

## **Aging and Economic Participation of Older Population in Rural Malaysia**

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### **Abstract**

*One of the most significant demographic changes of the twenty first century is the aging of the world's population. Population ageing or the increasing proportion of older population has become a challenge not only for developed countries but developing ones as well. The purpose of this paper is to analyze the participation of the older population in rural Malaysia in the economic activities. This paper also seek to analyze reasons why some of the older population in the area do not want to continue working. The design used in this study was a combination of the sociological method of face-to-face interviews, and the anthropological method of participant-observation. Results show that nearly half of the respondents still involve in economic activities whilst majority of them do not work because they feel no strong desire for working and are not physically capable.*

**Keywords:** Elderly; older population; population aging; demographic changes

### **1. Introduction**

One of the most distinct demographic changes of the twentieth century is the aging of the world's population. Population ageing or the increasing proportion of older population has become a challenge not only for developed countries but to other developing ones as well. In the year 2000, the global population aged 65 years and above estimated to be 420 million. The net ballance of the world's older persons grew by more than 795 000 people each month. By the year 2010, it was projected that this net monthly gain of older people will be 847 000 each month (Kinsella and Velkof, 2001). If the older population is defined as those 60 years old and above, it is expected that the number will double within the next several years, from 606 million in 2000 to over 1.2 million by the year 2025, and will be reaching 2 millions by around 2050 (United Nations, 2003). A traditional perspective tends to associate older people as a burden and have limited capacity to contribute actively in their surrounding community. This is primarily because of several factors among which are their association with chronic illness and disability (Burr, Carro and Moorhead, 2002). The reality has changed. Nowadays the people are not only living longer, but also tend to be in good health and able to participate actively in daily life. Many older people although they are too old, they still find the oppurtunity to contribute actively in their community.

At the macro level, population aging may affect many aspect of the life of the elderly population. Population aging may affect labor force, labor productivity, aggregate saving, and personel demand (Schulz, Borowski and Crown, 1991). Robert Clark (1997) who reviews the international data regarding this phenomenon indicates that the proportion of older persons who remain in the labour force declines with economic development. Labour force participation rates recorded from the ASEAN Ageing Survey (Chen Ai Ju & Gavin Jones, 1989) also shown the same trend in ASEAN countries, where the rates remain quite high, and the bulk of the elderly workers are still to be found especially in agricultural sector. These mean the more developed the economies, the lower the rates of labor force participation of older population. This is because the more develops the economies, the higher the per capita incomes of the country, and the more the older population have the higher real income per capita. This situation may alter the desire of the older population to continue working in the labor force. As a consequence, the rates of their participation in the labor forces may decline. A form of economic participation in the labor forces of the elderly to be focused in this paper is economic activities from which they earned their income.

In Malaysia, although the number of older persons in the total population is still small, this number has increased significantly. In 1970, this category of population numbered about 546 000 persons, increased to about 1.03 million in 1991. This number has increased by another 35% to around 1.4 millions (6.3% of the total population) in 2000 (Pala, 2005). Considering the number of this older population keeps increasing over time, the issues of the extent to which these older people are contributing to the economic participation become important. Besides, the 2000 Population and Housing Census of Malaysia recorded about 319 219 older citizens aged 60 years and above as being employed (Pala, 2005). Thus, the extent to which these older people actively participate in economic activities become a central issue among the policy makers in Malaysia. The continuous participation in the labor force, besides creating a source of economic security, is also very crucial to the maintenance of functional capacity over the lifecourse, and hence promoting health and determined the quality of life of the older population.

