

CHAPTER THREE

ECONOMIC PARTICIPATION AND SOURCES OF INCOME

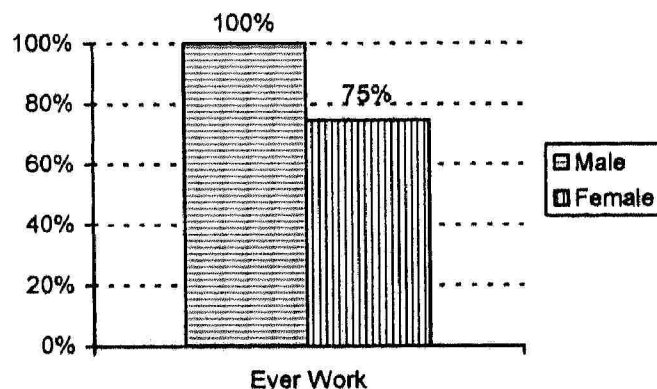
3.1 Introduction

The financial position of the older persons is of critical importance in ensuring their overall wellbeing and their role and status in the family and in society. In this chapter, we will be discussing on the economic participation of the older persons and their contribution to the family. We will also look at the financial support they received from various sources.

3.2 Economic Participation

For the purpose of this chapter, working refers to a means of earning income. To provide some idea of the work experience of older persons in our sample, we begin with an examination of the proportions who have ever worked in their life time). Figure 3.1 shows that 87 percent of respondents have ever worked, with all the males have ever worked compared to 75 percent of females. Further examination of the variation in the proportion who had ever worked will therefore be limited to female respondents only.

Figure 3.1: Percentage of Respondents Have Ever Worked by Sex



The younger females have higher participation in the labour force compared to older females as shown in Table 3.1. This indicates that the female participation is increasing as expected in a developing country like Malaysia.

Indian women have the highest percentage of work participation. About 97 percent participated in the labour force compared to only 71 percent for Indonesians and 60 percent for Malays. As expected educated women's ever work rate is slightly higher than those have no schooling.

Table 3.1: Percent of Female Respondents Who Have Ever Worked by Selected Variables

Selected Variables	Percent	n
Total	74.5	94
Age Group		
Below 60	76.8	56
60 and Above	71.1	38
Ethnic Group		
Malays	60.4	48
Indians	96.9	32
Indonesians	71.4	14
Education		
No Schooling	73.3	45
Some Schooling	75.5	49

n = number of cases

Working Last Week

The data shows that overall in the last week one preceding the survey about 40 percent of respondents were working, with wide variation between males (57 percent) and females (22 percent) (Table 3.2). This may be due to lesser work opportunities available to them as they are considered as

physically weak and majority of them no education (67 percent). However, most women are still able to do moderate physical work (see chapter 2) and most of the women must have established some living skills such as cooking and child care services to earn some income. A programme should be established to utilize their potential which will improve their status economically and psychologically will also improve their self esteem.

Table 3.2: Percent of Respondents Who Have Worked Any Time during the Last Week by Selected Variables

Variables	Percent	n
Total	39.7	189
Sex		
Male	56.8	95
Female	22.3	94
Age Group		
Below 60	47.1	102
60 and Above	31.0	87
Ethnic Group		
Malays	37.4	91
Indians	29.3	58
Indonesians	60.0	40
Education		
No Schooling	26.5	68
Some Schooling	47.1	121
Health Status		
Good	52.9	87
Fair	31.7	82
Poor	15.0	20
Marital Status		
Currently Not Married	24.1	58
Currently Married	46.6	131

n = number of cases

As expected, the percentage for those who worked last week is lower when the respondents are older. There are only 31 percent of the older respondents who are still working compared with 47 percent for the younger respondents. The compulsory retirement in the formal sector may be the main factor contributing to this condition. As the life expectancy increases, the numbers of years the respondents not working will also increase. For example, with retirement age at 56 years old, on average a person may have another 30 years to live compared to the older cohorts who have less than 20 years more to live with improvement in the standard of living.

About 60 percent of the Indonesians are still working compared to only 37 percent for Malays and 29 percent for Indians. The higher percentage for Indonesians may be due to their background as immigrant who has less financial support from family and social security.

