Retirement and Pension System in Bangladesh

M Alimullah Miyan

Doctor
Vice-Chancellor & Founder
IUBAT — International University of Business Agriculture and Technology
Dhaka, Bangladesh
E-mail: miyan@iubat.edu

Abstract

The retirement issue mostly relates to those who are in job situation and the retirement age in public service is 57 years. The agriculture sector has no retirement concept as also the case in self-employment. The aspects of retirement in terms of age, old age welfare and social impact have been discussed in this paper.

Pension system in Bangladesh is mainly observed in government services. The pension issues are settled according to the rules of the Public Servants (Retirement) Act of 1974. There are four categories of pensions which have been elaborated and analyzed in the paper.

There are about 36 million labors working in agriculture sector in the country, who are not covered by pensions. Similarly migrant workers do not receive any pension. There is no provision of pension for private sector workers. They only receive some gratuity at retirement.

Government has recently introduced Old Age Allowance Programme which covers small fraction of elderly people in the country who are not covered by pension system. Although limited in coverage, this is a healthy beginning of providing security to vast majority of the elderly people who are not covered by the existing pension system.

Family support is the basic security of most elderly people in Bangladesh. Policy level initiatives and institutional arrangements to provide social security to the elderly outside the family system is quite limited. There is a felt need for evolving a retirement and pension system that will be fair, equitable to all segments of the society, meet the constitutional obligation of social security for the elderly and conform to basic human dignity.
I. Background

Bangladesh lies in the north eastern part of South Asia having borders with India, Myanmar and the Bay of Bengal on the southern side. The area of the country is about 148,000 sq. K.M. with an estimated population of 123 million (2001) making it as one of the most densely populated country of the world. The economy of Bangladesh is mostly agro-based. Agriculture makes highest contribution to Gross Domestic Product (GDP) as can be deduced from the statistics on contributions of different sectors. Bangladesh witnessed on an average growth rate of little over 5% of GDP between 1996-2000 and the projection for the present fiscal year is around 6%. On the face of population growth of 1.47 per anum, this is a very low growth rate. This is also reflected in the low levels of savings and investment in the economy despite some improvement in recent years.

The per capita income is Tk. 19,617 (US$ 364) but there is high level of disparity in income distribution. A large number of people live in abject poverty condition. Although there has been an annual reduction of percentage point in poverty line, the situation is grim for large segment of population. The composition of the population was estimated at 62.7 male and 60.4 female with an annual growth rate is 1.47%. The rural population constitute about 94.8 million and urban population is in the bracket of 28.8 million.

The elderly population in the country now constitute about 7.5 million of which 4.2 million are male and 3.3 million female. Increased life expectancy caused by improvement in living condition, health care as well as changing demographic structure of the country is resulting in increase in proportion of elderly people. This is a disturbing phenomena but the traditional joint family system prevailing in the country shielded the elderly within the family structure. However, modernization of society with break-up of joint family system, urban and out-country migration of youth and economic degradation in the society are giving rise to the problem of ageing and elderly care has become a major concern for the society. This evolving problem is yet to be fully understood and receive policy level attention by the government and civil society including academics.

II. Ageing Issues in Bangladesh

Ageing is a common phenomena across the world and over time. It includes the proportion of elderly population aged sixty years and above. It is an emerging issue in Bangladesh. The developed countries evolved policy instruments in the form of social security as well as care for the elderly through institutions like old age homes, geriatric hospitals, old age recreation center and many other public and private care systems for the aged. With the improvement in health care and increased life expectancy it is becoming a vital problem in the developing countries including Bangladesh. Over the last one decade, in Bangladesh the proportion of elderly population has been gradually increasing. Presently about six percent of the populations are elderly i.e. 9 million people. By 2025 one in ten persons will be elderly i.e. 18 million people.
According to Bangladesh Population Census of 2001 the number of elderly people by age groups and by sex were as follows:

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Both Sex (in million)</th>
<th>Male (in million)</th>
<th>Female (in million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>60-64</td>
<td>2.83</td>
<td>1.63</td>
<td>1.3</td>
</tr>
<tr>
<td>65-69</td>
<td>1.40</td>
<td>0.81</td>
<td>0.63</td>
</tr>
<tr>
<td>70 +</td>
<td>3.30</td>
<td>0.18</td>
<td>1.5</td>
</tr>
</tbody>
</table>

This shows a trend of increase in longevity of elderly people which will accentuate the problem of elderly care in the coming years.