Despite a large number of studies conducted to explore the daily life of older people in recent years, the nature of economic activities in their daily life is still relatively unexamined. There have been very few studies in Malaysia that addressed the participation of the rural older people in economic activities. Many questions regarding the extent to which these older people are actively involved in the economic activities remain unanswered. We do not know for sure why certain older people still active in economic activities, while others tend to withdraw from the activities. To fill the gap, this paper therefore aims to analyze the involvement of rural elderly in economic activities in their community with specific references to Malay rural elderly residents in Malaysia. The older population in this article is defined as persons aged 60 years and above. To analyze the involvement of these elderly in economic activities, the paper is organized into four sections. The first section will be an introduction to the topic of discussion. The second section is about the labor force participation of the older Malaysian. The third section presents a brief discussion on material and method employed in this study, while the last section provides results and discussion.

## ***2. Labor Force Participation of Older Malaysian***

In all countries, developed or developing ones, workers aged 65 years and above constitute a small proportion of the total labor force (Kinsella and Wan He, 2009). The involvement of this population in the labor force however, begins to decline when they reach the retirement age. Compared to developed countries, the labor force participation rate of the older population in developing countries is much higher. In developed countries like Europe and North America, it is only around 10% people aged 65 years and older, male or female, reported to be active in the labor force, while one-third or more of this age group reported economically active in some developing countries (Kinsella and Wan He, 2009). This differences occurred due to the fact that all countries in the world has a different level of socio economic development. For the majority of older population in the developing countries, they are involved in the agricultural sector that do not necessitate the retirement age. They continue working in this sector till the age of 65 or more so long as their physical health is capable to it. This trend is universal in all developing countries, especially in rural areas.

Since majority of the older people have to retire from work, or have to stop working, they become one of the poorest group in many societies. For most of the older people, their daily life is dependent on family members. In developed countries almost all the older population, when they reach a retirement age, were receiving social and income security benefits. Income from family is not important at all. Unlike those in the developed countries, the older population in developing countries do not covered by social and income security benefits. The older population have to depend on their family to survive. In this regard, the close family become an important source of income for these older population. There are some elderly who reluctant to be dependent on their family. They tend to continue working in the labor force until their physically is not capable to work. Because of this phenomenon the labor force participation rates of older population in developing countries are extremely high.

Among the 29 countries in the Asia and the Pacific listed by United Nations (Naohiro Ogawa, 2003), countries like Australia and New Zealand have a very low labor force participation rates (males), below 10 per cent, while in countries like Nepal, Solomon Islands, Bangladesh, Afghanistan, Philippines, Islamic Republic of Iran, Pakistan, Indonesia, Papua New Guinea, or Turkey, the rates for the elderly males range roughly from 40 to 60 per cent. For the elderly females, this figure was substantially lower. Nowadays there is around 1 399 000 older people aged 60 years and above in Malaysia, which constitute 6.3% of the population, according to the latest census. Off this figure, around 320 000 as being employed. This constitutes about 3.7% of the total workforce in Malaysia. The labor force participation rates of older population, although quite high, has been declined over the years. Census (Pala, 2005) recorded a dramatic decline of this rates, from 33 per cent in 1980 to only 23 per cent in 2000.

Data from Malaysia reveals that most of the elderly are actively involved in the labor force, especially in traditional agricultural and informal sectors. Classification distribution of senior citizens by industrial sector showed that 60% of the older citizen in the agricultural sector (1991), while this figure declined to only 50% (2000). For several years to come it is projected that agricultural sector remains an important sources of employment for the older citizens in Malaysia. By reviewing data from 2000 Population and Housing Census of Malaysia, Pala (2005) shows that 67% of these elderly were self-employed, and 26% were employees, while employer and unpaid family worker constituted between 3 to 4%. The high percentage in the self-employed category was due to the fact that the productive age or the younger population has moved to non-agricultural activities, while the older population continued to work in the traditional agricultural sector. To be actively working in the labor force is considered as a norm in rural society. The traditional agricultural and informal sectors are two sectors considered as important sources of income for rural older population in Malaysia.