Those who have some education have the higher percentage of respondents that are working. This is due to the fact that males make up most of the respondents who have some schooling.

In term of sector of industry, distribution of respondents by sector of industry are quite evenly distributed. Of the total respondents, about 11 percent are in the community, social and personal services, 10 percent in the wholesale/retail trade/restaurants/hotels and 9.0 percent in the construction industry (Table 3.3). Those in other industry includes transport, storage and communication; agriculture; manufacturing; government services; and financing, insurances, real estate and services.

Table 3.3: Percent Distribution of Respondents By Type of Work Performed During Last One Week Preceding the Survey by Age Group and Sex

Industry	Age Group		Sex		Total
	Below 60	60 and above	Male	Female	
Community, Social & Personal Services	10.8	11.5	13.7	8.5	11.1
Wholesale/Retail Trade/ Restaurant/Hotels	9.8	10.3	9.5	10.6	10.1
Construction	11.8	4.6	16.8	0.0	8.5
Other	14.7	4.6	16.8	15.8	10.1
Not Working	52.9	69.0	43.2	77.7	60.3
Total	100.0	100.0	100.0	100.0	100.0
n	102	87	95	94	189

n = number of cases

Table 3.4: Percent Distribution of Respondents By Type of Work Performed During Last One Week Preceding the Survey by Ethnic Group

Industry	Ethnic Group			Total
	Malays	Indians	Indonesians	
Community, Social & Personal Services	12.1	10.3	10.0	11.1
Wholesale/Retail Trade/ Restaurant/Hotels	12.1	5.2	12.5	10.1
Construction	2.2	3.4	30.0	8.5
Other	11.0	10.3	7.5	10.1
Not Working	62.6	70.7	40.0	60.3
Total	100.0	100.0	100.0	100.0
n	91	58	40	189

n = number of cases

It is interesting to see that about 5 percent of the older respondents are still in the construction industry which requires energy and strength (Table 3.3). The older respondents seem to have more limited choice of industry to work in compared to their younger counterparts. Males are mostly in the construction and community, social and personal services industry. Female are concentrated in the wholesale/retail trade/restaurants/hotels sector.

The high percentage of participation in construction sector was largely contributed by the Indonesian (Table 3.4). As male immigrants, there are not many job opportunity open to them except those require hard labour such as in the construction industry.

The highest proportion of respondents are employees (26 percent) followed by own account worker (14 percent), employer (4 percent) and unpaid family worker (1 percent) (Table 3.5). The older respondents seem to have lower percentage who are employee compared to their younger counterparts. It may be partly due to the age of retirement where most company have strict retirement policy.

The female respondents were more likely to work as own account workers where most of them involved themselves in providing services or small scale industry which they operate from their own residents. They are also more likely to be unpaid family workers in helping the spouse or children in their business.

Table 3.5: Employment Status of Respondents During the Last One Week Preceding the Survey by Age Group and Sex

Work Status	Age Group		Sex		Total
	Below 60	60 and above	Male	Female	
Employee	26.5	17.2	35.8	8.5	22.2
Own Account Worker	13.7	10.3	13.7	10.6	12.2
Employer	4.9	2.3	6.3	1.1	3.7
Unpaid Family Worker	2.0	1.3	1.1	2.1	1.6
Not Working	52.9	69.0	43.2	77.7	60.3
Total	100.0	100.0	100.0	100.0	100.0
n	102	87	95	94	189

n = number of cases

A high percentage of Indonesians are employees, followed by Indians and Malays (Table 3.6). It is interesting to see that the Indonesians also have the highest percentage of employer as they are mainly immigrants. The Malays are more likely to be self employed than any other ethnic groups.

From the survey data, only 4.2 percent of the respondents are actively looking for work. This indicates that the respondents are not working by their own choice. However, it may also be that respondents have given up looking for work that are suitable for them.