Historical trend and projection of elderly people as proportion of total population indicate interesting movement as below:

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Population in Bangladesh (in million)</th>
<th>% of elderly people above 60 in Bangladesh</th>
</tr>
</thead>
<tbody>
<tr>
<td>1980</td>
<td>88,221</td>
<td>5.28</td>
</tr>
<tr>
<td>1985</td>
<td>99,373</td>
<td>4.99</td>
</tr>
<tr>
<td>1990</td>
<td>1,09,465</td>
<td>4.87</td>
</tr>
<tr>
<td>1995</td>
<td>1,18,616</td>
<td>4.89</td>
</tr>
<tr>
<td>2000</td>
<td>1,29,155</td>
<td>5.11</td>
</tr>
<tr>
<td>2005</td>
<td>1,40,566</td>
<td>5.48</td>
</tr>
<tr>
<td>2010</td>
<td>1,51,799</td>
<td>6.05</td>
</tr>
<tr>
<td>2015</td>
<td>1,61,540</td>
<td>6.94</td>
</tr>
<tr>
<td>2020</td>
<td>1,70,194</td>
<td>8.01</td>
</tr>
</tbody>
</table>

In Bangladesh the elderly people above 60 years constituted 5.28% in 1980 but in 2000 the percentage came down to 5.11. In 2020 the elderly people will constitute 8.0%.

In Bangladesh ageing population has become an important social concern because, like many other developing countries, there is no social security system. In view of the size of population, scarcity of resources, existing poverty, insufficient health facilities and absence of social security, ageing is going to be a major problem in Bangladesh.

Unlike other segments, the elderly has not been subjected to demographic research, which partially accounts for low attention to ageing issue in Bangladesh society. After a decade,
severe problems with regard to ageing will occur in the country which will affect the economic and health sectors. Generally speaking ageing is an outcome mainly because of declining fertility and mortality. As the ageing process increases the elderly people will experience diminishing capabilities. Since there are no special treatment facilities for elderly people, they will face varieties of problems related to health. Ageing has been identified as a social problem because the elderly people depend on the active population.

The old persons traditionally rely on their family for their support and care. In Bangladesh majority of older people live in absolute poverty after a life style of deprivation, ill health and social isolation. The neglected, ignored and ill fated elderly people of the country who established the present generation with all they had in their youth now are living in distress. Efforts for providing health care, and other supports to the elderly people were not taken at government and private levels. However recently some efforts have been taken for rehabilitating the elderly population of the country at government and private levels.

Population ageing is likely to have the greatest impact at the state level on expenditures for long term care and security for the elderly poor. In view of the problems of providing for the needs of the elderly particularly in the area of social security and health, ageing will modify age at retirement, migration behavior, housing and living arrangements for the elderly.

With increase in elderly persons, issue of dependency and potential support is cropping up. Thus ageing issues are coming into limelight for policy formulation by public bodies and intervention by all segments of the society.

III. Pension System

Pension takes the form of provision of annuities for the aged. Historically, old age pensions, guaranteed by a government to its employees emerged in France in 19th century, followed by its introduction in the UK in 1834 and in Germany in 1873. The introduction of pension eventually spread to many countries of Europe and North America in the first decade of 20th century. In the region constituting Bangladesh, pension for older population was first introduced in 1924, primarily for the government employees.

Bangladesh government modified the pension rules for the first time in 1972. Based on that pension was provided by fixing pay on average of last 12 months’ salaries instead of average pay of last 36 months as was the system before. Later on, in 1974 pension was paid on the basis of a certain percent of last pay drawn instead of 12 months average pay. The maximum pension amount was 60% of the last pay.

In 1977, by way of modification with respect to family pension and gratuity, new pension rules were announced and according to these rules the maximum pension amount was fixed at 80% of the basic pay drawn. Lastly in 1994, the government simplified the rules and regulations relating to sanctioning of the pensions of the government officials.
Pension is granted to a government servant on his/her retirement from public service on the basis of length of qualifying service rendered and amount of emoluments last drawn.

In the case of appointment in the government service the government fixes an age limit. In certain cases this age limit is relaxed. According to general recruitment rules a person can enter into government service from at least eighteen years’ age provided that the person has requisite qualification for service.

A citizen enters into service at young age for serving the people and for the welfare of the country. S/he then spends the most valuable time of his/her life in the service and ultimately at age of 57 years retires from service because of old age. Being adjusted in routinized life profile, a government servant after retirement cannot adjust with the other occupations of the society. S/he cannot normally accept any other occupation. His/her working capability gets reduced. Besides many government officials become handicapped or die because of this. His/her dependent family members face serious financial setback. There is undeniable necessity for social security for the handicapped alive retired employee or for the dependents of the deceased employee.

For this humanitarian ground the government has introduced pension, gratuity, group insurance, benevolent fund for the retired government officials and their dependents. With this system the retired persons or their dependents do not have to depend on others for their survival.

Till sometimes back only the government servants were entitled to pension in Bangladesh. But at present in the case of many autonomous organizations namely universities, nationalized enterprises, banks, etc, pension system has been introduced. The government servants receive their pension from the government and officials of autonomous bodies receive their pension from their appointing authority.

Types of Pension

According to the Bangladesh service rules different types of pension are allowed by the government for the officials of the public service. These are discussed below:

Compensation pension

This pension is provided to the officials who have lost jobs because of abolition of their posts in downsizing some offices or organizations by the government to keep these in economic size.

