY SELF-HELP GROUPS ON QUALITY OF LIFE OF ELDERS IN BIHAR

Assessment of community-managed grassroots institutions promoting old age protection
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This study has been conducted by the Indo-German Social Security Programme of the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ). We would like to thank the study team of K.P. Rajendran, Prakash Kumar and Rakesh Pillai of Four X Consulting Private Limited for their valuable field work.

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Photographs by Sanjay Austa
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Impact of elderly self-help groups on quality of life of elders in Bihar
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<td>APL</td>
<td>Above the poverty line</td>
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<td>BPL</td>
<td>Below the poverty line</td>
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<td>ESHG</td>
<td>Elderly Self-Help Groups</td>
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<td>IGNOAPS</td>
<td>Indira Gandhi National Old Age Pension Scheme</td>
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<td>NABARD</td>
<td>National Bank for Agriculture and Rural Development</td>
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<td>Non-governmental Organisation</td>
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<td>NSAP</td>
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<td>RSBY</td>
<td>Rashtriya Swasthya Bima Yojana</td>
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<td>Rs.</td>
<td>Indian Rupees</td>
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<td>SHGs</td>
<td>Self-Help Groups</td>
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<td>UNFPA</td>
<td>United Nations Population Fund</td>
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<td>UT</td>
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The Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) has been supporting Elderly Self-Help Groups (ESHG) in Northern Bihar since 2012. This project is carried out in collaboration with the non-governmental organisation (NGO) HelpAge India (HAI), with the aim of strengthening old age security for rural elderly. HAI has been working since 2009 in three districts of Bihar – Supaul, Madhubani and Darbhanga. The village elderly are organised into Self-Help Groups (SHGs) and encouraged to save collectively. The funds so created are then given as loans to the members who can use them to start small business activities and cover their living expenses. As a consequence, there is improvement in the income security of the elderly and they are able to diversify their livelihoods. Beginning with 38 villages, the project has now spread to 64 villages with a total of 930 ESHGs. GIZ has supported formation of 637 of the 930 groups (November 2014).

The survey which is presented in this report was carried out in Supaul district of Bihar. At the time of the study’s fieldwork in September 2013, 490 groups had been created, of which 197 were supported by GIZ. The study examines changes that the project has brought about over a three-year period on economic, social and psychological aspects that constitute quality of life for the elderly. The survey also assesses if the project has raised awareness of the elderly about their entitlements and their access to social benefits. The results of the household survey show a positive impact of the ESHG approach, especially in the area of income security. ESHG members are less prone to losing their income with age and have successfully taken up the habit of saving. Furthermore, thanks to the loans provided by the ESHGs, the elderly are less likely to slide into a debt trap.

Assessing the impact of the ESHGs on the social and psychological status of the elderly is more difficult, given the long-term and subtle nature of these changes. Some encouraging results are that most elderly participate in events and are consulted by their families in decision-making. Many elderly are still actively involved in household work, although it is unclear if they perceive this as a positive circumstance. Areas of concern are that many elderly report loneliness and are afraid to be left without any support. Another important finding relates to the coverage of the elderly by social security schemes, including the state sponsored social pension and health insurance programmes. The most relevant form of old age protection, the national social pension, does not reach many of the surveyed elderly. This situation needs to be addressed through further advocacy work of the ESHGs in the future. Even though the elderly receive information about relevant social protection schemes, they are not always sure how to use it for their own
benefit. Therefore there is scope for improvement in the form of information about rights and entitlements for the elderly that is provided by the ESHGs.

The study concludes that ESHGs have the potential to improve the living conditions of the elderly, especially in the economic realm. The collective approach responds to the needs of the elderly and has the potential to exert an impact beyond income security. Of course ESHGs will not be able to fill the current gap in India’s social security provisions for the elderly, but they can be a key element to move the issue of ageing up on the political agenda and to provide vital support to the current generation of India’s elderly.
1.1 Ageing in India: Demographic trends

India’s elderly population is growing – both the share and size of population aged 60 years and above have increased over the last decades. While the 60+ population constituted 5.6 percent (25 million in absolute numbers) of India’s total population in 1961, there were 8.3 percent or over 90 million elderly people in 2013, and the number continues to grow. According to current trends, the population of elderly is projected to grow to a share of 12.4 percent (173 million) in 2026 and 18.3 percent (315 million) in 2050. This demographic transformation is caused by a downward trend in fertility coupled with an increase in life expectancy. In 2013, Indians had an average life expectancy of 66 years. Life expectancy differs for men and women: Women live on average two years longer than men. This corresponds to a sex ratio in the 60+ population of 105 women per 100 men. The gender imbalance rises sharply with increasing age (60-69 years: 98/100; 70-79 years: 114/100; 80+ years: 116/100). The tradition of men marrying women of significantly younger age in India, especially in the past, contributes to an even larger number of female than male widows, reinforcing the already vulnerable position of elderly women in Indian society.

1.2 Vulnerabilities in old age

In the context of this rapid growth of India’s elderly population, new challenges for the society as a whole and for the elderly specifically emerge.

Income and financial insecurity

More than 90 percent of India’s workforce belongs to
the informal sector. Most elderly in India have spent their lifetime working in the informal sector, which is characterised by low paid jobs, insecure tenure and the non-existence of retirement benefits such as old age pension. The lack of any financial security in old age obliges the elderly to work as long as possible.

According to data of the National Sample Survey Office, about 39 percent of the elderly are engaged in remunerated labour.5 Despite the pressing need for wage labour, older people are often excluded from the Indian labour market – a common phenomenon in many developing countries and emerging economies. Barriers towards their employment include negative attitudes regarding their hiring, transferability and relevance of skills or limited retention possibilities. These factors constrain older people’s ability to work formally and informally, especially when they approach stages of ill-health and/or late old age.

These problems tend to be even more pronounced for elderly women. They receive fewer years of formal schooling than men and consequently show significantly higher rates of illiteracy.6 Illiteracy is closely connected to life-long income insecurity and to the lack of any social security. The focus on short term priorities forces people with low incomes to make trade-offs regarding their long-term wellbeing. They are unable to invest in voluntary savings, contributory pensions or assets. As a consequence, they are left with very limited resources to cope with lifecycle risks, making them vulnerable to shocks and prone to old age poverty.

This is worsened by the fact that older people, especially from the rural areas, have hardly any access to formal financial services to support them in income generating activities. Rural elders’ vast exclusion from formal banking can be attributed to age ceilings and partly to an assumed lack of capacity to repay loans. Obtaining a loan is further complicated by the small amounts that the elderly typically want to borrow, which are far below the normal lending thresholds. This is reinforced by widespread financial illiteracy, mistrust and fear of financial institutions.

All of the above factors limit elderly people’s economic independence, which can be reduced even further due to financial emergencies such as high medical costs. In such cases, elderly people turn to their families, friends and neighbours for financial support. However, these resources serve as incidental support structures for small-scale financial emergencies rather than a reliable security net. When the limit of the lending capacity of families and communities is reached, the elderly need to revert to local money lenders and pawnbrokers for loans and credits. They charge exorbitant interest rates, putting the elderly at risk of falling into a debt trap.

Hence increased use of formal saving and lending could not only enhance elderly people’s capacity to cope with financial emergencies, but cost-effective credits could also support senior citizens to extend and diversify their livelihood opportunities and make investments in businesses.

