

Understanding the prolonged economic activity of older people in India

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Importance of problem and Objectives

- ✓ The old-age support system in the form of pension and retirement program are less prevalent in developing countries. Nevertheless, in these countries, less than 20 percent of older people over statutory retirement age receive pension. While large proportion of them still depends heavily on family support arrangements.
- ✓ Therefore, developing countries encounters higher proportion of population aged 65 and above in the labor force than the developed countries.
- ✓ The change in epidemiological transition became an important concern for India along with the rapid growth of older population. Accordingly, the burden of diseases and the healthcare expenditure among older people are expected to escalate in future.
- ✓ The financial assistance provided under the health insurance, programs and policies are inadequate to fulfil the requirements of older people in India. As a result, older people continue to engage in the workforce even after the retirement age, mostly in unorganized sectors and in lower-paying work.
- ✓ Seeking for employment in later life among older people is very crucial in India as there are no means of universal social security exists. Moreover, employment of older people can be influenced by retrenchment, sickness and disability.
- ✓ As it clearly observed that with the increase in older population in India, there may be a possibility of upsurge in the inflow of older workforce in near future. Therefore, the present study aims to assess the current level of older workforce (60 years and above) in India and examines the factors associated with their later life work engagement.

Data Source and Methodology

- ✓ The present uses nationally representative data of Indian Human Development Survey and Census of India.
- ✓ To study the level of older workforce, the work participation rate of older people is calculated using two rounds of census data i.e., 2001 and 2011.
- ✓ Bivariate and multivariate technique is adopted to study the factors associated with work engagement of older people using IHDS data.
- ✓ For multivariate analysis, the multiple regression model is used, where working status of older people is dependent variable.

Results

- ✓ As evident from figure-1, one-third of the older population aged 60 years and above are in the workforce.
- ✓ In 2011, the number of male workers are more compared to 14% of female workers. However, female work participation older ages have increased, while male work participation has experienced of 4% decline.
- ✓ As expected, the percentage of older workforce is high in primary sector (21.8% in 2011), which constitutes 1. Agriculture, 2. Hunting and Forestry, and 3. Fishing. However, contrary to service sector the primary sector has experience a slight decline in 2011.
- ✓ Result of binary logistic regression shows that older workforce is negatively associated with increase in age groups. Further, the odds of currently working is low among females and Muslim groups. In addition, older people urban area are less likely to be in workforce after the retirement age (i.e., 60 years).
- ✓ Furthermore, the odds of currently working is negatively associated with increase household size, wealth and education.

Figure-1: Level of older workers by gender

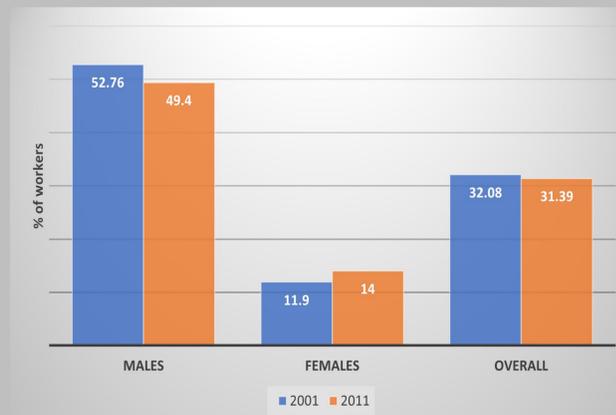


Figure-2: Level of older workers by sector

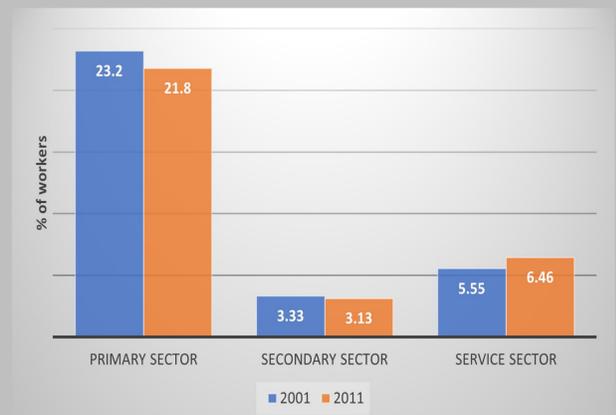


Table-1 odds ratio of currently working by socio-economic and demographic covariates, Pseudo R-square: 0.2203

