

## Aging and Social Security system in Nepal

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### Abstract

With the increasing life expectancy, the social security of older persons is an issue of growing concern. Population aging is taking place rapidly in recent decades in Nepal. This paper discusses the aging situation and social security of Nepalese older people. For the purpose of this paper secondary data and literature is used as found through google search. Data shows, fertility and mortality are decreasing and average life expectancy, as well as the proportion of the older population, is increasing rapidly in Nepal. The aging population has resulted in problems on the social-cultural, economic, demographic, labor, health, and care of the elderly. Traditionally older people were cared for by family members in Nepal too. In society, culturally taking care of parents is considered the children's *Dharma* (literally duty). On the other hand, modernization, industrialization, and the migration of children have created pressure on the traditional living arrangement and care of older people. Nepal's government also provides Nepalese Rs. 4000 of old age allowances to her citizens without direct contribution for this purpose. The total amount of money spent in the social security of older persons is going to exceed more than 10% of the National budget in the coming days. So, the old age allowances although very popular among the elderly but going to be very hard to sustain in the coming days as the number of older persons is increasing. The government needs to identify the issues of the elderly and need to develop sustainable policies for the quality-of-life-increasing aging populations.

**Keywords:** Aging trend, Elderly Population, Social security, Quality of life, Health Issues, Social-cultural issues, Nepal

### Background

Population aging has been recognized as one of the four global demographic "megatrends"—population growth, population aging, international migration, and urbanization—with continued and lasting impacts on sustainable development. Over the next three decades, the global number of older persons is projected to more than double, reaching over 1.5 billion persons in 2050. All regions will see an increase in the size of their older population between 2019 and 2050 [1]. All countries in the world are in the midst of this aging revolution—some are at their early stages and some are more advanced. Aging is taking place irrespective of the level of development of the country [2]. Different projection shows, South Asia is aging faster in the coming decades [1].

In Nepal interest in elderly issues has increased after the UN celebrated 1999 as an international year of older persons. The government has also started to celebrate October 1 as an international day of older persons. It has increased interest in elderly issues and academic activities, which has affected some policy implications [6, 7, 8, 9, 10, 11]. The elderly population is expected to increase rapidly in the coming decades and it may have effect in social, economic, living arrangement, care giving and social security aspects of the elderly [2, 12]. The purpose of this paper is to analyze the aging and social security of Nepalese older people.

### Aging in Nepal

Decreasing fertility and mortality has a direct relation with increasing life

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expectancy. In Nepal during the 1950s, life expectancy was quite low (about 27 years) due to a high infant mortality rate and high crude death rate. However, a continuous decrease in the infant mortality rate has led to an increase in the life expectancy of Nepalese newborn babies [4, 13]. Consequently, during the second half of the 20th century, life expectancy in Nepal increased from 27 to 60 years and now it is expected around 71 years [14]. In other words, a Nepalese baby born in 2022 has a life expectancy of more than 40 years greater than one born 65 years earlier. Advances in health care, access to antibiotics, and improved nutrition during the twentieth century all may have contributed to this improvement.

According to 2011 census data, the total population growth rate was 1.35 % and the older person's growth rate was 3.59% [15,16]. If the elderly population continues to grow at the annual growth rate of 3.59% per year, 2.15 million elderlies in 2011 will double in the coming 19.22 years [2] i.e, in 2031 we will have around 4.30 million older persons 60 years and above. The preliminary census result of 2021 shows that the population growth rate has decreased to below 1%, it shows the trend of fertility is going down to below replacement level and the proportion of the older population will increase rapidly in the coming decades. Further, the latest estimate for 2021 shows, TFR of Nepal is below the replacement level of fertility, IMR 23.4, CDR 6.3, and life expectancy increased to 71 years [17]. It shows over the last two decades, Nepal has experienced very rapid demographic changes i.e., significant declines in its total fertility rate, infant mortality rate, crude death rates, and decrease in population growth, alongside significant improvements in life expectancy [18]. In the last three decades, life expectancy increased from around 54 years to 71 years, that implies in every 1.7 years and 1 year's life expectancy increased in Nepal [14]. For the country like Nepal, which has not prepared anything for the rapidly growing older population, this is going to be a big challenge in the coming decades.