Health conditions and working capacities

Increased longevity is accompanied by a rising demand for health care due to deteriorating health and declining physical abilities. As per a recent estimate prepared by Insurance Regulatory and Development Authority (IRDA), just 17 percent of the population, or roughly 220 million people in India currently have access to a health insurance which covers their medical expenditures in case of illness.7 The major part of health care costs (about 72 percent) are direct out-of-pocket payments.8 Consequently, many elderly have no access to treatment, which is an important factor because the physical status of the elderly determines their ability to earn an income. In the age group of 60 - 69 year-olds about 94 percent are physically mobile. This fraction reduces to 86 percent for those aged 70 - 79, and to about 68 percent for the 80+ group.9 A study by the United Nations Population Fund (UNFPA, 2012) shows that economic activity is

5. Central Statistics Office, 2011, see footnote 1
6. Central Statistics Office, 2011, see footnote 1
substantially higher for the younger age group of the elderly: in the 60 - 69 age group about 31 percent are working. The work participation rate is 16 percent for the 70 - 79 year-olds and drops to merely 6 percent for the 80+ group. It appears that, while a large fraction of 80+ are physically handicapped and not able to work productively anymore, a sizeable share of the 60 - 69 age group — and to a lesser extent of the 70 - 79 age group — is still mobile and economically active.

Elderly people are at risk of being neglected and abused by their families and are often not provided shelter, food or adequate financial, physical and social support. In a survey of UNFPA in 2011, 11 percent of the elderly reported to have been exposed to different forms of abuse after the age of 60. Prevalence of abuse is similar for both men and women; however, it is reportedly higher for rural compared to urban residents and those being less educated. The forms of abuse range from disrespect, maltreatment and exploitation to even physical violence. Most cases are not reported, as there is a social taboo around these incidents. A combination of isolation, neglect and the lack of any meaningful responsibility increases the chance that the elderly develop low self-esteem. Women face intensified vulnerabilities, as do members of scheduled castes and tribes, who are often disadvantaged and are discriminated against throughout their lives. An extreme form of dependency occurs among those elderly who are bed-ridden and in need of full-time care from their families.

In conclusion, even though family structures remain an important and often the only support net for the elderly, it gets increasingly more difficult for the younger generation to take care of the elderly. Therefore, other support systems such as government-financed schemes will become increasingly important in the future. The next section gives an overview of the government-funded support systems for the elderly.

Family structures

Family remains a very important component of elderly people’s livelihood security. In 2004, residing with their children was the most frequent living arrangement for senior citizens (50 percent of women and 20 percent of men), next to living with their spouses (40 percent of women and 75 percent of men). About 3 percent of elderly men and 8 percent of elderly women live alone or with other relatives. Children often continue to support their parents financially, even if they have migrated or live in separate households, e.g. in the form of remittances. In 2011 about 25 percent of all elderly received money transfers from their non-resident children.

However, these traditional family structures are weakening. Young couples are increasingly migrating from rural areas to cities and are setting up their own nuclear households, leaving parents to their own devices. Rising health care expenditures and the need for care arising from the elders’ physical deterioration are perceived as a burden and hindrance for young couples’ own aspirations in life. More and more young women who traditionally cared for their parents or parents-in-law enter the work force and have limited time to cater to the aged members of the family.

Public and non-governmental support for the elderly

Some of the initiatives presented below specifically target the elderly, while others are designed for the benefit of the general population and include the elderly.
National Social Assistance Programme (NSAP): The NSAP was launched by the Ministry of Rural Development in 1995 and combines different welfare programmes:

- The **Indira Gandhi National Old Age Pension Scheme (IGNOAPS)** is one of the oldest pension schemes in India and the only existing national social pension programme at the moment. Under IGNOAPS, the Government of India provides Rs. 200 a month to the elderly (60 to 79 years) below the poverty line (BPL) and Rs. 500 to those aged 80 years and above.\(^\text{14}\) In addition, states top up the government contribution with varying amounts: at present 19 states/Union Territories (UTs) provide more than Rs. 400, eleven states/UTs between Rs. 200 and Rs. 400, and six states/UTs less than Rs. 200. In 2010 - 11 about 17 million elderly people were covered under this scheme.

- Since 2009, the NSAP has included a **National Disability Pension Scheme** which provides a monthly pension of Rs. 300 for people aged between 18 and 79 years with severe or multiple disabilities. In 2010 - 11 about 1.3 million disabled people were covered. The **Indira Gandhi National Widow Pension Scheme** was also started in 2009 and pays Rs. 300 a month to widows aged 40 to 79 years. It covered about 3.4 million widows in 2010 – 11.

- The **Annapurna scheme** is also part of NSAP. It was launched in 2000 to provide food security to those who are eligible to receive social pensions, but remain uncovered by IGNOAPS. The elderly receive 10 kg of food grains per month. 4,66,000 beneficiaries received these food rations in 2010 - 11.

National Pension Scheme (NPS) - Lite: In 2009, the Ministry of Finance introduced a contributory pension system for unorganised sector workers. This scheme encourages low-income individuals to make small savings during their productive life. As an incentive the government adds Rs. 1,000 per year if the beneficiary has saved between Rs. 1,000 and Rs.12,000. Though this scheme might become relevant for future elderly generations in India, it is not applicable to today's elderly, as it has been introduced only recently.

National Rural Livelihoods Mission (NRLM): The NRLM is the restructured national-level livelihood initiative of the Ministry of Rural Development. Launched in 2011 and partly aided through investment support by the World Bank, the NRLM aims at improving livelihood security of poor households by building strong institutions for the poor through self-managed self-help groups (SHGs) and federations. These institutions are meant to provide access to a range of livelihood enhancement services, which include financial and capital services, production and productivity enhancement services, technology, knowledge, skills and inputs and market linkages. It aims to reach 70 million rural households.\(^\text{15}\)

Rashtriya Swasthya Bima Yojana (RSBY): RSBY is the national level health insurance scheme for BPL households launched in 2008 by the Ministry of Labour and Employment. Registered families with up to five family members are entitled to hospitalisation coverage up to a maximum of Rs. 30,000 per annum. The scheme is paperless and based on a smartcard that stores the biometric information of the insured. The services provided under the scheme can be accessed in more than 10,000 empanelled hospitals all over India. Currently, about 37 million families are covered under RSBY.

Apart from the schemes described above, various NGOs provide services to the elderly. Some of the NGOs receive funds from the central or state governments and from international organisations. They provide help to very destitute senior citizens by means of old age homes, day care centres, medical check-up and physiotherapy centres, health camps, advocacy on rights, and supply of grocery, meals, and clothing. However, the support of NGOs focuses on provision of shelter, food and medical facilities, rather than engaging the elderly actively in improving their income security.

**A story of exclusion**

Despite the existence of several programmes for the

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14. In India, this benchmark (2011) classifies a person as below the poverty line (BPL) if the daily expenditure per capita is less than Rs.27.2 in rural and less than Rs.33 in urban areas (Tendulkar method). For further reference see: http://www.ndtv.com/india-news/not-poor-at-rs-27-a-day-plan-panels-latest-report-529317 [Accessed 5 February 2015]

elderly, public support specifically targeted at them remains minimal. Given that the very rigid poverty line is used as a targeting criterion, many elderly in need have no access to the schemes in the first place. The use of BPL lists has led to large errors of inclusion and exclusion. Secondly, the amount provided under schemes such as IGNOAPS is hardly enough for the elderly to sustain themselves without reverting to any further assistance from their families. Thirdly, the pensions disbursed under NSAP are often delayed and delivered irregularly. The beneficiaries face a very long waiting time between the successful registration and the first payment made. Furthermore, beneficiaries frequently complain about the cost of accessing the pension due to commission fees to postal departments and agents delivering the pensions.