Indicators	Odds Ratio	95% Confidence Interval	
		Lower	Upper
Age of Person			
60-69®			
70-79	0.339***	0.315	0.365
80 years and above	0.111***	0.098	0.126
Gender			
Male®			
Female	0.251***	0.233	0.271
Religion Groups			
Hindu®			
Muslim	0.882***	0.790	0.985
Others	0.934	0.823	1.061
Caste Groups			
General/Forward®			
OBC	1.001	0.927	1.080
SC	1.059	0.960	1.168
ST	1.074	0.931	1.239
Others	0.763	0.580	1.006
Household Size			
1-2 members®			
3-4 members	0.829***	0.748	0.919
5 and above members	0.698***	0.638	0.763
Place of Residence			
Rural®			
Urban	0.315***	0.291	0.340
Marital Status			
Married®			
Unmarried	0.518***	0.368	0.728
Widowed/Divorced/Separated	0.569***	0.528	0.613
Wealth Index			
Low®			
Medium	0.875***	0.808	0.949
High	0.673***	0.612	0.739
Educational Attainment			
No Education®			
Primary	0.890***	0.813	0.974
Secondary	0.864***	0.773	0.966
Higher Secondary	0.608***	0.533	0.692
Graduate and above	0.487***	0.409	0.580
Financial Assistance Schemes			
No®			
Yes	0.893***	0.825	0.966
Multimorbidity			
No®			
Yes	0.611***	0.546	0.683
Constant	9.762	8.605	11.076

Note: ® is the reference category; *** significant at 1% level, **significant at 5% level, *significant at 10% level

- ✓ Unmarried and widowed/divorced/separated were least likely to be working than those who are married. The odds of working significantly attenuated with the increase in wealth index. The likelihood came to be significantly weaker for high and medium index than in low index. A negative effect on working status was found to be among those who have achieved higher education. Those with primary, secondary, higher secondary and graduation and above education were less likely to be working compared to those without any education.

- ✓ Moreover, in this model, seeking financial assistance schemes demonstrates minimal impact on current working status. Additionally, the odds of working later was 39 percent less among older people having multimorbidity. Reversely, it could be possible that only people tend to work who have a good health condition.

Discussion and conclusion

- ✓ It can be seen from the above figure that, although the older population has been increasing over the time but working after the retirement age has remained almost stable over the decade. This might be because with a rapid economic growth rate in the country's GDP, i.e., from 4.82 percent in 2001 to 6.63 percent in 2011, India still holds the title of "agrarian society", where majority of the older workforce continues to engage informal sector.

- ✓ It has highlighted the need for economic security as the government programmes and policies (healthcare or health insurance and economic security) lacks sufficient access and greater coverage to large share of older population.

- ✓ In terms of economic security, women are facing a greater disadvantage because in India most of the older women are uneducated and unemployed and they have to financially rely on their children or husband. However, India has not only experienced a drastic increase in life expectancy but also have seen rise to feminisation in the older population. Earlier, traditional families were the core source of economic support for the older people, but new developments, urbanisation and other factors have changed the social expectations.

- ✓ These possibilities might be reasoning that females are entering the labour market in large numbers and that's why female workforce in older age has experienced sharp upsurge between 2001 and 2011.

- ✓ A substantial difference in the workforce participation can be seen in urban India where the calculated figures are quite high for service sector. The existence of numerous organised or business sector in urban areas could be the reason for this difference. Additionally, the percentage of workforce participation in service sector has escalated over the decade. Besides, in service sector retired personal take up part-time jobs if available, to support their livelihood.

- ✓ As expected, findings from this study shows that later life work engagement of older people is influenced by their age, sex, place of residence, marital status, wealth index, financial assistance and health condition. Noteworthy outcome illustrates that poor health becomes hindrance for older people to continue work after retirement.

- ✓ To maintain the dire need of older people in India strong public policy intervention or income generated schemes is essential to provide old age social security in the form of financial assistance. This will help to remain out of the labour-force in the event of physical disability or functional limitation.