Table 3.6: Employment Status of Respondents During the Last One Week Preceding the Survey by Ethnic Group

Work Status	Ethnic Group			Total
	Malays	Indians	Indonesians	
Employee	16.5	20.7	37.5	22.2
Own Account Worker	18.7	3.4	10.0	12.2
Employer	1.1	5.2	7.5	3.7
Unpaid Family Worker	1.1	0.0	5.0	1.6
Not Working	62.6	70.7	40.0	60.3
Total	100.0	100.0	100.0	100.0
n	91	58	40	189

n = number of cases

3.3 Sources of Income

The mean weekly income for those who have ever worked last week was about RM251 only. Wide variations in income can be observed in terms of various variables listed in Table 3.7. As expected, the males earned more than double the income of females. The older respondents have higher mean weekly income than the younger respondents by 45 percent. This may be due to the experience and skill of older respondents. The Malays received on average

higher income than non-Malay. Those receiving at least primary education also receive more income than those without education.

Table 3.7: Mean Weekly Income from Respondent's Main Job by Selected Variables

Selected Characteristics	Mean Weekly Income (RM)	n
Total	251	75
Sex		
Male	296	54
Female	129	21
Age Group		
Below 60	214	48
60 and Above	311	27
Ethnic Group		
Malays	352	34
Non-Malays	164	41
Education		
No Schooling	143	48
Schooling	283	27

n = number of cases

About 46 percent of the older persons contributed to the household expenses (Table 3.8). When we compared this with only 40 percent of respondents who are working, we can say that some of these older persons may receive financial support from children staying elsewhere and some rely on their pension and investment to support their household expenses.

It is obvious that male respondents are more likely to contribute to household maintenance compared to their female counterparts, 62 percent versus 30 percent respectively. This is true as the percentage of females who are currently working is also significantly lower. Percentage of respondents to household expenses also reduces with older ages. The Indonesians have the highest percentage who contribute to household maintenance (63 percent),

followed by Malays (47 percent) and Indians (33 percent). Those who have some schooling are more likely to contribute to the household maintenance compared to those who have no schooling. This may in part due to changes in mindset with education that once ones reach their older ages, their children would have to provide for the family.

Contribution to household expenses is closely related to their working status. About 88 percent of working older persons contributes to household expenses. The other 12 percent who are working may have very little income to contribute or their other family members are able to support the family. For those who are not working, 19 percent of them are contributing to the household maintenance from their saving, pension or investment income.

Table 3.8: Percentage of Respondents Contribute to Household Maintenance by Selected Variables

Selected Variables	Percent	n
Total	46.0	189
Sex		
Male	62.1	95
Female	29.8	94
Age Group		
Below 60	54.9	102
60 and Above	35.6	87
Ethnic Group		
Malays	47.3	91
Indians	32.8	58
Indonesians	62.5	40
Education		
No Schooling	29.4	58
Some Schooling	55.4	131
Work Status		
Currently Not Working	18.4	114
Currently Working	88.0	75

n = number of cases

Overall, the older persons have been able to contribute about 30 percent of the household total expenditure (Table 3.9). They are still able to generate substantial income to support the family, especially the male respondents. They contribute a larger portion of household expenditure compared to female by almost four times more. Those in the younger age group contributed a higher portion compared to the older age group although they have lower mean weekly income. Indonesians are contributing a higher percentage of income compared to other ethnic group as larger proportion of them who still working and contributing. Educated respondents are likely to contribute more for the household maintenance compared to non-educated respondents obviously.

Table 3.9: Mean Monthly Contribution to Household Maintenance by Selected Variables (in RM)

Selected Variables	Household Expenditure	Monthly Contribution	Percent of Contribution	n
Total	690	204	29.6	189
Sex				
Male	702	328	46.7	95
Female	678	77	11.4	94
Age Group				
Below 60	655	240	36.6	102
60 and Above	730	160	21.9	87
Ethnic Group				
Malays	648	250	38.6	91
Indians	932	112	12.0	58
Indonesians	434	231	53.5	40
Education				
No Schooling	622	64	10.3	58
Some Schooling	728	282	38.7	131
Work Status				
Currently Not Working	709	69	9.7	114
Currently Working	660	408	62.0	75

n = number of cases

Those who are still working seem to be the main contributor to family income. They contribute for about 62 percent of household maintenance. This may indicate that the older persons continue to work in order to provide for the family as most of them are poor. Currently not working respondents still contribute but at a very much lower percentage of 10 percent. This may be money from their other working children.