UN data shows that the Percentage of older persons (65+) was 1.9 percent in

1950, 3.3 percent in 1980, 3.8 percent in 2000, 5.0 percent in 2010, and 5.9 percent in 2017 [19]. UN projection shows that Nepal will reach an aging society (7% elderly 65+) in 2028 and an aged society (14% elderly 65+) in 2054. It will take 26 years for Nepal, to reach from an aging society to an aged society [18].

## Culture and aging in Nepal

In Nepal, the family, as a social institution, is the main source of support and care for its elderly people. Family has the responsibility towards elderly with day-to-day activities and giving them all kinds of support [2, 12]. Majority of Nepalese people follow the Hindu religion [15]. Nepali Hindu society, like Indian Hindu society, is structured partly by the notion of life that has four stages (*ashramas*) and that life is driven by four goals: *Brahmacharya* (sexual abstinence or the life of a student), *Grihastha* (Marital life or householder), *Vanaprastha* (life in the jungle) and *Sannyasa* (asceticism) [2, 20]. Each life stage prepares for the next stage, with the final goal of attaining redemption, *moksha*, from the cycle of rebirth. In the fourth and final stage of life, *sannyasa*, an individual is expected to sever all worldly ties in order to realize full inner spirituality [2, 20]. Hinduism contributes to the Nepali value system through the goal of *Dharma*. *Dharma* means duty and refers to the responsibilities a person has in his everyday life according to his place in the life cycle. The values in Hinduism are embedded in everyday life. Knowledge of customs and norms, and compliance with these traditions is expected not only by family members, but by the surrounding community as well [2].

Nepali culture requires that children care for their parents well into old age, making care giving in Nepali families a cultural practice. In fact, a child takes it as a blessing from God to care for their parents and many even consider it a '*punya*,' or accumulation of good karma. Ordinarily, the son has sole responsibility to care for his aging parents [2, 12, 21]. Not doing so brands him a failure. In Nepali families, the elders of the house are treated with high regard, especially the men. Traditional values, instilled during childhood, regard

older and wiser people with respect and honor. Further, it is considered immoral and cruel to neglect the needs of one's elders, making care giving in Nepal a highly important task [2, 21].

In the Hindu culture the common cultural explanations for taking on care roles included feeling compelled to care for one's family, akin to but distinct from filial piety (respect for elders and parents) [22]. Cultural gender norms remained important, but they are not the sole motivators of care expectations. Studies from India and Nepal show a key reward for care providers was the hope that providing their loved one care would result in this being their last re-birth, offering them a better birth or life in the next life. Care giving appeared distinct from Seva, a Hindu concept of selfless service [2, 20, 21, 22].

Nepali culture shows traditional family values, including revering elders and providing care and support to the elderly, is considered a social norm and a moral duty for family members [20, 21]. Anecdotal evidence suggests that most primary care giving is provided by either wives or daughters-in-law. Daughters, once they get married, move to the husband's home and take care of the husband's family. As there is no formal care system for the elderly developed [23], still parents directly or indirectly think of their children as insurance for their old age. Taking care of older parents is considered a responsibility of children, especially sons [21]. But, recently with the nucleation of the family and permanent migration of the son's family to foreign countries, daughters are also increasingly taking care of their parents [12]. It shows the changing pattern of the care system different than traditional norms and values.

### Changing pattern of living arrangement

The living arrangement of the elderly in Nepal is contingent on their level of support [13, 24]. In particular, the availability of care from a spouse or child may be essential to the well-being of the very old or frail elderly [21]. The elderly depends on their children, particularly sons, for support and security in their old age in Nepal.

A latest community study from Nepal shows highest proportion of older people were living with Son/daughter-in-law (66.3%), followed by 11.6% living with spouse, 6.2% were living alone, 6.1% with daughter/son-in-law, 4% unmarried son/daughter, 2.3% with grandchildren, 1.4% brother/sister-in-law, 1.3% with other family members and 0.9% others. It shows the majority of older persons were living with family members (81.3%), followed by the spouse (11.6%), alone (6.2%) and others (0.9) [24]. This study further shows the proportion of living alone increases with age and among high caste (Brahmin/Chhetri) and having poor source of income older people. Major causes of living alone were having no own children, children live far from parents, no support from children, marriage of daughter, death of spouse and personal desire also [24].

### Old Age Social Security in Nepal

The basic principle of social security implies collective action by the community to help a member against misfortunes and wants she/he cannot meet with her/his own resources [23]. It is based on business ethics "ideals of human dignity and social justice" [26]. *Matridevo Bhava* (regard your mother as a god), and *Pitridevo Bhava* (regard your father as a god) were traditional norms and values system prevailing in Nepali society [20, 21]. Higher age used to be considered respectable in different social functions [23].