A government servant can claim compensation pension for his/her past service. S/he is either appointed in new post or transferred to other establishments. The procedure in providing
this pension involves preparing of a list of the officials loosing their jobs at a minimum expenditure of the government. The important point in this case is that in abolishing the posts the income of the government has to be increased. Again in this process the income of the government has to be more than the amount of the compensation pension to be paid.

In this process, if an employee is discharged from a post after completion of service in terms of fixed service conditions, in that case s/he cannot claim any pension. For loss of any special pay pension or compensation allowance is not allowable. School teachers or other employees who perform duties in the postal department in addition to their own duties and if they are released from the department in that case they are not entitled to pension.

If a change takes in the official duty of an employee, in that case the issue of compensation pension or gratuity payment must have to be brought to the notice of the government for decision according to the admissible rules for the purpose.

If an employee is engaged in two posts and because of abolition of one post, s/he wants to retire or the authority intends to retire him/her, in that case the matter has to be sent for decision of the government.

In the case of retrenchment of permanent employees, if notice, which is necessary, is issued giving a time period of less than 3 months, in that case proportional compensation is to be paid for the period falling short of 3 months.

If an employee is re employed and intends to return the compensation, s/he can do so by intimating the issue to the authority. But a temporary employee cannot do so.

If an employee being entitled to compensation pension desires to be employed in other government post and if so appointed, and subsequently proceeding on compensation pension, in that case s/he is given the same amount of money as s/he was entitled to in the first time.

Invalid Pension

If an employee becomes invalid permanently, physically and mentally, in that case the government grants him/her invalid pension.

According to Bangladesh service rules if an employee applies for invalid pension before attaining 57 years of age then head of the office will process the sanction for the pension on the basis of the medical certificate as to the invalidation of the employee.

If an employee while enjoying leave abroad claims invalid pension, in that case s/he will be required to appear before the Medical Board constituted by Bangladesh embassy in that country.
The employee shall be required to submit application for invalid pension in prescribed form along with recommendations of concerned Medical Board and relevant documents. If the employee facing medical test for invalidity cannot appear before the Medical Board in the capital city of Dhaka, then the Board shall be constituted in such a place where the employee can conveniently appear.

The authority which will grant invalid pension to an employee shall send a brief statement under sealed cover to the health examining medical officer or to the Board mentioning therein the information as to types of treatment taken by the employee.

An employee being less than 57 years of age shall be required to produce medical certificate for invalid pension. The certificate must contain the statement that the concerned employee is invalid for work because of old age.

Medical certificate must be in the prescribed form. The issue in this case is that medical certificate is very difficult to be obtained in time in which case granting of pension is unnecessarily delayed.

In some cases invalid pension is not allowed. For example if an employee is discharged from service for other reasons, then s/he will not be given the pension despite providing medical certificate.

If an employee becomes invalid because of bad habit and irregularity, s/he will not be entitled to the pension on invalid ground.

The major issue in the case of invalid pension is that when an employee applies for invalid pension and produces doctor’s certificate, s/he will not be kept in service and no leave will be granted.

Another issue is that according to Public Service Retirement Act-1974 there is no scope for re-employment after invalid pension.

Superannuation Pension

Superannuation pension take place when a public servant retires compulsorily at a certain age fixed by the government. In this context age has been fixed in the Public Service Act 1974. Accordingly an employee retires from service after completion of 57 years of age. Recently, the government has increased the retirement age for judges and public university teachers to 65 year. The major issue in the case of this pension is that the exact birth date is not always known in which case date of birth is assumed and rationality of age is lost.

Retiring Pension
According to the law of the country the government may, if it considers necessary in the public interest so to do, retire from service a public servant at any time after s/he has completed 25 years of service without assigning any reason. But any other appointing authority is not authorized to exercise this power. If any sub-ordinate appointing authority desires that an employee employed by it should retire after 25 years of service, in that case that authority shall propose to the concerned ministry to that effect. In the case of gazetted officers the issue of retiring shall be referred to the President of Bangladesh for decision.

Optional Pension

A public servant has unqualified right to opt to retire from service at any time after s/he has completed 25 years of service upon the only condition that s/he shall have to give a notice in writing to the appointing authority at least 30 days prior to the date of his/her intended retirement. In this case the government is bound to accept the option and has no legal scope to refuse. But such option once exercised shall be final and shall not be permitted to be modified or withdrawn.

Family Pension

Pension is allowed to the family of a pensioners on his/her death and this is called family pension. In the case of family pension, a public servant while remaining in service at any time afterwards may nominate one or more members of his/her family as successor for the whole or part of his/her family pension. But in the absence of nomination and if the wife of the deceased pensioner or any member of the family is not available, in that case his/her last controlling authority shall decide the successor for providing family pension and gratuity. However mention is made here that the rules for family pension are different for different members nominated.