### **3. Material and Method**

The purpose of this paper is to analyze the participation of the older population in rural Malaysia in the economic activities. The reasons why some of the older population in the study area do not want to continue working in the labor force will also discussed. The data reported in this paper is part of a larger study conducted on the rural elderly to explore the factors effecting the well-being of these elderly in the state of Kelantan, Malaysia in the late 1998 and early 1999. Several field visits also were conducted between 2000 to 2005, and between 2006 to 2010. This study took place in the district of Limbongan, Kelantan, Malaysia. The district was chosen as a study area because of the number of older population in this district is quite big. Besides, all district in the state of Kelantan are very popular for the traditional industries such as batik industry, handy craft and the like. The state economy and income are based on agriculture with rice, rubber, tobacco and fruits being main cash crops. In additions, fishing, fish and livestock rearing are also primarily significant. These activities are mainly involved older population.

#### **3.1: Design**

The design used in this study was a mixed method approach, that is a combination of the sociological method of face-to-face interviews, and the anthropological method of participant-observation. The study employs both quantitative and qualitative methods for data collection. Major data for the quantitative analysis are derived from face-to-face interviews. Data for the qualitative analysis are derived from unstructured interviews with 10 sub-samples. Information from key informants, and field observation also important elements.

#### **3.2: Sample**

Population from which samples of the study were drawn, was the older people aged 60 years and above numbered 1 067 living in rural areas in the district of Limbongan, Kelantan, Malaysia. Out of this number 20% of them, that is a total of 214 older population were selected as respondents using simple random sampling. The study area is divided into six *mukims*, namely Pengkalan, Gong Chapa, Wakaf Bunut, Alor Pasir, Tok Adam, and Bandar. Because the study area is divided into six *mukims*, the proportion of the respondents for each *mukims* is also about 20% of its population, meaning that the respondents for *mukim* Pengkalan was 59, Gong Chapa (32), Wakaf Bunut (29), Alor Pasir (25), Tok Adam (20), and Bandar (49). The Data were collected during 90-minute structured interviews conducted with 214 older population in their home by four professional interviewers. The interview schedule, containing both closed-ended and open questions. From the study, a wide range of data have been collected, including marital status, living arrangement, social relationship of the elderly with spouse, children, other family members, and neighbours, social support and well-being of the elderly. The data become important sources in analyzing the reality of the daily life of older rural community in Malaysia. Relevant to this paper are variables related to the participation of the respondents in the labor force.

#### **3.3: Measurement**

The seven socio-demographic profile were measured in the following manner: The sex of each respondent was coded as a dummy variable, with a score of 0 if the respondent was female, and 1 if the respondent was male; the age of respondent was coded as actual age, the marital status was coded as (1) never married, (2) currently married, (3) divorced, and (4) widowed. Length of marriage was coded as (1) new if the respondents reported being marriage up to 29 years, while if they were being married for 30 years and over, was recorded as (2) old. Number of children also was coded as dummy variabel, with a score of 0 if the respondent did not own children, and 1 if the respondent owned children; the educational attainment was measured as (1) never attended school, (2) primary level, (3) lower secondary level, (4) upper secondary level, and (5) tertiary level; the employment status of each respondent was coded as a dummy variable, with a score of 0 if the respondent was not employed, and 1 if the respondent was employed.

If the respondents was not employed, they then asked to list the reasons why they was not employed. This open-ended questione giving the respondents chances to express their reasons according to their own words.

#### **4. Results and Discussion**

##### **4.1: Socio demographic profile**

Information regarding the socio demographic profile of the elderly respondents is presented in Table 1. As in any other community elsewhere, due to the fact that the life expectancy of the elderly women is higher, the majority of the elderly population is women. The everage age of respondents was 68 years, while median and mod of age was 67 and 60 years respectively. The age of olderst respondent was 95. When this age is categorized to four category, that is 60-64 years, 65-69 years, 70-74 years, and 75 years+, then 40% of the respondent was in 60-64 years category. The older population in other three categories was quite similar, around 20%. In terms of marital status, three respondents was never married. The respondents currently married was 143, four divorced, and 64 respondents were widows and widowers. In never married category, there were two elderly male, and one elderly female. Male respondents who currently married outnumber female respondents (112 male compared to only 31 female respondents). The majority of male respondents still have spouse. As indicated elsewhere (see, Kinsella and Wan He, 2009 for instance), older men are more likely to be married as compared to older women. The higher number of male respondents currently married, and the higher number of female respondents currently divorced was related to the fact that the higher tendency of elderly male to be remarried after the death of their spouse. Even in the present day, this habits is considered norms of the Malays in the study area.