**Falling through the crack in NRLM’s cover**

In the last years, the SHG approach has been increasingly acknowledged as an important strategy to improve the livelihood security of poor households. SHGs typically consist of 10 to 20 members who collectively engage in regular savings, lending and other initiatives. The SHGs have shown to be beneficial in enhancing and expanding existing livelihood options by offering necessary skill training, technical know-how and by providing cost effective credit. The design and approach of NRLM is promising in empowering the poor. However, whether the elderly in India will be able to benefit from the programme depends to a large extent if measures and policies are adopted for the inclusion of the elderly in the future. SHG programmes of NRLM at the state and national level mainly target the female bread earning member of a household, meaning the younger family members. Elderly in general are assumed to lack the capacity to remain proactive and productive – an important pre-requisite to participate in the SHGs.

To conclude, government and non-government support structures for the elderly are nominal and serve mostly the very destitute instead of providing a comprehensive safety net. Given the growing share of elderly in the general population, there is a pressing, yet unaddressed, need for comprehensive national strategies towards active and dignified ageing. The design of policies tailored to the needs of the elderly is further impeded by the lack of evidence and knowledge about India’s senior citizens and their living conditions. So far there has not been a uniform attempt to measure and comprehend the process of ageing across India. Most studies are at the micro-level drawing on small samples. Similarly, the existing health data displays great anomalies especially in relation to disabilities. The lack of comprehensive empirical evidence on the living situation of the elderly in India results in missing the basis for adequate programme planning and targeted and efficient use of resources.

**Breaking the cycle – Elderly Self-Help Groups**

In order to set up adequate and cost-effective support structures for the elderly, differentiation according to their capabilities is needed. For a sizeable fraction of the current oldest population, a non-conditional social pension might be the only feasible means of support. However, the younger age segments, especially those aged 60 - 69, who are still physically able and willing to be economically active, may also benefit from other support structures.

Hence, while pension schemes are a direct and useful means to support old age income security, the SHG approach should be explored as an additional mechanism to increase the incomes of the still economically active elderly. As the elderly have different capabilities and aspirations which do not always align with the younger population, SHGs exclusively for elderly members should be promoted. ESHGs not only provide an economic opportunity but also strengthen the capacities of the elderly to save and create a spirit of entrepreneurship. They can promote empowerment of the elderly by supporting collective action and advocacy for their rights and entitlements, thereby acting as an important peer group beyond the network of family, friends and neighbours. Furthermore, strong grassroots level ESHGs and their federations can provide social assistance to fellow destitute elders. It is exactly this idea which has been taken up by HAI and GIZ and has been turned into a pilot project on ESHGs in Bihar.

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Impact of elderly self-help groups on quality of life of elders in Bihar

CHAPTER 2
THE ESHG APPROACH IN PRACTICE

Before turning to the case of Bihar and the joint project of HAI and GIZ on ESHGs, the general objectives and principles of the ESHG approach according to the guidelines of HAI are explained.

2.1 Elders for Elders

The basic idea of the ESHG approach is to support the elderly as a community that is capable of addressing its own needs and problems. In order to address their poverty and exclusion, the elderly should be assisted through social mobilisation, financial and economic inclusion and medical aid. The ESHGs serve as a space for the elderly to share their common concerns, pool resources and draw upon each other’s capacities. One main objective of the ESHG approach is to diversify the livelihood opportunities of the elderly, to augment their income and to strengthen their economic independence. The elderly are encouraged to save regularly and to open a bank account for the group. The funds saved are then used for inter-group lending, which offers an alternative to local money lenders and their high interest rates. In addition, the elderly receive financial literacy training from support institutions.

Providing the elderly with a platform to meet regularly and discuss issues of income generation, health, well-being and abuse aims to positively impact the role and relations of the elderly with their social environment, to improve their psychological state and to reduce the isolation that many of them face. Hence, the ESHG approach not only aims to positively change the economic situation of the elderly, but also to foster their social inclusion.

Another objective concerns the inclusion of the elderly in the public programmes mentioned earlier. By organising the elderly into groups at the village and district levels, they can be informed about their rights and entitlements as well as collectively and actively claim them. Advocacy activities of the groups can raise the visibility and sensitivity of the larger public towards issues and problems of the elderly. In order to achieve these objectives, the formation of ESHGs and their working procedures follow a defined process, which is outlined in the next section.

2.2 From the first meeting to new business opportunities

An ESHG is basically a group of 10 to 20 elderly aged 55 and above who form a group based on self-selection. The groups are mostly homogeneous with respect to gender; however, in certain cases, there are some mixed gender groups. Most of
the ESHG members are still productive, having moved into supplementary livelihoods from their primary occupations. The process of forming ESHGs begins with a number of meetings with the village elderly to motivate them and to explain the concept. Regular follow-up meetings clear the doubts of the elderly. These meetings are held by trained HAI volunteers. The final step is the establishment of commonly agreed rules and legislations. Once the group is formed, each member of the ESHG is motivated to save on a monthly or fortnightly basis. The amount ranges between Rs. 10 and Rs. 30 per month and is decided by the elderly. Each group maintains four sets of books/records: a general minutes (and resolution) register, a savings register, a credit register, and individual passbooks. If the elderly cannot maintain the books themselves, a village volunteer who has been trained by HAI provides the necessary support.

Initially the saved fund, for which a ledger is maintained, is deposited in the bank in a joint account. The groups are assisted to establish these first linkages with the banks. Accompanying the groups in opening the initial bank account is very important since many elderly have never used banking services in their entire life and are unfamiliar with basic banking formalities. Additionally, the fees for opening an account might in itself be the first and final obstacle. A study of the existing groups showed for example that a cost of Rs. 500 for an initial deposit and photographs of the representatives of the group are equivalent to five months’ saving of a 15-member group. For the 197 groups in Bihar, GIZ covers these costs.

After a period of about five to six months this fund is used for intergroup lending based on an interest rate fixed by the group. The rate varies from group to group ranging from 1 percent to 2 percent per month on reducing balance. The interest generated through the lending process works as additional income for the group and enables the group to accumulate a larger fund.

Six months after the formation of the ESHGs the groups are benchmarked/graded by HAI using an adapted grading scale of the National Bank for Agriculture and Rural Development (NABARD). Key parameters used for benchmarking include: group size, frequency and member attendance of meetings, democratic decision-making processes, regularity of savings, internal loans and interest, external loan repayment, transparency of records and decisions and non-financial support mechanisms established by the group, such as collection of money or food for destitute elderly in the village.

According to the outcome of the grading process, the groups receive a so-called livelihood seed capital. This is a direct grant to the ESHGs, which is invested in collective livelihoods and new micro-business ventures. These ventures can further contribute to the income of the groups and to the members’ dividends. In a majority of the cases, micro-businesses take the form of either local individual livelihoods like petty shops or rearing of animals or collective businesses such as trading of commodities, pisciculture or community farming. With the support of HAI the groups prepare a business plan for the use of the livelihood seed capital. In the case of the joint project of HAI and GIZ, the latter provides this livelihood capital to the ESHGs.

The ESHGs are organised at the village and district levels. The federations (10 to 20 groups) guide and support new ESHGs. In certain cases, they undertake various social activities such as advocacy for elderly rights, liaising with responsible departments for old age schemes and providing food or monetary grants to destitute elders.

A dedicated and comprehensive support structure is put in place across various levels for building and nurturing the ESHGs. This is similar in design and function to the NRLM support structures that have been set up at the national, state, district and sub-district levels. At the core of the support structure are the village volunteers who are recruited within the community and extensively trained by HAI. Besides these volunteers, project coordinators are placed at the district level.