Pension in Private Sector

The persons who are in the service of the government or of any parastatal organization or local authority are only entitled to pension and retirement benefits. But there is no provision for pension for the persons working in agriculture and industries sectors. The migrant labourers also do not qualify for pension. According to the latest available information there are about 20 million labourers who are working in the agriculture sector constituting about 50% of the total employment in the country. As mentioned earlier, this sector contributes about 40 percent of the total GDP. The sector consists of forestry, crops and horticulture, animal farming and fishing sub-sectors.

Despite this size, there is no retirement and pension concept in the agriculture sector. Bangladesh has not made any policy for retirement and pension of the agricultural workers.
These workers are as such not entitled to retirement and pension benefits for their old age during which they lose their working and earning capability.

In the case of industry, about 19 million workers are employed in the sector which constitutes about 48% of the total employment of the country. The industry sector contributes about 26% of the total GDP of Bangladesh. The growth rate of industry sector was about 9% in 2002-2003 which exceeds growth rate of agriculture sector by 4.11 percent. The industry sector consists of all industries of the country including companies and other organizations. The workers of these industries are not allowed pension at the time of retirement except that only an amount of gratuity is provided to them. They are not allowed to receive other benefits at retirement. In the absence of pension, the workers on retirement and their families face financial constraints. At old age they become physically and mentally weak. They hardly get jobs elsewhere after retirement. They and their families including dependents remain in financial insecurity throughout their old age.

For lack of employment and better earning labourers in the country migrate for overseas employment and better income. During the period 1999 to 2002 about 3.24 million Bangladeshis migrated for overseas employment and in the same period the remittances sent by them to Bangladesh amounted to about US$ 23.7 billion. Despite positive effects of the remittances of the migrant workers in the economy they hardly qualify for pension on repatriation and they face problem for reintegration and rehabilitation. This situation gives rise to difficulty in their reentry in the society and at the old age they become vulnerable.

IV. Retirement Benefits

Retirement is the withdrawal from one’s occupation or from active works. According to one author, ‘retirement is a time when people move from certain roles and seek other roles’. The retirement benefits are provided to the retired employees of the government and parastatal organizations. A retired public servant is entitled to a number of benefits at retirement.

1. Leave Preparatory to Retirement (LPR)

This is admissible to a retired public servant. The period of such leave may extend to beyond the date of retirement but not beyond the completion of the fifty-eighth year of age and if s/he proceeds on such leave before the date of his/her retirement, his/her retirement shall be effective on the expiry of the leave.

After enjoying the LPR, if the retiree have earned leave to his/her credit s/he will be entitled to 12 months’ pay for 12 months’ of un-enjoyed earned leave.

2. Gratuity
The government presently allows gratuity to the retiring person up to 80% of the emoluments of the retiree after his/her completing 25 years of pensionable service. Presently a retired public servant is allowed a gratuity in lieu of 50% of his gross pension which s/he surrenders compulsorily at the rate of Tk 200 for one taka. S/he is also allowed to surrender the remaining 50% of his/her gross pension at the rate of Tk. 100 for one taka.

3. Family Pension

The family of a retiring public servant is entitled to family pension in the following manner:

i. The retiring employee shall nominate one or more members of his/her family as successor for the pension. In the absence of nomination the method of nominating successors for his/her family pension and gratuity shall be as follows:

   a. in the case of male employee, his wife/wives
   b. in the case of female employee, her husband
   c. children of the deceased
   d. the widowed wife/wives and children of the deceased son of the deceased employee

If the above successors are not available, the following relatives of the deceased employee shall be considered as heirs for pension and gratuity:

   a. Brother of less than 18 years of age
   b. Unmarried and widowed sister
   c. Father
   d. Mother

Mention is made here that if the wife of the deceased employee does not remarry, she will be entitled to such pension. But if she enters into remarriage, she will not be entitled to such pension.

4. Government Accommodation

In the event of death, retirement including compulsory retirement, the retired person or his family is entitled to remain in the allotted accommodation. If the retired employee (allotte) dies while in service, his/her family shall be permitted to stay in the accommodation for two years subject to certain conditions from the date of the death of the allottee.

5. Benevolent Fund
If a retired employee dies during service time or dies within five years from the date of superannuation, s/he or in the event of death, his/her family, shall be entitled to receive a benevolent fund grant from the benevolent fund according to the scale specified in the schedule, for a period of ten years.

6. **Group Insurance**

Group Insurance fund has been constituted by the government. All employees except the class III and class IV employees are required to deposit premium to the Fund at the prescribed rates. This is managed by a Trustee Board. Every government employee may nominate someone for receiving money from the fund.

If an employee dies while in service, his/her family will get one time financial help from the Fund. The amount of that help shall be equivalent to the pay of 24 months based on the last pay of the deceased employee. However the amount in any case shall not exceed Tk. 100,000.