Agriculture is the main source of food, income, and employment for the majority of Nepalese. A majority of Nepalese elderly tend to work in the informal sectors and lack the provision of regular income after retirement. According to Chalise and Brightman (2006), less than 7 percent of the elderly receive a pension [13]. The bulk of the elderly population of Nepal receives no pension and most of them depend on familial support and personal savings, or continue working as before. According to Subedi, despite their old age, a large proportion (54%) of the elderly contributes in non-economic activities related to the household [28].

Nepal has launched the contribution-based social security program in 2017 through labor act 2017 and Social

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Security act 2017 [29]. The contribution-based social security scheme is funded through the contributions made by the workers and the employers. But this government program is getting hard time to implement as many private sectors are not interested to join on it.

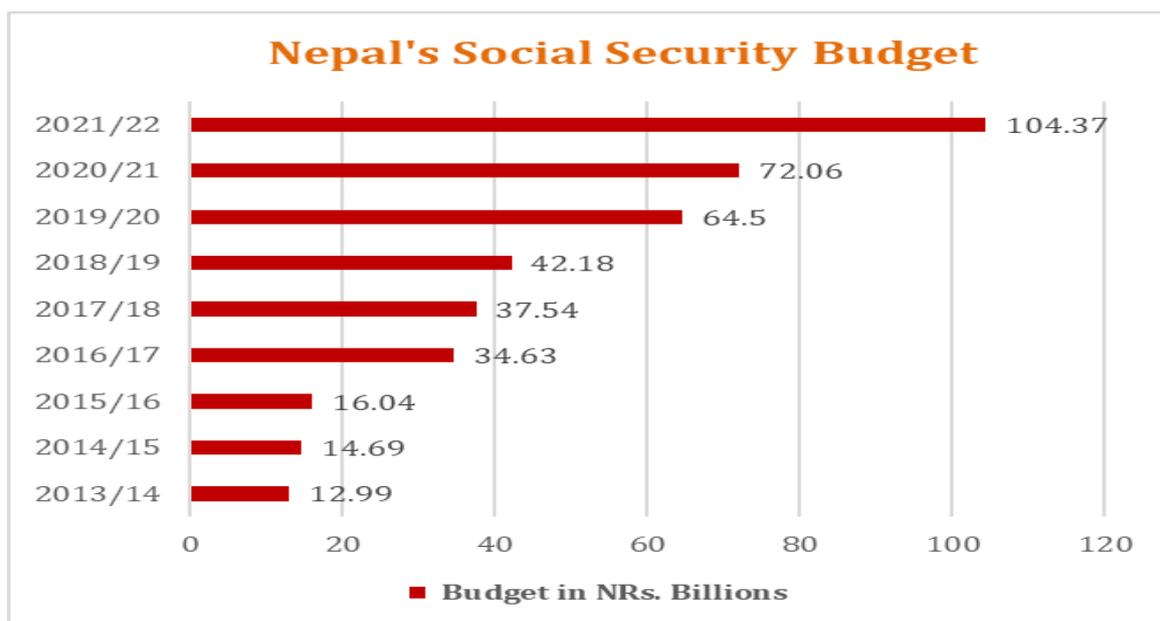
### Old Age allowances and Sustainability

According to 'Rights of senior citizens' a fundamental right, senior citizens

shall have the right to special protection and social security from the state [30]. The government of Nepal has made the provision of providing an allowance to senior citizens. The objectives of the Old Age Allowance (OAA) or Senior Citizen's Allowance program are social security allowances in Nepal (including the old-age pension, single woman's pension, the child grant, disability grant, and endangered ethnicity grant) aim to assist groups considered socially and/or economically vulnerable.