The ESHG approach has also been successfully implemented in other states apart from Bihar. In Tamil Nadu and Kerala the ESHGs have been implemented since the 2004 post-tsunami response and have been successful to the extent that a fully independent self-sustaining federation of ESHGs called the ‘Elders for Elders Foundation’18 has been formed.

The federation consists of 736 ESHGs with a membership base of 10,500 elderly. More than Rs. 20 million in saving and external loan assistance by NABARD Financial Services Limited has been achieved. While Tamil Nadu and Kerala are amongst the more developed states of India, Bihar provides a very challenging context for the joint GIZ and HAI project that is presented in the next section.

2.3 The ESHG Bihar pilot and its policy context

HelpAge India’s work is underpinned by an advocacy approach concerning social policies for elderly in India and by the objective to demonstrate the effectiveness of the ESHG approach to India’s central and state governments. From 2009 until the point of data collection in 2013, HAI had set up 293 ESHGs in 38 villages of Madhubani, Darbhanga and Supaul districts of Bihar in association with CordAid Netherlands. These groups included more than 4,400 elderly and brought more than Rs. 8 million into circulation. One reason for choosing Bihar for the ESHG initiative was to showcase the impact of the ESHG approach even under the difficult circumstances that characterise the state.

Bihar is marked by a high prevalence of extreme poverty. While the national incidence of poverty was at 22 percent in 2011 – 12, Bihar recorded a poverty incidence of 34 percent (35 million people), making it the state with the second largest population below the poverty line across India. In economic terms, Bihar’s annual per capita growth of 1.5 percent is one of the slowest in India. The three chosen project districts in Bihar are very densely populated and prone to floods. During the devastating flooding of the Kosi in North Bihar in 2008, more than 10,000 people died or went missing. In its aftermath, HAI decided to scale up its work with the elderly in the three districts that bore the brunt of the floods.

Regarding the broader level policy context of the pilot project, HAI envisioned to integrate the existing 293 pilot groups into the NRLM at the end of 2012. However, the 293 ESHGs were not large enough to generate sufficient interest from government officials and policy makers. Therefore, the support of GIZ was sought to scale the project up to 490 ESHGs by forming an additional 197 groups (September 2013) in order to strengthen the role of ESHGs in the policy agenda. As of November 2014, 930 ESHGs operate in Bihar, of which 637 are supported by GIZ. The responsible government officials were involved since the beginning to further encourage the integration of the ESHG approach into NRLM. This study aims to create more and robust evidence on the benefits, practicality and sustainability of the concept of SHGs for the elderly.

Reaping a golden harvest once again

Parmanandpur is one of the villages of Bihar that lost its fertile green fields to the raging waters of the Kosi in 2008. Even after the waters receded, the village and land around it was left in the stranglehold of sandy deposits left by the river. Crops wilted, the land turned barren, and most able-bodied younger people left for cities to find jobs, leaving behind the elderly in the village.

Lalti Devi, a member of one of the Elderly Self-Help Groups (Maa Saraswati Elders Self Help Group) of Parmanandpur, decided not to leave her fortunes to fate. She raised a loan from the group and bought a water pump to irrigate her land. Revived by the fresh ground water and tended arduously by Lalti Devi, the fields now yield enough grain for her to feed the family, and additional crops that give her the extra cash to pay back the loan and save with the ESHG.

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19. The Planning Commission of India uses the following poverty lines for 2011 - 12: Rs.816 monthly per capita consumption expenditure (MCPE) for rural areas; Rs.1,000 MCPE for urban areas. Bihar specific poverty line: Rs.778 MCPE rural areas, Rs.923 MCPE urban areas (Tendulkar method).
CHAPTER 3
The sampling of the elderly was done irrespective of whether the elders were direct ESHG beneficiaries/participants or not. The only condition that was used for the sample selection was the age criterion of being older than 55 years. Since the selection of households was not based on being an ESHG member or not, the resultant share of ESHG members in relation to the group of all persons aged above 55 in the case villages can be seen as an indicator of the penetration of the ESHG approach among the eligible population.

3.1 Selection of sample villages and households
The selection of the control and case villages was based on the criterion that villages should be as similar as possible in terms of demographic, economic and social conditions. They should only differ on the independent variable, namely the presence or absence of ESHGs, so that the impact of the ESHG pilot on the lives of the participating elderly can be singled out. 10 out of 20 villages where HAI was working were randomly chosen.

The final sample size was 573 respondents, with 352 elderly from case and 221 from control villages. The field researchers were asked to randomly visit the selected households in each village. If no eligible elder was found, the team visited the next household and completed the surveys until they achieved the defined target per village.

3.2 Limitations
Certain limitations of the study have to be acknowledged. First, the results have to be interpreted within the context of the survey district and it might not be possible to extrapolate or generalise the results. Another problem that became apparent during the data analysis was the high number of non-responses and sometimes very low number of responses per answer category. Nevertheless, the presented results permit first conclusions on the impact of the ESHG approach.

In order to answer the question if and to what extent the operating ESHGs impact the quality of life of the participating elderly, primary data among elderly above 55 years was collected in the Saupaul district. Saupaul was chosen from the three intervention districts because it contains the maximum number of GIZ-supported ESHGs. Elderly were selected from so-called ‘case’ villages where GIZ and HAI have been implementing the ESHG approach since 2012, and from ‘control’ villages where no ESHG project has been set up.
DEMOGRAPHIC AND SOCIO-ECONOMIC CHARACTERISTICS

The composition of the sample shows that the reach of the ESHG project in the case villages is high, with the majority of the elderly surveyed participating in an ESHG.

The following figure presents the total sample of the study according to ESHG membership in case and control villages.

![Total study sample](image)

The finding that seven elderly of the control villages where no ESHG project is implemented by HAI participate in an ESHG can be explained by the circumstance that these control villages are geographically very close to the case villages. After getting to know the ESHG approach in the case villages those elderly decided to organise themselves even without the financial support of HAI and GIZ. Later these groups were included in the official project. Even though the methodology foresees that no ESHGs should exist in the control villages, the spill-over effect is very limited, and rather indicates the attractiveness of the project to the elderly.

4.1 Demographic profile

Gender

As shown in Figure 2, men constitute a bigger share of respondents in both control and case villages. The sample’s gender ratio is comparable to the share of women in the total rural population of Bihar which is at 47.7 percent.
as against 52.3 percent of men. In the case villages, out of the 241 ESHG members, 131 are men (54.4 percent) and 110 are women (45.6 percent).

Age groups
The age classification chosen for the survey corresponds to the WHO categories: young old (50 - 60), old (61 - 80) and old-old (81 and above). The category of the old elderly constitutes the main target group of the ESHG project. As shown in Figure 3 (age irrespective of ESHG membership) the group of elderly aged between 61 and 80 represents the majority in case (70.9 percent) and control (71.9 percent) villages.

Gender distribution: Case vs. control villages

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Case</th>
<th>Control</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>42%</td>
<td>41.2%</td>
</tr>
<tr>
<td>Female</td>
<td>58%</td>
<td>58.8%</td>
</tr>
</tbody>
</table>

Figure 4
Social Status: Case vs. control villages

In both control and case villages most elderly belong to the group of other backward classes. With 79 respondents, the general category makes up the second largest group in the case villages while in the control villages scheduled castes form the second largest group (44 respondents). Looking at the social status of only ESHG members in the case villages, 51.5 percent belong to other backward classes, 22 percent to the general category and 21.2 percent to scheduled castes. There is a statistically significant difference between case and control villages for this variable, which is most likely due to the larger general group in the case villages. Nevertheless, even if the general category is not officially classified as socially disadvantaged, the elderly are most likely to be equally vulnerable. This is supported by the similar economic profile of the surveyed elderly in case and control villages, as the next section demonstrates.