In the Malay culture, older people, although their age was to old, is accepted to become husband even for the young women. Another reasons were males themselves could not afford to manage their domestic matters without having wives. To have a wife means that a male has someone to look after his daily life and health care. On the other hand, the elderly women can survive without husband. They can manage the domestic matters by themselves. In terms of academic qualification, the educational attainment or educational level of the respondents reflect the level of academic achievement among the Malaysian prior to their gaining of independence from British in the past several decades (1957). At that time not many people, especially in rural areas, has the oppurtunity to attend formal school. As all of the elderly respondents are those who was brought up at the time before independence, they did not has much oppurtunity to attend formal school. Analyzing the educational attainment, the level of education of the respondents was very low. More than half of them never attend formal school (58%). Around one-third has an elementary school level. The elderly woman who did not attend formal school was higher than the elderly man.

**Table 1: Distribution of socio demographic profile of the elderly**

socio demographic profile	Number	Percentage
Gender		
Males	131	61.2
Females	83	38.8
Age		
60-64	83	38.8
65-69	43	20.1
70-74	47	22.0
75 +	41	19.1
Marital Status		
Married	143	66.8
Divorced	4	1.9
Widowed	64	29.9
Single	3	1.4
Lenght of Marriage		
≤30 years	14	9.0
≥Lama	130	91.0
Number of Children		
Yes	208	97.2
No	6	2.8
Education		
Schooling	91	42.5
No Schooling	123	57.5
Employment Status		
Working	88	41.1
Not Working	126	58.9
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Number	214	100.0
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#### 4.2: The Status of Employment

Employment in this paper is defined as being engaged in any economic activities. Approach taken for this study to determine the employment status was respondents were asked whether in the period of three months up to the time of study, they involve in any economic activities (working) from which they earned their income or not. Those who responded as working were considered as in the labor force, while the respondents who did not involved in any economic activities were classified as outside the labor force. The employment status of the older population is very crucial for their life. The elderly who is no longer working tend to have a lower self-concept, and therefore have a lower life satisfaction. This is especially true because the involvement in economic activities, through social contacts, provides a form of social supports for elderly persons. The rural Malay community in Kelantan is characterized by mutual help and cooperation. This mutual help and cooperation can be easily obtained if the elderly is active in economic activities.

The study area is also dominantly rural, and older persons in this study are living in a rural community which pose characteristics that are similar to the Malays of other part of Kelantan. They are also among the peasants in Malaysia. Peasants community, according to Shanin, is the poorest segment of the community (Wan Hashim, 1978). According to Redfield, peasants depend on agriculture as their livelihood (Wan Hashim, 1978). Being a peasant community, like other peasant community elsewhere, the majority of the elderly respondents were dependent on agriculture as their livelihood. Agriculture is not just their economic activities, but also their way of life. As a result, the number of respondents involved in agricultural sector was higher.

Results of the survey show that the majority of the elderly respondent was not working at the time of survey. Off 214 respondents in the survey, 88 respondents still working (41.1%). There was 66 elderly male respondents still working (50.4%), and 22 elderly female respondents (26.5%). There was not much employment opportunity in the study area. Off 88 respondents who still working, 63.6% was involved in agricultural sector. Economic activities in a more urbanized *mukim* are more flexible than those in remote *mukims*. Bandar, Pengkalan and Wakaf Bunut are three *mukims* considered to be more urbanized in the study area. These three *mukims* offer a clear example of the economic opportunities out side the traditional agriculture. Because of that the respondents who reported still working at the time of survey was quite higher in these three *mukims*. In these three *mukims*, there was respondents who works as hawkers and labors. A small number of respondents work in religious organization as spiritual leader or Imam, Quranic teachers, taxi driver, trishaw pullers, and carpenter. These and several elderly respondents believe that they have to work for living.