Despite retirement and pensionary benefits available for the retired government servants, there are many recurring issues in the process of delivery of the benefits. These are discussed herein:

1. **Complex Rules:**

The public employees when they retire or die, face numerous problems in getting their pensions or family pension and other benefits provided by the government. The various guidelines/directives issued by the government related to the pension, gratuity, benevolent fund and group insurance are found to be conflicting and inconsistent in implementation. Despite the Public Servants Retirement Act 1974 has been issued after independence of Bangladesh, yet in the case of providing pension, other rules, government orders, etc followed are very old. Bangladesh service rules which are virtually reproduction/reprinting of the East Bengal Service Rules (PART – I) and the revised pension rules and rates and retirement benefits issued by the East Pakistan Government are considered in payment of pension. Ordinary pensioners hardly understand the various government rules and regulations about the pension and retirement benefits. This makes the drawing of retirement benefits a painful experience.

2. **Non-qualifying service**

Not all public services are pensionable. Only the pensionable services are entitled to pension. Generally speaking those who draw salaries from the general revenue head of the government are usually allowed pensions on retirement. Some of the non-qualifying services are mentioned below:
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a. The services for which pay is paid from local autonomous bodies, trust funds and nationalized organizations or from commission and fees are not pensionable service.

b. If after the completion of probation period of the service the employee is not appointed in any post, then such probation period shall not be counted as pensionable service.

c. Extraordinary leave is not counted for pension.

d. If a public servant is temporarily suspended from his/her post against allegation of offence and is reinstated in the said post and if any part of his/her pay is confiscated for the suspension period, then the period of temporary suspension shall not be counted/considered for pension.

e. If any public servant performs job after production of medical certificate on the ground of invalidity, that period of service shall not be considered for pension.

f. If resignation is submitted, the service preceding the resignation is cancelled and is not entitled to pension.

g. If a public servant is removed or dismissed from service on account of misconduct, insolvency or invalidity, his/her previous service is confiscated and as such not considered for pension.

3. Retirement Benefits not entitled in certain cases

If any judicial proceeding instituted by the government or employer or any departmental proceedings are pending against a public servant at the time of his/her retirement, s/he shall not be entitled to any pension or other retirement benefits except his/her subscriptions to any provident fund and the interest there on till the determination of such proceedings and the payment to him/her of any pension or other benefits shall be subject to the findings in such proceedings.

According to the Public Servants Retirement Act 1974, a public servant is any person in the service of the Republic, but s/he is not any person who:

a. is a member of any defence service

b. is a teacher or employee of any university

c. is employed in or under a commission, committee or Board setup for a temporary period for specified purposes
d. is a contingent or a work charged employee working in the state owned manufacturing industries

e. holds any office which is filled by election or nomination under any law and

f. holds any office the tenure of which is determined by or under law

4. Accommodation Facility

In the case of death or retirement of a public employee his/her family is allowed to retain the allotted accommodation only for a limited period. In most cases it happens that families of the retired persons face acute problems of housing after vacating the allotted accommodation. Most of the families do not possess own house and are also not capable of hiring suitable private accommodation. At this, the children of the families who are yet to complete their education face tremendous hurdles in their studies. Their education is virtually disrupted. On the other hand the elderly members of the family feel insecure for want of living houses and financial constraints. The consequence being that the socio economic conditions of most of the families of the retired officials become deteriorating after retirement and moving out of provided accommodation.

The retirement benefits that are provided to the retired officers and employees of the defence services are almost the same as are available to the personnel of the civil service. The only exception in the case of defence service is that the employees of this service receive ‘Ration’ in the form of concessionary supplies in addition to normal benefits. The defence service holders are retired by the government compulsorily in the case of their physical and medical unfitness. But this is not the case for civil service employees.

V. Old Age Allowance Program

It has been mentioned that vast number of old people engaged in agriculture, industry, services and overseas employment are not covered by the pension system which is primarily designed to serve a small section of people employed in government and semi-government organizations. This small fraction of government employees enjoy some form of security at old age.

The vast majority of old age people live under distressful condition, except those who are supported by own families. To partly alleviate the situation, as of 1998, Old Age Allowance Programme, was introduced and this is the first expression of government concern for the aged.

Under the program the elderly persons incapable of physical work and the destitute women of the country are receiving allowance from the government on monthly basis. In the years 1997-98 about 4,03,110 elderly people received Taka 125 million at the rate of Tk. 100
per month. During 2002-03, 4,99,662 old aged persons were given Tk. 750 million as old age allowance at the rate of Tk. 125 per month. During 2003-2004 1 million persons received 1800 million Taka at the rate of 150 per month. In 2004-05, 2603.7 million taka were provided to 1,315,000 old aged persons. The allowance is given to 10 old persons (5 male and 5 female) of each ward of an union all over the country.

It is to be mentioned here that old age has become a social issue and due to modern medical science and demographic change, the number of elderly persons is increasing day by day. Like the developed countries, the Bangladesh government has become concerned about the security for the elderly citizens. The Old Age Allowance is helping to strengthen the mental force of the aged persons, increase their status in the family and bring back their sense of security in the society.

The candidates/recipients are selected based on certain characteristics which are (a) age (b) average yearly income (c) health status, (d) socio-economic condition (e) expenditure in different heads and (g) land ownership. The following categories of persons are excluded from the benefit of old age allowance.

