Feminization Among Elderly Population in India: Role of Micro Financial Institutions

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Abstract
An increasing proportion of elderly population (65 years and above), combined with a dramatic abundance of elderly women in comparison to elderly men, illiteracy, discrimination in beholding of property, disparity in socio-economic status and added with their health seeking behaviour will be a greatest challenges in coming decades. Both, aging and feminization strongly affects the overall socio-economic condition of both developed and developing countries. The present paper is an attempt of understanding the socio-economic implication of feminization among elderly population and supporting role played by micro financial institution in India. Further, discussion on Kerala Development Model towards elderly population, an opportunity for community driven approach for other states.

Keywords: Elderly women, Micro Financial Institution, Micro pension.

1. Introduction
An increasing proportion of elderly population (65 years and above), combined with a dramatic abundance of elderly women in comparison to elderly men, illiteracy, discrimination in beholding of property, disparity in socio-economic status and added with their health seeking behaviour will be a greatest challenges in coming decades. Both, aging and feminization strongly affects the overall socio-economic condition of both developed and developing countries. By 2050, women over 60 years would exceed the number of elderly men by 18.4 million, which would result in a unique characteristic of ‘feminization’ of the elderly population in India. In a country like...
India, with huge gender bias, breakdown of joint family system of living, increased life expectancy among adults have posed criticality of supporting these elderly female populations in terms of physiological and psychological means by Government or Non-Governments organizations with their focused programs.

The paper is organized as follows–Section 1 socio-economic situation of elderly women population. Section-2 Role of MFI’s in India and tool for supporting elderly women. Section-3 Challenges and issues of MFI’s as support mechanism. Section 4-Recommendation and Conclusion.

2. Socio-economic situation of elderly women population in India

India’s old-age share is expected to rise close to 14 % by 2050. In this context, one major concern in Asia is that some low income countries may grow old before they grow rich. Even though, India is expected to become an aging society in 2024, the focal would be its preparedness towards meeting the aging crisis from the present unstructured system.\textsuperscript{[2]} With the decline in fertility and mortality rates accompanied by an improvement in child survival and increased life expectancy, a significant feature of demographic change is the progressive increase in the number of elderly persons. Increasing life span and poor health care add to the degree of disability among the elderly and compound the problems of care giving.\textsuperscript{[3]} An important dimension of the ageing process in India is the rising share women in the older age groups.

![Elderly population graph](image)

*Source: Census report 2006-2010.*

According to Census report 2006-2010, Kerala has highest 9.09 percent of female elderly population followed by Himachal Pradesh 7.28 percent, Maharashtra 7.26 percent and least followed by Bihar and Assam 4.32 and 4.21 percent respectively. It is very clear that most of states in India have realizing increased proportion of old age,
but also drastic increase of elderly female population as compared to elderly male population.

Life in old age seems to be more dependent in the case of females compared to males in Indian context. Females in general, widows and the separated in particular, have the least financial autonomy in Indian households. In most of the circumstances, females do have a strong expectation and support from their children as compared to their counterpart males [4]. In Kerala; elderly female dependency ratio is around 13.24 percent, which is the highest among other states [5].

Further, elderly women face negative situations which affect them psychologically, socially and they start feeling lonely, depressed and isolated from the entire society. The problem of elderly women population in India have not been seriously considered in past because the number were small and they were provided with social protection by family members or by their close ones. Owing to recent socio-economic trends such as breakdown of joint family system, illiteracy, economic crisis, increased income disparities, migration of working population towards urban or aboard has posed elderly women population as critical problem which needs careful structural changes from micro to macro level. In most of the developing countries like India, Bangladesh- the treatment seeking behaviour of the elderly women are adversely affected by her inability to pay for consultation, test and medications [6].

Further, the composition of organized sector and unorganized sector workers in India is around 8 percent and 92 percent respectively. Organized sector working professional have some sort of financial support in form of provident fund, pension and gratuity or assess to other private schemes for their post-retirement. However, complexity of situation is tremendous under unorganized sector - managing elderly women population because of their current income level, standard of living, accessibility for education, lack awareness and accessibility of Government programs such as IGNOAPS, Widow Pension scheme, Disability pension scheme. As the component of unorganized sector population is high, majority of elderly are forced to work, partially or totally dependent on others and suffering from critical health problems are more susceptible to chronic illness, with a sense of negligence by their family members. There is a growing need for specific interventions to ensure the health and financial assistance of these elderly and vulnerable groups and also to bring policy level chances to meet the care and needs of the disabled elderly. Effective socio-economic system can handle ageing population among unorganized sector, with bridging the gap through h various existing stakeholders such as SHG, NGO, MFI and appropriate mechanism of providing financial literacy among women for their old age savings [7].