Economic status
The economic status of the respondents has been categorised using the 2011 Tendulkar poverty line (a person spending below Rs 27 in rural and Rs.33 in urban areas is considered as BPL). In correspondence to the low social status of most respondents, a majority of the elderly fall below the poverty line in control and case villages. In case villages, 54.3 percent of the elderly are classified as living

below and 45.7 percent living above the official poverty line. In the control villages 62.3 percent of the interviewees fall below the poverty line and 37.3 percent are above the poverty line.

56.4 percent of all ESHG members live above the poverty line compared to 49.5 percent of those who live in the case villages but do not participate in an ESHG (Figure 5). However, a causal relation between the financial condition and membership cannot be derived from these results. The economic impact indicators presented in chapter five will examine this financial dimension further.

The ESHG project does not target the elderly according to pre-defined social groups but aims to reach out to all socially and economically disadvantaged elderly. According to the presented findings, the ESHGs successfully include the most vulnerable sections of society. Since the most vulnerable groups are often discriminated against and excluded from other public programmes, the ESHGs seem to have overcome such obstacles. Concluding from the demographic, social and economic profile of the elderly, it becomes apparent that most elderly in control and case villages live in similarly precarious conditions. Their low social and economic status shows the urgent need for targeted interventions such as ESHGs.

4.3 Health status
The survey included questions on the health status of the elderly and their access to treatment. Almost 80 percent of the elderly in both types of villages reported to suffer from a disease. In the case villages the most common diseases reported are joint pain (73.5 percent) and hypertension (41.5 percent). Other common health issues are heart problems, asthma and allergies.

68.4 percent of the elderly with a disease in the case villages received treatment compared to 56.9 percent in the control villages. This statistically significant difference can be explained by the free medical services HAI offers in the case villages. These are available to all elderly regardless of their ESHG membership. Free medical care helps the elderly to remain economically active, even though it cannot eliminate most of the chronic diseases. Therefore it is not surprising that despite treatment being available 76.1 percent of the elderly in the case villages and 68.4 percent of the elderly in the control villages feel that health problems have limited their earning capacity.
Impact of elderly self-help groups on quality of life of elders in Bihar

CHAPTER 5
IMPACT ASSESSMENT

This chapter presents the main empirical findings concerning the impact of the ESHG project on economic, social and psychological variables that contribute to quality of life in old age. Furthermore, the survey evaluates whether the members of an ESHG are better informed about their rights and entitlements to government-funded social protection schemes and therefore increasingly access these schemes.

5.1 Economic dimension

Income situation
The first indicator assesses if the elderly have an income on their own. Table 1 displays the findings for members of an ESHG and non-members in the case villages.

<table>
<thead>
<tr>
<th>Respondent category</th>
<th>Earning capacity by age category (percentage)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>50 - 60</td>
</tr>
<tr>
<td>ESHG members</td>
<td></td>
</tr>
<tr>
<td>Have own income</td>
<td>53.6</td>
</tr>
<tr>
<td>Don’t have own</td>
<td>46.4</td>
</tr>
<tr>
<td>income</td>
<td></td>
</tr>
<tr>
<td>Non-ESHG member</td>
<td></td>
</tr>
<tr>
<td>Have own income</td>
<td>60.0</td>
</tr>
<tr>
<td>Don’t have own</td>
<td>40.0</td>
</tr>
<tr>
<td>income</td>
<td></td>
</tr>
</tbody>
</table>

As expected, the share of old people having their own income declines with age. Only in the group of 50 – 60 years old, the share of elderly with an income outnumbers those who do not have their own earnings. Non-ESHG members report more often of having their own income. This might be an indication that the elderly without income
sources turn to ESHGs for additional sources to cover daily living expenses.

To assess the economic impact of the ESHG membership in greater detail, the next indicator refers to changes in income in the three years prior to the survey. This time span was set according to the operating time of the ESHGs in the case villages. It is assumed that any significant change in income among ESHG members can be at least partially attributed to the work of the ESHGs. Figure 6 reports the findings for different age groups in case and control villages.

Even though the share of old elderly having experienced an actual increase of income is relatively small, a positive effect of the ESHG approach is found in terms of protecting the members from a decrease of income and stabilising their financial situation. While only around 14 percent of the elderly (61 – 80 years) living in case villages experienced a decline in their income over the past three years, 42 percent of the same age group from the control villages have now less money to spend than three years ago. The share of old elderly being able to keep their income at a stable level is substantially higher in the case villages (67 percent) than in control villages (44 percent). The same disparities regarding the change of incomes emerge when ESHG members and non-members in the case villages are compared.

Although the ability of ESHG members to actually increase their earnings appears limited, the groups do seem to protect members from a loss of income. Preventing a decline in income for the elderly is essential as they can otherwise only rely on their families for sustenance. Achieving a tangible increase of income might take longer than initially expected but might be possible in the future. More research needs to be done on this issue to potentially accelerate and facilitate the process.

Building a safety net in old age

Partapur is a village in Bihar’s Madhubani district – known locally as the region of Mithila. The area is dotted with numerous ponds, or pokhars, which were traditionally owned by wealthy landowners. The fishermen were paid a token sum, while the owners earned handsome profits from the fish in these ponds.

Thakko Mukhiya and 13 other elderly members of ESHGs of Partapur have now leased some of the ponds in their village with funds from the groups. They maintain the ponds, seed them with hatchlings, and harvest the fish, which is sold directly in the market, and earns each member up to Rs. 8,000 a month. Leasing the ponds has boosted the earnings of these traditional fishermen who earlier subsisted on meagre earnings that dwindled with age.

Saving habits

Establishing the habit of saving among the elderly is one of the core objectives of the ESHG approach. At the same
The difference between control and case villages is clearly visible with only 4.5 percent of elderly saving money in villages without ESHGs compared to 68.8 percent in the case villages. In the case villages almost all members of an ESHG save money, while hardly any older person who is not a member of an ESHG is engaged in the habit of saving money. The high share of EHSG members saving money indicates successful implementation of the ESHG approach, as it has instilled a culture of saving among the elderly. Bringing the elderly together in groups to save on a collective basis seems to work as a good motivational mechanism for the members. Similarly, the finding that saving habits are rare among non-members and in control villages shows that without ESHGs the elderly have no mechanism and no encouragement to save regularly. The results are encouraging in the respect that the elderly are not only willing, but are also capable of saving small amounts despite their low incomes.

**Loan-taking and management**

Once the ESHG has been set up and the saving process starts, the funds of the group can be used to provide the group members with loans. These loans can be used to start new business ventures. In the following section indicators concerning the up-take and use of loans are presented. Figure 9 shows the loan taking habits of the elderly in case and control villages.

The elderly who participate in ESHGs are found to take loans more frequently. 87.9 percent of the ESHG members take loans compared to 41.8 percent of non-members in the case villages. On the one hand, this difference between members and non-members is statistically significant. On the other, the same is not the case while comparing all respondents from control and case villages. A possible explanation is that loan-taking in contrast to saving is not only a common habit but a necessity for the elderly. Due to this demand, other sources for loans are sought such as local money lenders. The important advantage of taking a loan from ESHGs is that the interest rates are set by the elderly themselves and are much lower than those of local money lenders.