1. Public servant receiving pension
2. Destitute women holding Vulnerable Group Development Scheme (VGD) card
3. Otherwise recipients of regular public grants
4. Recipients of regular financial grants from private organizations/social welfare establishments.
5. Inhabitants of city corporation area
6. Day labourers, maid servants and destitutes

The old age pension scheme is implemented in the rural areas of all upazilas at union level and for all wards of the municipalities of the 64 districts of the country. The Ministry of Social Welfare of the government shoulders the responsibility of the scheme.

For overall supervision of the program a ministerial level committee has been formed with the Minister for Finance as its chairman. The members of the committee are:

1. Minister in charge of Local Government Rural Development and Cooperatives ministry
2. Minister in charge of Social Welfare ministry
3. State Minister in charge of Liberation War Affairs ministry

The Ministry of Social Welfare provides secretarial assistance to the committee. The committee meets every three (3) months. A Special Meeting of the Committee is held in the month of March—every year and in that meeting the activities of the Old Age Allowance Programme of the previous year is evaluated and budget for the following year is determined.

Under the scheme elderly persons having at least sixty five years of age will qualify for the allowance/pension. But those who are enjoying the allowance since before will continue to receiving the pension. The yearly average income of the recipient must not exceed taka 3000.

The introduction of Old Age Allowance by government is undoubtedly an encouraging step towards the welfare of the elderly population. But it covers a small fraction of the vulnerable elderly population in rural Bangladesh. It is a fact that this benefit is very insufficient compared to the needs of the poor elderly persons. Yet with this allowance many elderly people have been able to utilize it for buying food, clothes and medicines for treatment. However, the recipients face difficulties in drawing the allowance. They need to move long distance upto the Upazila bank to collect the benefits. The allowance is distributed quarterly and in a fixed day of a month. This arrangement causes sufferings to the recipients who remain for the whole day without food in the bank where there are no toilet facilities for them particularly the elderly women. The recipients of Old Age Allowance are deprived from receiving other benefits such as they loose eligibility of receiving relief and other benefits.

The Old Age Allowance Program has received support from two successive governments. There is an increasing willingness among the political parties to expand the programme both in terms of coverage and amount of allowance. This is a healthy sign and may be the beginning of developing a social security system for the aged people in the country.

VI. Old Age Security

The limited number of studies that have been conducted on the condition of old people indicate that the majority of the older people in Bangladesh are living in absolute poverty. They lack the resources to fulfill their most basic needs in terms of food, clothes, housing and health and are also deprived from income generating opportunities. Traditionally, older people have relied on support from extended family system with strong religious and cultural nexus of support for the elderly, which is still persisting. But the atomization of families, mobility, migration, economic hardship and the like factors are eroding the traditional family support system for the elderly and requires social policy intervention by the government and non-government organizations.

Elderly women find themselves more vulnerable than men due to strong gender discrimination. The majority of older women (68%) are widowed compared to 7% of men.
Widowed women have no security, are more dependent on family and face worse socio-economic condition compared to men.

We can also look at the condition of elderly in the urban and rural situations. As to socio-economic condition, urban elderly population represent poor segment of the population. Family still forms the basis of societal structure of the elderly, who has little access to basic needs. The most felt need is in the area of health care and treatment. Disease and disability are major health problem of old age. As to the rural situation, two thirds of the elderly are taken care of by their family. Like the urban, access to resources and health care are major problems facing the rural elders. Most are deprived of their most basic needs including food, health care, clothing and adequate shelter. These conditions of elderly are being accentuated by the increase in elderly population and economic degradation of the society.

This situation points to the need for developing policies and institutional arrangements outside the traditional support system to take care of the elderly people in the society.

As to the government programme, as mentioned earlier, all retired government employees enjoy pension gratuity and other benefits. However, as per Bangladesh constitution, the needy elderly people has a right to social security. This is one of the fundamental principles of state policy (article 15d). The Fourth Five Year Plan of the government (1990-95) witnessed the first allocation of 5 million taka for welfare of elderly under the Ministry of Social Welfare. In the mid 1980’s, the government constituted the National Committee on Ageing. With the UN Declaration of the International Day of the Older Persons, the government became more sensitive to the concern of the elderly persons. Old Age Allowance Programme was introduced in 1998. Although meager in amount and limited in coverage, this is a laudable effort and appreciated by all concerned. The government is also planning to extend financial support to distressed elderly women, in addition to VGD programme.

Under the Annual Development Program (ADP) government has planned to establish six centers for the elderly in 6 divisions of the country. The main purpose of the scheme is to provide life long facility for care, protection and leading a normal life of the elderly. The important part of this program is to create environment of the Divisional Shishu Paribar's (Divisional Family of Children) inmates with elderly of such centers with care, affection and love. The elderly in turn will get opportunity to forget their loneliness by caring the children with love and affection.