**Table 2:** Classification of people receiving social security allowances and amounts in Nepal

| SN | Group  | Monthly Allowances in NRs |
|----|--|---------------------------|
| 1  | Elderly above 68 years                             | 4000                      |
| 2  | Elderly from Karnali Province above 60 years       | 4000                      |
| 3  | Elderly from Dalits above 60 years                 | 4000                      |
| 4  | Single women above 60 years                        | 2660                      |
| 5  | Widows   | 2660                      |
| 6  | Endangered ethnic groups                           | 3990                      |
| 7  | Disabled (Fully- Red card holder)                  | 3990                      |
| 8  | Disabled (Blue card holder)                        | 2128                      |
| 9  | Children below 5 years (Dalits & Karnali Province) | 532                       |



**Figure 1:** Nepal's social security budget in different fiscal year

Till last year, senior citizens above 70 years were entitled to receive Rs 4,000 in monthly social security allowance. But from this fiscal year elderly above 68 years and above; those aged 60 and above from the Karnali region and Dalit communities; helpless widows and single women; people with disabilities; people from endangered communities and children from some specific regions and communities are entitled to social security allowances. According to 2011 census, there were 0.8

million older people 68 years and older [15]. This population is expected to increase 1.4 million in 2022.

In South Asian Countries, Nepal expenses a large amount of money in social security. The government allocated Rs 11 billion in the fiscal year 2070/71, 32.7 billion in 2073/74, and Rs 100 billion in 2078/79 [2]. The proportion of the social security budget to the total budget is more than 5% in the latest budget. Last year, the

government increased the monthly allowance for senior citizens to Rs 4,000 from Rs 3,000 per month. As a result, the budgetary allocation in 2021/22 had jumped to over Rs 100 billion, an additional Rs 23 billion from the previous year, for the purpose of social security allowances [31]. With the revised age limit for an old-age allowance from this year, the government is likely to face an additional financial burden of Rs 25-30 billion annually.

Further, Political parties want to go with the cheap political slogan to increase the old age allowances and lower the age to 65 years to provide the old age allowances. The decision will put an additional burden on the state offers on various kinds of social security to the citizens. If that happens government has to allocate more than 10% of the budget in the coming days. In such a situation this program may be a heavy burden to the government and it will be difficult to sustain. In such a situation government should go with an alternative model to make some contribution to participate in the old age allowances.

### Old age home (*Bridhashram*)

There are around 141 *Bridhashrams* in Nepal. Of them, nearly half are situated in Kathmandu and the rest of them are in different parts of the country [2, 32]. However, many of them are still deprived of proper care, support, and basic need for comfortable survival [2]. The elderly is also found to be refused informally in different temples and monasteries. Although the exact number of the elderly living in these *Bridhashrams* is difficult to collect (the number remains in flux), the number is very low [2]. Studies show evidence that older Nepalese individuals are dissatisfied when they live apart from their children [2, 33]. Older persons who come to old age home after their children's out-migration are not happy [34] as their children are away from the country. However, some of the research shows that due to social change, traditional norms and values are breaking down, resulting in the living arrangement of the elderly, elderly suffering from different chronic diseases [2]. Further due to the out-migration of children [34, 35], or low quality of life [36,

37, 38] older person abuse [39, 40], and health issues [41, 42] people are looking for alternative way during their retired life.

### Policy intervention

Developing old age homes (*briddashram*) or institutionalization of older people is not a solution. Older people also want to have a dignified life during their retirement period. It is a very expensive model of social security and the majority of older person cannot afford this. Further, living in an expensive old age home in a new place does not make the person happy.

Government should follow the aging-in-place modality for the sustainability and happiness of older people. Older people should be cared for by family members or community people when they need support.

In the country like Nepal where the majority of the people are of young age and working age, Nepal should utilize Demographic Dividend for the National Development. There is always a fear that we will get old before we will get rich.

A national-level study focusing on the issues of older persons is required that support for the proper policy formulation.

As people get older, suffer from different types of health problems. A national health insurance policy is required that supports old people to some extent while going to receive the health services. Further, the long-Term care insurance for the elderly who needs full care also needs to be developed.

Emotional support is very important when people get older. It has a direct or indirect effect on the quality of life of older people. It supports lowering the loneliness and increases the subjective well-being of elderly (20, 21). So, living in the community people while growing old is also important.

Government should promote the traditional living arrangement with some policy interventions providing some incentives for the children to take care of older parents.

### Conclusion

The population of Nepal is aging slowly but it is faster than the socio-

economic and health services development of Nepal. Traditional living arrangement and traditional care model for older people is also in crisis due to the out-migration of children and the effect of globalization and cultural diffusion. The majority of the elderly of Nepal work in the informal sector and do not receive any pension. We are growing old before we get rich. Old age allowance is quite popular in Nepal. But it has created large pressure on the government budget, and need to work on how this system can be made sustainable through some alternative way. On the other hand, the Nepal government should introduce appropriate policies to make older people healthy to have a quality life when they need support.

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