3. Role of Micro Financial Institution in India
Growing population, poverty, unemployment, natural calamities, disease ,cross border terrorism, regional disparities, political instability, income inequality and add to all these the population ageing and large number of aged workers in the unorganized sector are some of the factors which are adding to the burden of elderly population.
sector are some of the economic complexity and growing concern for India today. Further, Women’s access to employment in India depends on their education and skill upgradation. Especially in developing countries, women lag behind men in terms of access to education especially among rural population. Government of India has undertaken several initiatives for providing education and vocational training for women’s for their socio-economic upliftment, but still majority is left.

Microfinance has emerged as a powerful instrument for poverty alleviation in the developing economy. In India, Microfinance scene is dominated by Self Help Groups-Bank Linkage Programme as a cost effective mechanism for providing financial services to the “Unreached Poor” which has been successful not only in meeting financial needs of the rural poor women but also strengthen collective self help capacities of the poor ,leading to their empowerment. Innovations in financial services, particularly in microfinance, have enabled millions of women and men in rural areas–formerly excluded from the financial sector–to gain access to these services on an ongoing basis. Microfinance system assists the communities of economically excluded for achieving greater levels of asset creation and income security of the household and community level. Micro Finance System have included five key players viz. National Bank for Agricultural and Rural Development -NABARD, Reserve Bank of India -RBI, Self Help Groups -SHGs, Micro Finance Institutions, Non Government Organizations. Community banks, NGOs and grass root savings and credit groups
around the world have shown that these micro enterprise loans can be profitable for borrowers and for the lenders, making microfinance one of the most effective poverty reducing strategies \[^{11}\]. Today, financial services include not only credit, but towards savings, leasing, insurance, pension and remittance transfers. Rapid technological development in terms of mobile banking and sophisticated information system have increased opportunities for expansion and product development for reaching all segment of population. Success of the Grameen Bank model in India is basically because of participatory process in every aspect of lending mechanism, peer pressure of group members on each other, lending for activities which generate regular income, weekly collection of loans in small amount, intense interaction with borrowers through weekly meetings, strong central management, dedicated field staff, extensive staff training, willingness to innovate, committed pragmatic leadership and decentralized as well as participatory style of working.

4. Intervention of MFI’s as supporting tool for elderly women

Feminization of ageing is a worldwide phenomenon. Demographic projection shows that elderly females will far outnumber their male counterparts in the next few decades. Globally today, for every 100 women aged 60 or over, there are only 84 men. For every 100 women aged 80 or above, there are only 61 men \[^{12}\]. MFI’s can be a powerful instrument initiating a cyclical process of growth and development. Micro-Finance activity improved access of rural poor to financial services, both in terms of savings and credit. Increased access signifies over-coming isolation of rural women in terms of their access to financial services and denial of credit due to absence of collateral. The pool of savings generated out of very small but regular contributions improved the access of poor women to bank loans. It could also help in strengthening poor families’ resistance to external shocks and reducing dependence on moneylenders \[^{13}\] especially at times of medical emergencies in the family.

Micro finance services have positively influenced women’s by enhancing the role in decision making for their livelihood and also contributed in increasing the overall socio-economic status. Financial and Non financial products and services can be extended to elderly population in terms of encouraging and providing awareness about micro saving, micro insurance and micro pension which can be small amount of pool of money to take care their old age requirements. In India, social security schemes including NPS are not able to reach the beneficiary especially in rural. MFI’s can be one of the intermediate, which can encourage women members to opt for micro pension schemes.