Under the scheme which emphasizes, institutional development at local level for pro-poor projects, it has been proposed to create centers for old people with facilities for light economic/income generating activities, geriatrics medical and social welfare services for the poor and older people.

A National Committee on Ageing was formed to identify the problems of the older population, but this includes government or retired government officials as member without
any NGO representation. This should include representation of persons knowledgeable about the situation of poor older people.

The Ministry of Social Welfare has initiated moves in 1998 to formulated a policy for the elderly and a National Policy for Aged has been drafted, but the same is awaiting adoption.

From these initiatives, it appears that the government is aware of the problems facing the elderly people in the country.

Non-Government Initiatives

Despite having 1500 NGOs in the country, it is very difficult to say how many are working for the cause and interest of the elderly. Some notable ones are identified below:

1. **Bangladesh Association for the Aged**

   Bangladesh Association for the Aged and Institute of Geriatric Medicine (BAAIGM), is the prime non-government organization at national level working for the welfare of the older persons in Bangladesh. It has 48 branches all over Bangladesh. Established in 1960, the Association provides services to the elderly in different forms like health care services, recreational and socio-economic activities, 50 bed geriatric hospital with out-door programs and pathological services, 50 capacity dormitory for the elderly, recreation and library programs, vocational training and management of revolving funds and research and publication. elders and children rehabilitation center.

2. **Elders and Children Rehabilitation Centre**

   A rehabilitation center for the elderly was by an individual in set up in 1987, at Gazipur. It is more or less a full-fledged old home where destitute older people (60+) from any religious faith can live. This is probably the first of its kind. At present 50 elders (25 male and 25 female) of age 60+ are residing in this center. They are given free accommodation, food, and clothing and medicare facilities. The elders are involved in gardening, farming, pisciculture and other recreational activities.

3. **Resource Integration Center (RIC)**

   RIC provide community based habitation for elderly people, credit and medical services. Some new programs include housing grants, elders club, day care center, monthly pension and funeral support. Credit programs help older persons to become financially solvent and independent and to play a more prominent role in the community. Credit strengthens the role of women particularly they have a greater need for economic sustenance. They also provide preventative and curative services with the support of Help Age International (HAI). Physicians
make follow-up visits at patients' homes which indicates their outreach system with a strong referral system.

4. Service Center for Elderly People (SCEP)

SCEP, a non-government organization in Rajshahi started working for the elderly in 1994 with a slogan "A Care for the Generation". It provides health service and recreational facilities to the older persons of age 60 and more for their social and emotional peace. Present activities of the SCEP for the registered elderly include listening to the radio, watching television, reading newspapers, magazines, playing indoor games. Every Friday health investigation of the registered elderly is made.

5. Elderly Development Initiatives (EDI)

EDI situated in Manikgonj is a community based self-help organization and has some programs for the development of elderly in Manikgonj.


This Association has been working since 1976. The Association offers medical services to members and provides welfare services to retired employees and their families. It provides some financial support (grant) programs such as, medical grant, education grant and lump grant. This association also provides interest-free loan to the elderly. 62 district level branches are working as its affiliated bodies.

7. Bangladesh Retired Police Officers Welfare Association, Dhaka

This organization offers socio-economic services to retired police officials and their families.

8. Defense Personal Welfare Trust, Dhaka

This trust provides socio-economic and medical services for employees of the defense services.

Very recently, Bangladesh Womens Health Coalition (BWHC), Bangladesh Girl Guides Association, Bangladesh Education Board Retired Employee Welfare Association, Mother and Baby Home, Old Home and Bangladesh Society of Gerontology and forum for the rights of the elderly are also working for welfare of elderly.

Thus, limited number of NGOs and professional associations are working for the welfare of the elderly.
VII. Future Challenges

In present day, Bangladesh a small proportion of the total population constitutes the elderly persons. But the absolute number of the older persons is quite significant and their rate is also alarming. According to 1911, 1951, 1981 and 1991 decennial censuses the elderly population (aged 60 years and above) in Bangladesh were 1.37 million, 1.86 million, 4.90 million and 6.05 million. Side by side projected numbers of older persons in 2000, 2015 and 2025 are 7.25 million, 12.05 million and 17.62 million (United Nations 1994-5). This change in population characteristics will have serious consequences on the society as well as on the overall socio-economic development of the country. Inspite of rapidly increasing numbers, the older persons are all but invisible in development policy and practice in Bangladesh.

Bangladesh, as an Asian country, has a long cultural and religious tradition of looking after the elderly and families and communities are expected to take care of their own elderly members. But rapid socio economic and demographic transformation, mass poverty, declining social and religious values, influence of western culture and other factors have broken down the traditional extended family and community care system. Most of the older people in the country are suffering from many basic human problems such as lack of sufficient income and employment opportunities, absolute poverty, senile diseases and absence of proper health and medicare facilities, exclusion, negligence, deprivation, socio-economic insecurity, etc. 80% of the older persons live in rural Bangladesh and suffer from cumulative effects of a lifetime of deprivation.