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*In both cases the differences between control and case villages and between members and non-members were statistically significant but the validity of the test is limited due to low number of respondents in some of the response categories.*
lenders, which can sometimes go up to 120 percent. These usurious rates often lead to a debt trap in which people take out loans to pay back earlier ones. The survey assessed the ability of the elderly to manage their loans by asking if the loans taken had helped them to support their livelihood, had increased their financial liability or had created a debt trap (Table 2).

These responses show that the ESHG members use the loans as a support to sustain themselves rather than becoming even more financially vulnerable. This could be due to the financial training provided to the ESHGs and the reasonable interest rates and flexible repayment terms set by the groups. The positive impact of loans on the financial situation of the elderly is also clear when control and case villages are compared. While 19 percent of the respondents in the case villages reported a weaker financial situation after obtaining a loan, 32.5 percent of those who took a loan in the control group reported financial difficulties.

### 5.2 Social dimension

The study assessed the social and psychological dimension of the elderly’s living quality related to the problems described earlier, such as neglect and isolation within families. Several aspects of social and psychological change processes should be taken into account when interpreting the results. Social impact assessment is always sensitive to cultural contexts and to the history of a region, which makes it difficult to generalise potential findings. As social changes take more time, are extremely complex and are less evident than economic changes, the impact of interventions targeting social conditions is hard to capture and quantify.

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**Table 2**

<table>
<thead>
<tr>
<th>Respondent category</th>
<th>What impact did the loans have on your financial condition? (percentage)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Supported livelihood</td>
</tr>
<tr>
<td>ESHG members</td>
<td>83.6</td>
</tr>
<tr>
<td>Non-ESHG members</td>
<td>45.5</td>
</tr>
</tbody>
</table>

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Caring hands for a life of dignity

When Panwati Devi’s husband died, leaving her all alone with no resources to survive, her daughter brought her back to her own home in Bihar’s Parwaha village. She struggled to earn a livelihood to manage her own home, kids and mother. Panwati Devi, now over 85 years old, could only lay quietly in the corner of her hut, awaiting the return of her daughter to take care of her.

The women members of the ESHG of Parwaha proposed to adopt Panwati Devi, along with six other destitute elderly of the village. They now collect a fistful of foodgrain from each member at the monthly meetings and distribute it to the seven destitute elders, along with Rs. 200 monthly stipend and sets of new clothing at festivals. What’s more, once a week, members of the ESHG take turns to give palliative care to Panwati Devi. She is bathed and groomed and given a change of clothes; and for that one day, caring hands manage to make her life a little better.
In order for a development intervention to have a significant social impact or influence the subjective feelings and perceptions of the treated population, it needs to reach and influence well established mind-sets, social hierarchies, cultural beliefs and practices. These form the fundamental elements of a social group or society and cannot be changed by a straightforward and rapid process.

**Decision-making: Family matters and domestic chores**

One objective of the ESHG approach is to contribute to a stronger status of the elderly within their families and communities. As argued earlier, such changes happen very slowly and are determined by a variety of intervening variables that might be beyond the realm of the ESHGs’ influence. The questionnaire tried to capture these potential changes by assessing if the elderly are consulted in family matters and the extent of their say in the distribution of domestic chores.

72.7 percent of the respondents in the case villages and 74.7 percent of the elderly in the control villages are consulted in important family matters. One could see this finding as rather positive as most families seem to give room to the opinions of the elderly. But the findings do not provide any information about which matters the elderly are consulted on, and if their opinion has an influence on the final decisions made. More in-depth research is needed to understand such intra-family dynamics better.

Another aspect of the role of older family members is their engagement in domestic activities. Figure 10 presents the results on the question if the elderly have a primary say regarding what domestic responsibilities they take over and if they are comfortable in discharging the work assigned to them.

For both questions the differences between control and case villages were statistically significant. More elderly in the case villages have a say in which chores they take on as compared to respondents in control villages. As shown in Figure 10, a majority of the elderly do not feel comfortable to delegate work assigned to them. This could either be a sign that the elderly take their responsibilities very seriously and want to fulfil them, or it could indicate that the families exert pressure on them to keep carrying out the assigned chores.

**Figure 10**

Distribution and discharging of domestic chores: Case vs. control villages.

---

26 Problem of high non-response rates exists for these questions.

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**Participation in events**

Many elderly are confronted with growing isolation once they get older. Especially if their health worsens, they are
not able to participate very easily in social and other events. Surprisingly, for all types of events covered by the questionnaire (social, religious, cultural and other entertainment events), the share of elderly actively participating was significantly higher in the control villages. In both types of villages, the highest participation rate (51.7 percent for case and 62.9 percent for control villages) was found for religious events, followed by social events. One possible reason could be that the elderly in the case villages are less interested in attending events as they participate in regular meetings of the ESHGs and hence already have sufficient social interaction.

Ownership of assets
The independence of the elderly and their position within the family are likely to be influenced by their material belongings. Hence, the elderly were asked to indicate which assets exist in their name and if the assets had been destroyed, increased or transferred to other family members in the last 10 years.

There is no significant difference regarding the ownership of these assets except for houses (Table 3). A house is the most common asset the elderly in case and control villages have registered in their name. Only half of the elderly have their own cultivable land and even fewer have livestock to sustain themselves through subsistence farming.

Concerning the change of assets over the last ten years, the two most frequent occurrences in control and case villages are ‘no change’ (68.8 percent in case and 58.4 percent in control villages) and ‘decrease of assets’ (17.9 percent of elderly in case and 30.3 percent in control villages).

Interestingly, this is the same pattern which was found concerning the increase/decrease of incomes among the

<table>
<thead>
<tr>
<th>Type of asset</th>
<th>Ownership status</th>
<th>ESHG village (Case) [percentage]</th>
<th>No ESHG village (Control) [percentage]</th>
</tr>
</thead>
<tbody>
<tr>
<td>House</td>
<td>Yes</td>
<td>48.3</td>
<td>70.6</td>
</tr>
<tr>
<td></td>
<td>No</td>
<td>49.4</td>
<td>29.0</td>
</tr>
<tr>
<td></td>
<td>NA</td>
<td>2.3</td>
<td>0.5</td>
</tr>
<tr>
<td>Cultivable land</td>
<td>Yes</td>
<td>48.3</td>
<td>48.4</td>
</tr>
<tr>
<td></td>
<td>No</td>
<td>48.9</td>
<td>51.1</td>
</tr>
<tr>
<td></td>
<td>NA</td>
<td>2.8</td>
<td>0.5</td>
</tr>
<tr>
<td>Gold / Silver</td>
<td>Yes</td>
<td>1.7</td>
<td>0.5</td>
</tr>
<tr>
<td></td>
<td>No</td>
<td>95.5</td>
<td>99.1</td>
</tr>
<tr>
<td></td>
<td>NA</td>
<td>2.8</td>
<td>0.5</td>
</tr>
<tr>
<td>Fixed deposits</td>
<td>Yes</td>
<td>2.6</td>
<td>1.8</td>
</tr>
<tr>
<td></td>
<td>No</td>
<td>94.6</td>
<td>97.7</td>
</tr>
<tr>
<td></td>
<td>NA</td>
<td>2.8</td>
<td>0.5</td>
</tr>
<tr>
<td>Livestock</td>
<td>Yes</td>
<td>27.8</td>
<td>33.0</td>
</tr>
<tr>
<td></td>
<td>No</td>
<td>69.6</td>
<td>66.5</td>
</tr>
<tr>
<td></td>
<td>NA</td>
<td>2.6</td>
<td>0.5</td>
</tr>
</tbody>
</table>
elderly. A larger share of the elderly in the case villages did not experience a decrease of their incomes in the last three years, which is otherwise a common phenomenon in old age. This finding was taken as an indicator for the impact of ESHGs in protecting the income of the elderly. The same might be cautiously interpreted concerning assets. Another supportive finding is that 4 percent of the elderly in the case villages stated an increase of assets compared to 1.8 percent in the control villages. But as these numbers are rather small in size, a direct impact of the ESHG project cannot be claimed.

