Journal of Research Administration
Society of Research Administrators International

FINANCIAL DEPENDENCE OF RURAL ELDERLY IN KERALA

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Abstract

The present article unveils the vulnerability of the rural elderly by analyzing their financial dependency. The financial dependency of the rural elderly was analysed by taking into consideration the degree of their financial dependence and the sources of financial support. Further, the study investigates the level of dependence on others for financial support based on their individual characteristics. For the analysis, a One-sample t-test was used to find out the significant sources of financial dependence, and both independent t-test and One-way ANOVA were used to analyze the level of dependence of the elderly on others for their financial needs based on their individual characteristics. The study is confined to the rural areas of Kerala. In the rural areas of Kerala, elderly women outnumber elderly men, and the elderly women (28.38%) depend more on others than the elderly men (13.8%) for financial requirements. In general, in the rural areas of Kerala, 61.34 per cent of the population is financially dependent on others. The study found out that offspring or progeny are the most noteworthy source of financial support for the rural elderly. The study also brought to light the fact that the elderly women, care-giving elderly and widowed elderly rely more on others for their financial aid.

Key words: Population Ageing, Rural Elderly, Financial Dependence, Productive Participation, Old-age Dependency

1.1 Introduction

Population around the world are rapidly ageing. Population ageing is a demographic reality that cannot be reversed or blocked. It occurs when the trend of median age continues to rise with lower birth rates. The major factors contributing to population ageing include declining fertility rates and improved healthcare, leading to longer lifespans. Both the government and society need to respond to the changing demographic profiles because they have multi-level implications for society. The rapidly ageing population strains the economic resources and social security system, and their increased demand for long-term health care and services also strains the health care systems and resources of the economy. Moving closer to a greying economy leads to a labour shortage, and the productivity of the economy may be affected. Addressing the effects of population ageing requires economic strategies to ensure sustainable and inclusive growth while meeting the needs of the aged population.

1.2 Population Ageing in Kerala

Kerala's elderly population is growing faster than the rest of India. Kerala was well ahead in terms of social and human development indexes, despite its rapid population expansion. The ageing of the population of Kerala is distinct due to factors like a declining population growth rate, rising longevity, high literacy, low fertility, and high levels of population mobility. With a rising Ageing Index, Kerala is in the third stage of its demographic transition. Demographers observe that Kerala's elderly population is still growing and is continuing to follow this trend based on the demographic estimates. “The ageing population of the state has also been increasing rapidly in recent decades. The percentage of the population in the age group of 60 years and above to the total population was 12.6 for Kerala against the national average of 8 per cent, as per the 2011 Census” (Kerala Economic Review, 2021).

According to the Census of 1961, the size of the aged population in Kerala was 8,67,161, which occupied 5.13 per cent of the total population of Kerala. As per the Census 1981, the population of the senior citizens accounted for 7.44 per cent of the total population of Kerala, portrayed an increase from 6.18 per cent in 1961. In 1981, there were 18,92,539 people over the age of 60, which was more than twice as many as there were in 1961. But compared to Census numbers from 1961, the proportion of the elderly population to the total population had doubled by 2001. According to the recent census data for the year 2011, Kerala had 41,93,393 people aged sixty and above. This number will rise to 46,98,088 in 2021 and is projected to rise to 53,65,379 in 2031.

Kerala ages more quickly than the rest of India. Its population aged 60 and over stands for 5.1 per cent of the population as a whole in 1961, which was just under the national average of 5.6 per cent. Since 1980, Kerala has surpassed the other states. By 2011, 13 per cent of the total population had reached retirement age. The senior population is growing significantly, especially among those who are seventy or older. In the ageing population, women outnumber males. Overall, 16 per cent of Kerala's senior workers are employed right now. The work participation rates for elderly men and elderly women are 26 per cent and 8 per cent, respectively. Even though work participation declines with age, 8 per cent of elderly men and 3 per cent of the elderly women are presently employed, even after the age of eighty.

1.3 Financial Dependence of Rural Elderly

The elderly were regarded as the most deprived section of society, especially in rural areas where the opportunities for employment and development were the least. They face difficulties specific to their place of residence. Low population density and remote geographic locations pose challenges for public transportation and communication, service provision, and community life. The lower level of infrastructure and economic activity in rural areas limits the choice of service providers and poses an environment of hardship for the elderly in various dimensions. Along with this, they may face higher risks of old-age poverty, a less supportive environment, and fewer opportunities for social participation, and less access to health and care services (UNECE Policy Brief on Ageing, 2017). The rural elderly in Kerala face significant financial challenges, which affect their well-being. A massive portion of the elderly have no proper plan or savings for their later lives. In their later lives their income was limited or zero, and most of them rely on social security pensions or government aid. In rural areas, opportunities for employment or supplemental income were scarce, especially for elderly citizens who might face age-related discrimination. The rural elderly still have outstanding financial liabilities, which can be challenging to manage on their limited income. In addition to all these, increased health care needs and expenses and the rising cost of living make it difficult for the elderly in rural areas to make ends meet. To meet their needs, they have to depend on others, particularly their children. Old-age dependency is the dependency of the elderly on the working population. Increasing the burden on the working population is the unspoken consequence of population ageing. The vulnerability of the rural elderly can be understood by analysing their financial dependency.