Because of increased life expectancy the elderly people will live for longer years resulting in increased dependency ratio and declining potential support ratio. Current and future health needs of the older people should be urgently addressed through promotion of health education and information targeting elderly population. Elderly people are increasing and will continue to increase. Government has only very limited programs to provide care to the elderly. As stated earlier, one such programs is Old Age Allowance which has been highlighted. There are other government programs targeting the poor and woman. For example Vulnerable Group Development (VGD) and Vulnerable Group Feeding (VGF). These programs aim to provide development or food assistance to the poor. These programs do not directly target older people.

There are about 1500 NGOs in Bangladesh, but their programs are not directed specifically for the older people. The NGO Bureau of the government should see that the NGOs are undertaking adequate number of programs for the elderly care in Bangladesh, i.e. their programs must be focused for the older people.

As the elderly people will continue to increase in size, the basic needs issue of the elderly will be challenging. The elderly people will be consistently lacking the means for fulfilling their basic needs. Government and NGOs must undertake projects for meeting the basic needs of the old people in the country.
In the country there are some facilities for providing health care for the elderly, but there is absence of facilities for curing the geriatric diseases of the old aged people. The Government and NGOs need to setup and run health centers for treatment of geriatric diseases.

The elderly people instead of being dependent on the families and communities may undertake activities like rearing livestock, small business and rearing poultry for maintaining their livelihood. Institutional arrangement should be made to give them training and financial support for this.

Measure should be initiated for the welfare of the elderly population which should include the following:

- medicines at reduced cost
- free treatment
- health care near the residence
- home care by health workers
- increased old age allowance
- shelter and food

VIII. Conclusion

Retirement due to old age makes the elderly people very insecure and vulnerable. Low economic growth, overall impoverished condition of the society, and increasing dependency ration erodes into the traditional family support system fro the elderly. This calls for policy level initiatives by the government and institutional arrangements for care of the old age population. This problem has been globally recognized in the International Conference on Population and Development, 1994. Programme of Action of the Conference emphasized that the economic and social impact of the ageing populations is both an opportunity and a challenge to all societies.

Despite the potential of elderly in the population and its inevitable and varied impacts, policy makers of the country have given little attention to this issue. Available information suggests that about half of the aged population live in poverty and policies and programs often overlook them who are women. Inadequate support and the erosion of traditional support by migration, urbanization and other factors leave many older people in extreme difficulty. In the perspective of prevailing socio-economic situation, increasing landlessness and poverty have been affecting the elderly population.

Although the government has instituted an old age allowance covering about 12 percent of the elderly population of Bangladesh, this is a very small fraction of the elderly people. This is an encouraging step towards welfare of the elderly population, but it is yet to be seen at what level this allowance could be sustained with 100% coverage in future under the given economic condition of the country.
Elderly population lack income earning opportunities because of physical limitations, cultural barriers and lack of micro credit. If they are given the training and micro credit they could earn their livelihood.

National policies need to incorporate the issue of ageing and appropriate support mechanisms for older people into the mainstream of the social, economic and health planning. Community members have to be sensitized about the problems of the elderly so that a greater commitment and involvement could be ensured to include care for the elderly within health care system.

Considering the size of the elderly and their dimension of problems, the Health Ministry and the Ministry of Social Welfare should establish a separate cells to deal with the elderly population problems. Separate national health policy should also be considered for the elderly population. A separate National Policy for the Aged should be formulated reflecting the constitutional obligation of social security for all.

The prevailing pension system should be improved to provide more security to the retired government employees at the old age. 100% pension instead of 80% should be provided to the public servants. Government policy should as such be formulated towards that gratuity may be allowed for the whole amount of the gross pension of the retired employee at one single increased rate than the present system.

Government should formulate policies for extended facilities of accommodation, benevolent and group insurance funds for the pensioners. Leave preparatory to retirement should be allowed for 2 years instead of present 1 year with increased leave benefits in monetary form.

Government should formulate policies/laws for providing pension and retirement benefits for the workers/employees of the agriculture and industrial sectors so that the workers/employees can survive economically in their old age. This may be progressively implemented starting with the formal sector. The migrant labourers of the country working abroad and positively contributing to the economic development of the country through their remittances should be granted pension on their repatriation for their reintegration and rehabilitation in the mainstream of the society. This can be achieved by creating a retirement benefit fund for migrant workers.

In keeping with increasing longevity in the country, age limit for retirement of the government servants should be increased to sixty years (60 years) from the present age limit of 57 years. This will be in line with the recent increase in the retirement age of judges and public university teachers.
Retirement and Pension System in Bangladesh

Government should evolve policy measures for providing job opportunities for all the retired employees by creating avenues in both the public and private sectors and enabling the retired employees for generating income for their living in old age with dignity and social status.

The existing retirement and pension system in Bangladesh has a very limited coverage. This should be extended to cover the entire formal sector of the economy. Gradually a national system of pension should be evolved to cover the entire retired and elderly population to create a welfare oriented society where elderly can live with dignity and self-respect.
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