As expected and reasoned above, changes induced by the ESHGs in the social domain of the elderly’s quality of life were not as explicit as in the economic dimension. Despite the expressed concerns about the neglect of the elderly by their own families, the findings regarding consultation of the elderly in family matters and their participation in events shed a more positive light on the social situation of the elderly. The low ownership of assets among the elderly however illustrates their difficult financial and economic situation.

5.3 Psychological dimension
Similar to social structures, psychological changes not only take very long but are very subtle processes that are difficult to detect.

Loneliness
Given the problem that many elderly might face isolation or neglect, the respondents were asked if they felt lonely at home and if they feared being without any family support in the near future. 48.9 percent of the elderly in the case villages reported feeling lonely or unattended at home compared to 51.6 percent in the control villages. 44.6 percent of the respondents in the case villages were afraid that there would be nobody to take care of them in the future. 52 percent of the elderly in the control villages shared the same fear.

However, these differences are not statistically significant. Hence it seems that the feeling of loneliness and fear of being abandoned is a common phenomenon among the elderly. Despite the elderly being engaged in domestic chores or attending events, their subjective feelings about their social relations differ.

Status within the family
One assumption is that through their ESHG membership, the elderly are less financially dependent and can even contribute to the income of the household, which might improve their status within the family. The questionnaire asked about a positive/negative change concerning the respect of family members towards the elderly, their own importance in terms of decision-making, the elderly’s ability to meet their own basic needs and the dynamics of the relationships with their families over the last three years. In general, only a small share of the respondents reported any changes while the majority did not feel that their role within the family had changed in the given time frame. Table 4 presents the results for changes the elderly have perceived concerning respect towards them and their decision-making power.

In the case villages a higher share of elderly had experienced a positive change regarding these different aspects of their role within the family. 4.5 percent perceived a positive change in their relations with relatives and 7.1 percent felt they could meet their personal needs better now. The same pattern is found if ESHG members and non-members within case villages are compared. 13.3 percent of the ESHG members feel that a positive change in terms of respect has occurred. But the absolute numbers are too low to draw a more general conclusion about a potential difference between ESHG members and non-members.

Table 4
Change in status within the family: Case vs. control villages

<table>
<thead>
<tr>
<th>Village type</th>
<th>Respect (percentage)</th>
<th>Decision Making (percentage)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Positive</td>
<td>Negative</td>
</tr>
<tr>
<td>ESHG Village (case)</td>
<td>9.9</td>
<td>6.5</td>
</tr>
<tr>
<td>No ESHG Village (control)</td>
<td>3.6</td>
<td>16.7</td>
</tr>
</tbody>
</table>
This result would need further investigation and might be an indication that more potential ESHG activities should focus on this impact area.

5.4 Social benefits and political participation

In addition to providing the elderly with new income opportunities through loans and support of small-scale business activities, the ESHG approach aims to inform the elderly and facilitate their access to social security benefits provided by the government. Apart from assisting the elderly in the actual application process for benefits, the ESHG members should be informed about their rights and legal entitlements and be encouraged to actively claim these benefits. The following results show changes in terms of access to social benefits and participation in political events for the ESHG members.

Access to social security schemes

The three most relevant social security schemes for the target group of ESHGs are the pension scheme IGNOAPS, the Annapurna food security scheme and the health insurance RSBY. Morbidity rises in old age due to chronic disease and therefore RSBY is particularly important for the elderly to improve their access to treatment and help with medical costs. Figure 11 shows the percentage of the ESHG members and non-members in the case villages that were enrolled in the respective schemes. To examine if membership in the ESHGs had in some manner helped improve access to social security schemes, the survey asked if the access had been established in the last three years.

Only elderly who live below the poverty line are eligible for the above-mentioned schemes. In the case villages 56.4 percent of ESHG members and 49.5 percent of ESHG non-members live below the poverty line. While the coverage of RSBY is fairly good, a large group of the elderly eligible for the IGNOAPS is not reached. Only 37.3 percent of the ESHG members and 35.1 percent of ESHG non-members receive this form of income support. Given
that IGNOAPS is the only nationwide form of income support for the majority of India’s elderly, the low coverage is alarming and shows that the financial support through the ESHGs is essential to fill this gap at least partially. Referring back to the income and asset-owning situation in case and control villages, one can assume that the elderly living above the poverty line live in similarly precarious financial conditions and need income support as well.

No statistically significant difference was found for ESHG members in terms of being covered by the different schemes and having established the access since the ESHGs have been active in the case villages. The same holds true for the overall difference between case and control villages. On being asked if the quality of access to social schemes had improved over the last three years, only 3.1 percent of the elderly in the case and 5.4 percent in the control villages answered this question positively. This indicates a clear room for improvement in the support provided by the ESHGs.

A last indicator to test if ESHGs facilitate the enrolment into social security schemes concerns how the elderly who are successfully receiving benefits have established the access. The most common response is that the government itself initiated the process and the elderly received the benefits automatically. This was the case with around 30 percent of the elderly in both control and case villages. 12.5 percent of the elderly in the case and 9.5 percent in the control villages established access through application. The applicants in the case villages might have received assistance from the ESHGs for this process.

The conclusion which can be drawn from these findings is that a large share of the eligible elderly remains excluded from social benefits, especially from the national pension programme. Even though the main responsibility to ensure access to social benefits lies with the government, the ESHGs have to tackle this situation as well to make their work more sustainable and diversify the sources of income support for the elderly. Hence there is room for improvement on the side of the ESHGs to fulfil this objective.

### Awareness creation and political activism

The first step to increase the coverage of government schemes among the eligible population is to inform the elderly about their rights and existing legal provisions. Table 5 shows the percentage of elderly in the control and case villages that have received this kind of information.

<table>
<thead>
<tr>
<th>Have you received information on the rights and legal provisions related to elderly? (percentage)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Village type</td>
</tr>
<tr>
<td>ESHG village (case)</td>
</tr>
<tr>
<td>No ESHG village (control)</td>
</tr>
</tbody>
</table>

The clear difference between case and control villages can be seen as a positive development. Comparing ESHG members to non-members within case villages, 48.1 percent of elderly who participate in ESHGs receive information while only 18.9 percent of non-members are made aware of their rights. This result supports the claim that the information on rights and entitlements is mainly provided by ESHGs and no other organisation. Within the case villages one can assume a spill-over effect of the provided information to the non-ESHG members. Since ESHGs seem to be the only source of information for elderly, it needs to be ensured that all members regularly receive information on their rights and entitlements. The survey found that only half of the members are made aware of their rights. Therefore, more thought needs to be given to the information and communication strategy and activities of the ESHGs. This demand for improvement is further underlined by the finding that only 12.5 percent of the elderly in the case villages found the provided information helpful.
Another way of enhancing access to benefits is to shift from providing information about entitlements to mobilising the elderly to actively claim their rights. Figure 12 shows that the link between rights education and acting upon it is significant, though it could be further strengthened, at least for those elderly who are physically capable of attending protest events and participating in workshops on elderly rights and wellbeing.