Financial dependence refers to relying on someone else or an external source for financial support or sustenance. This reliance can be voluntary or involuntary, temporary or long-term, and can impact a person's ability to make independent financial decisions or achieve financial autonomy. While sometimes necessary due to circumstances, it can also pose challenges to individual freedom and decision-making.

1.4 Research Methodology

The study is confined to the rural areas of Kerala. In Kerala, Wayanad and Idukki are the two districts that reveal a large parity between the rural and urban populations. The primary data was collected from the senior citizens in the age group of 60-69 years from the selected 4 panchayats of the districts of Wayanad and Idukki, with a direct personal interview with a well-structured interview schedule. In this study, the population is 21,97,552. As per Cohen’s Table, the sample size is 384 at 95 per cent of the confidence level and 5.0 per cent margin of error.

1.5 Result and Discussion

The financial dependency of the rural elderly was analysed by their degree of financial dependence and the sources of financial support. Further, the study analyses the level of dependence on others for financial purposes based on their individual characteristics. For the analysis, a One-sample t-test was used to find out the significant sources of financial dependence, and both independent t-test and One-way ANOVA was used to analyse the level of dependence of the elderly on others for financial needs based on their individual characteristics. The individual characteristic-based study targeted policy implementations, fostering social inclusion and improving the well-being of the elderly. Researching the social profile helps to understand the challenges faced by different sections within the aged population.

1.5.1 Degree of Financial Dependence of the Elderly in Rural Areas

Financial dependence is a crucial factor in determining the vulnerability of the rural elderly. This dependence can be partially and fully.

Table 1.1
Degree of Financial Dependence of Elderly

Level of Dependence	Gender		Total
	Female	Male	

Fully Dependent	28.38	13.28	**41.66**
Independent	7.03	18.75	**25.78**
Partially dependent	17.71	14.85	**35.56**
Total	**53.12**	**46.88**	**100**

Source: Surveyed Data

*Figures are in percentage

The study finds out that 25.78 per cent of the senior citizens in the rural areas of Kerala are financially independent. Financially independent elderly men (18.75) were twice that of the elderly women (7.03). Among the remaining dependent senior citizens in considering financial dependence 41.66 per cent were depending on others and 35.56 per cent were partially dependent on others and elderly men form 14.85 per cent and 13.28 per cent in partially dependent category and fully dependent senior citizens, respectively.

In rural areas of Kerala, the elderly women were more fully or partially dependent on others than the elderly men. It is a crucial issue which can be attributed to various social, economic, and cultural factors. Among the rural communities in Kerala, the existing traditional gender roles and norms have limited the opportunities for women to earn. In rural areas, the opportunities for education and employment have historically been limited and they have been engaged in unpaid household work or informal jobs. Beside these, the major contributing reason for this situation among the elderly women was that the elderly women take back from the labour force after the age of sixty. Thus, women were missing from the mainstream of society during their autumn years, and later they were labelled as the most vulnerable category of the society of Kerala. Concisely, a multi-faceted approach which involves government initiatives, social involvement and individual well-being is obligatory to address the issue of financial independence of the senior citizens in the rural areas of Kerala.

1.5.2 Sources of Financial Support for the Elderly in Rural Areas

Sources of financial support refers to the various channels or methods through which elderly obtain the financial resources necessary to cover expenses or other financial requirements. Since, elderlies in rural areas are not organized, they primarily rely on individuals to meet their requirements.

One sample t-test was applied to examine whether the mean of the population is statistically different from a known or hypothesized value. The hypothesized value is 4. The table 1.2 explains the descriptive statistics and the result of the one-sample t-test of sources of financial support for the elderly. It explicates the number of samples, the mean and standard deviation, t value and P value of four sources of financial support.

Table 1.2

One-sample t-test of Sources of Financial Support for the Rural Elderly

Sources	**N**	**Mean**	**Standard**

			Deviation	t value	P value
Spouse	384	3.36	2.782	4.512	<0.001
Children	384	5.37	2.508	10.682	<0.001
Grandchildren	384	3.17	2.259	7.183	<0.001
Friends & Relatives	384	2.10	1.809	20.533	<0.001

Source: Surveyed Data

One sample t test is executed for taking the fitted inferences where in the null hypothesis is rejected at five per cent level of significance while comparing the mean with its mid value "four". Since, the P value is significant and mean value is greater than four for the children, the present study finds out that elderlies in the rural areas primarily depends on their children to meet their financial requirements. In Kerala, there is a strong tradition of familial support, where adult children take on the responsibility of caring for their parents. It might involve providing financial assistance for living expenses, health care and other needs. That is why the reliance of the elderly in the rural areas on their friends and relatives were the least. Emotional support, companionship, and occasional financial assistance might still be part of their interactions, even if it is not the primary source of financial support. Family and friends often contribute in non-monetary ways, which remain highly valuable to the elderly.