SEWA Bank which was established in 1974 by a group of self employed women has set an example for increase the accessibility of micro pension schemes in State of Gujarat. Micro-Pension scheme offered by SEWA in partnership with UTI is a pioneering initiative in India. SEWA Bank works with Unit Trust of India Asset Management Company (UTI-AMC), responsible for investment aspects of the programme. Presently, any women up to age of 55, having a savings account with
SEWA, can enroll to the micro pension scheme. SEWA Bank deducts the monthly contribution from the individual’s savings account in the form of a systematic investment plan. The minimum contribution is Rs. 50 monthly or Rs. 500 annually. SEWA Bank then transfers the money to UTI twice a month through cheque transfer. UTI opens individual retirement accounts to facilitate investment UTI mutual funds, which is 60 percent debt and 40 percent equity. As a pension fund, members are eligible to withdraw money on attaining the age of 58. At that time, a member can either take the entire amount or opt to receive periodic payments through the bank. In past five year, more than 60000 women from unorganized sector have enrolled in the scheme in Ahmedabad, Gujarat. SEWA Bank is currently promoting the initiative by organizing financial literacy camps in its operational areas[14]. Thus, expanding the coverage of micro-pensions with appropriate regulators, social entrepreneurship will be needed by the financial sector, including theMFIs, insurance companies and mutual funds[15] especially by providing financial assistance of old and vulnerable section of the society.

5. Kerala Development Model- Elderly Healthcare
The southwestern coastal state of Kerala—is one of the richest state in India, showcase best example for its various achievements in literacy, health and per capita income. Kerala women’s are not only more often literate than their counter parts elsewhere, but they also have more years of schooling[15] which have great transition movement in high immunization rate both among child and adults, lower mortality and high life expectancy. According to Planning Commission & CDS report, it is projected that by 2021 Kerala will have 6.6 million old age population. Pipelined project has been already under taken by the Government of Kerala along partnering with private providers for handling various issues of growing elderly population. Some of the project are - Ergo, health hubs that ensure senior citizens to undergo periodic medical checkups and that their medicines are updated; home nursing agencies that provide hands-on-hire to take care of the bedridden; old-age homes that offer services across the income spectrum, and a few planned on the scale of mini townships. The BCG Group, a Kochi-based company is planning to launch a major project to provide an enriching life to the elderly with 150–200 individual living spaces and palliative care with 100 beds.

There are tremendous opportunities for collaborative working among MFI’s and Health care providers for assisting elderly women’s with financial assistance and also psychological support with regular health checkups. There is already a trend among urban that doctors visiting elderly people at their home—providing them required medical assistance because of the busy schedules of their working family members. However, elderly women among rural and unorganized sector who cannot afford for higher medical cost have to depend on public hospitals or traditional healers. MFI’s can act as a connecting point both in terms of financial assistance through micro insurance or micro pension and also providing information regarding their health
requirement, by having ties with nearby hospitals. Further, mobile health service and its usage can be a part of MFI’s awareness programs.

6. Challenges and issues of MFI in India
The devastating impact on 9 million households in Andhra Pradesh (AP) have not only limited to state alone; indeed the impact already has and will continue to affect access to finance for the poor in other states, it is now rather a pan-India problem. Stability and confidence will elude the sector until the regulatory ambiguity is resolved and also inclusion of poor in the MFI’s programme, who have less experience of socio-economic activity, may limit the productive use of capital or loan borrowed from MFI’s. Badly designed micro savings products, particularly compulsory savings, may harm women’s ability to increase profits because of their irregular income level. Designing of products should look into feasibility of compulsory or voluntary, level of initial deposit, collection and withdrawal mechanism, accessibility and returns earned on accumulated deposit. Lack of funds, shortage of efficient manpower, poor governance and transparency have lead to decrease in the operational activities of MFI’s and challenged the survival of these institution in long run. Government intervention in resorting the issues financial mishaps, have some sort supported MFI’s in the bring back as key player in the market.

7. Recommendation and Conclusion
The functioning of MFIs at the grassroots level will ensures economic decentralization, for a complete empowerment such a measure must be supported by a broader human rights framework. Also, financial inclusion as a policy measure should be followed up by building up suitable database, which could serve as a guide to assess the impact of credit policies from time to time and reorient schemes of financial assistance to the targeted groups. The borrowers being low income rural population are often uneducated and it is required for the microfinance institutions to educate the borrowers. Educating the borrowers is important component for the microfinance institutions in order to enhance their outreach.

Service centres could be set up banks in the rural areas to improve the outreach of microfinance services. Most critical part of any innovative product or service design is to promote financial literacy among all the segments of the society, so that member can make informed decision and understand the methodologies of getting good returns and safety of their deposited amount. Target specific insurance products at a relatively lower cost, for a lower coverage of amount can be offered through micro insurance schemes. Further, grass-root level understanding and flexibilities in micro finance programme will increase the access and affordability of the rural poor, women and elderly population.
References