Although the findings have shown that the ESHGs need to improve their work concerning the facilitation and claiming of elderly benefits and rights, another important point needs to be kept in mind. Political participation is a two-sided process. The mobilisation of the elderly will only be successful if there is a positive response from the side of the government. If the needs and claims of the elderly are not taken up in national politics, the impact of the ESHGs in this area will remain limited. Even if the voice of the elderly is heard, it is important that it is supported by a broad societal coalition. Therefore, the political advocacy of HAI and the ESHGs on the ground is essential to initiate and support the process of getting the needs of the elderly on the political agenda, but real change and an active approach to the ageing process in India will depend in the end on the society as a whole.

Figure 12
Participation in events on elderly rights and well-being: Case vs. control villages

![Bar chart showing participation in events on elderly rights and well-being: Case vs. control villages.](chart.png)
SUMMARY AND RECOMMENDATIONS

Above and beyond providing a first assessment of the strengths and weaknesses of the ESHG approach, this study has provided an insight into the living conditions of the rural elderly in Bihar. It has confirmed the precarious living conditions of India’s elderly, who are left with little or no income support, personal assets or social benefits to rely upon. Majority of the respondents face deteriorating health conditions and are afraid to be left without any support in the near future.

The presented results have shown that despite the difficult circumstances in Bihar, the ESHGs are successfully reaching their target group and have had a tangible impact on the economic situation of their members. Being a member of an ESHG protects the elderly from changes in their incomes, which usually declines with age. Even more visible is the impact of the ESHGs in terms of saving. The comparison with the control villages illustrates that without the ESHG intervention hardly any of the surveyed elderly save. The collective approach seems to motivate the elderly to save regularly despite their low incomes.

ESHGs have a positive impact on loan taking. ESHG members were found to use the loans more efficiently to sustain their livelihood and to avoid debt traps. Concerning its priority area of improving the income security of the elderly, the ESHG approach showed initial positive results. The study did not, however, find that the ESHG members had significantly increased their income. But as reasoned earlier, this might take more time than the groups supported by GIZ have been operating for.

Concerning the findings about the assumed social and psychological impacts of ESHGs, the effects of being an ESHG member and impact mechanisms are less clear. Many questions record a high number of non-responses, which allows only a careful interpretation of the results. So far, the ESHGs do not seem to have brought changes in the status of the elderly within their families and communities. More than half of the ESHG members and non-members in the case villages do not feel comfortable to delegate assigned household chores. Even though it was encouraging to find that most elderly in the control and case villages are consulted in family matters, it remains unclear on which matters they are consulted and how far they can influence the final decision. One preliminary positive finding seems to be that similar to protecting the elderly from a loss of income, the elderly in the case villages were less likely to have lost their assets in the

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last ten years. But again, as response numbers are low, this result should not be given too much weightage. In general, it becomes clear that most elderly have hardly any assets such as cultivable land or livestock to sustain themselves. In cases of financial shocks, this makes them vulnerable to slide even deeper into poverty and to solely depend on their families or local money lenders if no support structure like ESHGs exists.

The findings of the psychological section indicate that so far the ESHGs were not able to reduce the feeling of loneliness and fear of the future among the elderly in the case villages. In these villages, positive changes in terms of respect towards the elderly or their role in decision making were almost equal to the experience of negative changes across the same time span.

As argued earlier, the results confirm that social and psychological processes and changes are subject to many different variables and are more difficult to capture. Three years is not a long time span for such changes to happen, which partially explains the mostly insignificant findings of the ESHGs’ impact on these dimensions. It might well be true that in the long run the elderly will gain more respect from others and for themselves, but such changes will take time to become explicit. As the social environment, i.e. the families, can be seen as one of the most decisive factors influencing the relations and feelings of the elderly, a suggestion would be to integrate them into the ESHG programme. This could include awareness activities to sensitise families towards the needs of the elderly. The more the economic functioning of the ESHGs becomes routine, the more attention can be paid to the social and psychological wellbeing of the elderly.

Concerning the objective of the ESHGs to increase the coverage of social benefits for the elderly, no significant changes concerning the facilitation of access via the ESHGs, especially to the national pension scheme IGNGPS, can yet be recorded. But on the other hand, the study shows that the ESHGs are an important source of information concerning elderly rights and benefits, as many more elderly in the case villages than in control villages receive such information. One would need to assess if the elderly use this information to independently apply for the benefits. There is room for improvement regarding the content of the information as the elderly state that the provided information is not always helpful. More advocacy and supportive activities to improve access to existing social schemes should be taken up. This would include a clear information and communication strategy which reaches out to all ESHG members and provides them with easy-to-understand and useful information.

Getting back her life, stitch by stitch

Kanchan Devi was taking care of household chores and tending to her fields just like the other elderly women of Parwaha village in eastern Bihar’s Supaul district; until her peaceful world came crashing down one day. An accident left Kanchan Devi with debilitating head injuries, wiping out her family’s savings and robbing her of the capacity to work outdoors for long hours.

Desperate to find ways to shore up her family’s earnings, Kanchan Devi approached the GIZ - HelpAge India supported Elderly Self-Help Group of her village, where she was a member. At the next monthly meeting of the group, she requested for a loan to buy an automated sewing machine, which was easy to operate and would allow her to earn a living without leaving her home. The group extended a loan of Rs. 7,500 that had to be paid back through monthly instalments. Kanchan Devi was able to return the loan with interest in a year’s time. Today, she earns about Rs. 2,500 a month stitching clothes for the village folk – a significant contribution to her family’s income.
Overall, the approach of the ESHGs seems to be suitable for the needs of the elderly, especially in economic and financial terms, and partly fills the gap of public social pensions. As described in the beginning, HAI’s objective is to integrate the existing ESHGs into NRLM. Given the positive results, especially in the economic sphere, HAI should pursue this agenda further with its advocacy work at different levels. Follow-up studies providing evidence on the potential long-term sustainability of the ESHGs in the area of income security would support this cause.

It is evident that the ESHGs cannot entirely fill the currently existing gap with regard to old age provisions in India. ESHGs only address elderly who are still capable of working, but what happens to those individuals who are bed-ridden and cannot rely on family support? Even if there are encouraging examples of ESHGs supporting destitute members with food and in-kind assistance, this cannot be a sustainable solution for providing support to India’s ageing population. Therefore, it is absolutely necessary that the government reacts to the rapid ageing of India’s society and expands and improves uptake of its existing pension schemes.

A broad based re-thinking about the elderly and their role in Indian society is required. The challenge of dignified ageing has to become a priority on the government’s agenda and needs to be addressed in a comprehensive and strategic manner. Within the next decade, India’s ageing population is expected to almost double to 173 million people. The government should use the current window of opportunity when a majority of India’s population is still young and economically active to prepare for the imminent task of providing appropriate services to the elderly.

The results demonstrate that the assumption of the elderly being economically inactive does not hold true for the majority. Consequently, they should not only contribute to India’s economy but should have equal rights and a political voice, a fact that should be respected by society as a whole. The study shows that ESHGs can be an important and successful approach to respond to the needs of the elderly and should become a vital element of a much broader old-age policy framework that responds to the multiple challenges of India’s ageing population. More empirical evidence has to be collected for the design of appropriate programmes that take into account the different vulnerabilities of the ageing population, including a workable pension system. While many elderly might even prefer to keep working, they should have a security net to fall back upon and not face the future with fear. HAI’s advocacy work on the policy level, but also in the communities, can act as an important trigger for such a rethinking process and resultant action.


Census of India, 2011


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