1.5.3 Financial Dependence of Rural Elderly on Others

Level of financial dependence of rural elderly means the extent of their reliance on others for financial needs. Financial dependence was measured with the help of scaling technique using 7-point Likert scale with four sources. Both Independent t-test and One-way ANOVA were used to analyse the level of financial dependence of the rural elderly on others based on their individual characteristics.

Table 1.5.3

Financial Dependence of Rural Elderly on Others Based on Individual Characteristics

Individual Characteristics		N	Mean	Std. Deviation	F Ratio/ t value	P value
Gender	Male	180	3.0958	1.34623	6.000*	<0.001**
	Female	204	3.8578	1.1402		
Ac tiv	Working	194	3.1598	1.32688		

	Care-giving	190	3.8487	1.17139	5.389*	<0.001**
Marital Status	Married	262	3.4380	1.3999	1.689	0.186
	Unmarried	12	3.2083	1.16206		
	Widow/widower	110	3.6818	1.01644		
	Total	384	3.5007	1.29740		

Source: Surveyed Data
*t value of independent t-test
**Significant P value

In the rural areas of Kerala, elderly women outnumber elderly men, and the elderly women depend more on others than the elderly men for financial requirements. Elderly women tend to be more financially vulnerable because they had limited access to education, employment opportunities and positions that offered substantial income or retirement benefits. Women often take on the role of care-givers for family members, dedicating time and resources to care-giving duties, which also limited their ability to work or save for retirement. In rural areas, social and economic structures restrict women's access to financial resources, land ownership, or participation in decision-making processes related to finances and traditional gender roles discourage financial independence for women, leading to greater reliance on male family members or community support networks. Initiatives, which aimed at providing education, empowering women economically, improving access to resources, and creating social safety nets tailored to their needs, must be implemented to get them out of such vicious circle of financial dependence. Efforts to promote financial literacy and inclusion can also be crucial in ensuring that elderly women have more autonomy and security in their later years.

The activities of the rural elderly were mainly categorized into two: working and care-giving. In the rural areas of Kerala, the care-giving elderly face financial challenges than the working elderly. Caregiving responsibilities restrict an individual's ability to engage in paid work and result in a state of zero personal income and reliance on others for financial support. Fewer government programs or support systems that address the financial needs of the care-giving elderly leads to increased reliance on family or community assistance along with this, the social isolation also limits their access to potential sources of support and resources. Thus, by providing better resources, support and opportunities for the care-giving elderly, their financial independence and quality of life can be improved.

"Marital status of the elderly assumes special significance in the context of care in old age as it is known that those who are married fare better in all economic and social aspects than those who are single" (Prasad, 2009). The marital status includes three categories. They are married, unmarried and widower. Divorced senior citizens were not found in the rural areas of Kerala. In rural areas, widowed elderly rely more on others for financial aid and the finds out that the differences of the financial dependence of the married elderly, unmarried elderly and widowed elderly was not significant. The widowhood is the major problem that the elderly face today, especially the elderly women. Due to the loss of their spouse, they must depend more on others for meeting their subsistence. Increased life span of women than men, women marry men older than themselves, and men are likely to remarry after the death of their spouse are the major reasons for this marked gender disparity in widowhood.

In rural areas, elderly women, care-giving elderly, and widowed elderly seek more financial support from others than their counterparts. Financial independence for the elderly is a multifaceted challenge requiring a holistic and concerted approach from government, communities, institutions, and individuals alike. In order to tackle the problem of financial dependence of the elderly, the government must introduce target-oriented policies and programmes that work towards encouraging them for productive participation and enhancing the well-being of the elderly. It is also necessary to for the authorities to make provision of knowledge and information to them, so that they are able to secure their financial resources. Training and programmes must be conducted to enhance their awareness of financial services and opportunities for employment and services. It is vital for the elderly to make them understand the need to make savings.

1.6 Conclusion

Financial problems among the elderly individuals are common, primarily among the poverty-stricken, marginalized and socio-economically backward sections of society. The major causes of financial problems among the elderly individuals are lack of education, lack of employment opportunities, increasing costs of health care, and outstanding loan payments. In the rural areas, 61.34 per cent of the population financially depend on others, and the elderly primarily depend on their progeny for financial aid. The study concludes that more attention must be given to the elderly women, care-giving elderly, and widowed elderly because they constitute the most financially vulnerable category among the rural elderly. To address the issues of such sections of society, a targeted integrative approach that encourages the productive participation and improves the well-being of the elderly, must be implemented. By working together, we can create a landscape where our seniors can age with contentment, security, and the respect they truly deserve. It is not just a matter of financial prudence. It is a moral obligation.

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