When asking why they were still working at that age, the responses giver varies. There were respondents who said they have to work because they did not have any children to support them. There were also respondents who see working as part of obedience to God (*ibadah*). For them, working considered to be a form of worship (*ibadah*) and doing good deeds *amal makruf*, both are important aspect of Islamic teaching. "As a Muslim, we should practice what is commanded by the religion. People who died with a lot of *ibadah* and *amal makruf* will be rewarded in the life after death" they argue. Most of the elderly agree that religious and social activities are important for them. They perceive Islam as a practical religion both here and in the hereafter (*dunia* and *akhirat*).

#### 4.3: Reasons for Not Continue Working

At the time of survey, not all respondents reported still working. Around 58.9% of the respondents reported that they were not working, or were not engaged in any economic activities. The study reveals that there are four reasons why they were not working, that are health (11.9%), too old (51.6%), retire (20.6%), and house wife (15.9%) (Table 2). The elderly working in agriculture in Limbongan, like most peasants in other rural areas in Malaysia, grow rice, and other vegetable fruits close to their house. Rice growing is the basic economic activities. Apart from this, there are respondents who owned land, and grew plants like rambutan fruits, mangostine and others. Since last two decades, most of those elderly did not interested in paddy (rice) growing. Instead, they involved in tobacco plantation because of the profits earned were higher compared to the latter.

Increase in numbers of the elderly's involvement in the agricultural sectors compared to other sector were due to several factors including the low educational qualification they had and the limited job opportunity outside there.

**Table 2: Reasons For Not to Continue Working**

Reasons	Males		Females		Number	Percent
	Number	Percent	Number	Percent		
Health	8	12.3	7	11.5	15	11.9
Too old	32	49.2	33	54.1	65	51.6
Retire	25	38.5	1	1.6	26	20.6
House wife	-	20	32.8	20	15.9	
Number	65	100.0	61	100.0	126	100.0

Because the majority of the elderly did not working, observation reveals that the family was very important. As told by some of the respondents during interview sessions, the family for the elderly, is a source of old age security. They believed that the time will come when they have to depend on their family whether they like it or not. Furthermore, they believed that it was the time that the children have to look after them as a religious and cultural obligation besides paying back to their parents what they have sacrificed before by providing material support and love. The adult children should support their parents in exchange for the support given by their parents to them before. In rural areas in Kelantan, as in Malaysia in general, adult children who fail or unwilling to meet this cultural obligations are rejected by the community. Adult children like this will not be accepted by the community. Observation reveals that not all adult children in the study area taking good care of their elderly parents. This was because some of these adult children was facing economic problem. High rates of poverty is seen to be a main condition that frequently accompany adult children in the study area, and this is also become a reason why some elderly parents in study area keep continue working till their physical health is no longer capable to it.

**5. Conclusion**

The main objectives of this paper was to analyze the sosio demographic profile and economic activities of older population in rural Malaysia. In terms of the sosio demographic profile, the data showed that the majority of the respondents was males, did not attend any formal school, married and has children. Some of the respondents at the time of survey did not have spouse. The reasons why these respondents did not have spouse, as they reported, because of the death of the spouse. The majority of these elderly are elderly females. Analysis on the economic activities shows that the majority of the respondents in the study area belongs to low socioeconomic status. The majority of the respondents reported that at the time of the survey, they did not working. While for the elderly who still working, they was involved in traditional economic activities as self-employed. Quite a number also who reported as not being employed because they feel too old to work.

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