3.4 Social Security Assistance

Social security system has been increasingly important as the source of financial support at the later ages replacing the traditional family support. In this section, we look at proportion who are covered by the various social security schemes, namely Employees Provident Fund (EPF), pension, Social Security Organisation (SOCSO) and personal life insurance.

Overall, about 35 percent of the respondents have contributed and or received any social security support (Table 3.10). The proportion of male respondents who had social security coverage was about 2 times that of their female counterparts.

In terms of ethnic group, the Indians are more than twice as likely as other ethnic group to come under some form of security schemes, in part due to the fact that the former are or were more likely to be engaged in the formal employment. Most Malays are self employed and are not subject to any mandatory contribution or coverage.

Table 3.10: Percent of Respondents Who Have Contributed To or Received Any Social Security Assistance by Selected Variables

Variables	Percent	n
Total	34.8	189
Sex		
Male	46.3	95
Female	22.8	94
Age Group		
Below 60	35.0	102
60 and Above	34.5	87
Ethnic Group		
Malays	28.9	91
Indians	55.2	58
Indonesians	17.9	40
Education		
No Schooling	19.7	58
Some Schooling	43.0	131

n = number of cases

Social security tends to increase with education, and this may be attributed to the formal nature of their work, and probably a higher propensity to invest in life insurance on the part of the educated persons. There is not much differential between the younger age group and older age group in social security assistance.

In term of type of social security, data shows that overall, about 30 percent have contributed to EPF, 15 percent are on SOCSO, while 5 percent have subscribed to personal insurance for old age financial support (Table 3.11). Female respondents generally lag behind their male counterparts in all forms of social security schemes. There seems to be no improvement in the social security coverage by the younger generation of respondents compared to

the older ones. Thus, there is much more need to be done for development of social security in the future.

Table 3.11: Percent of Respondents who Have Contributed to or Received specific Social Security Assistance by Sex and Age Group

Type of Social Security	Sex		Age Group		Total	n
	Male	Female	Below 60	60 and Above		
EPF	41.1	18.1	29.4	29.9	29.6	189
SOCSSO	25.3	4.3	16.7	12.6	14.8	189
Insurance	8.4	2.1	3.9	6.9	5.3	189

n = number of cases

Support System

Overall, about 52 percent of the respondents have their own source of financial support either from employment, pension or investment (Table 3.12). However, only 10 percent of respondents receive pension, 16 percent would rely on investment related income and 39 percent depend on the employment income.

Males are more independent than their females' counterpart with higher percentage of them still receive salary from employment, pension and income from investment/rental/dividends. This is basically due to lower participation of females in the work force. The percentage of younger respondents receive pension fund has increased almost two fold. This indicates a better employment benefits enjoyed by the younger generation compared to their older counterparts.

Table 3.12: Respondents Regular Sources of Financial Support by Sex and Age Group

	Sex		Age Group		Total	n
	Male	Female	Below 60	60 and Above		
Own Source	69.5	34.0	58.8	43.7	52.4	189
Employment	54.7	28.2	52.8	32.5	38.5	189
Pension	12.6	7.4	11.8	8.0	10.1	189
Investment/rent/dividends	21.1	10.6	15.7	16.1	15.9	189
From Family	66.3	85.9	76.0	75.9	75.9	187
Spouse	13.1	59.6	40.5	17.5	30.9	136
Son	58.1	71.1	62.9	66.3	64.5	169
Daughter	52.2	67.1	57.8	61.0	59.3	172
From Others	11.6	24.5	10.8	26.4	18.0	189
Relative/Non-Relative	10.5	26.6	9.8	28.7	18.5	189
Public/Private Charity	3.2	1.1	2.0	2.3	2.1	189

n = number of cases

Other than own source of financial support, about 76 percent of the respondents received regular financial support from their family members and 18 percent from other sources. The traditional thinking perceived sons as the main provider of income for the family has diminished as a fair by higher percentage of respondents receive income from their daughters as well.

Table 3.12 shows that females tend to rely on their family members and other relatives for financial support than males. Some 60 percent of them receive financial support from their spouse compared to only 13 percent of their male counterparts.

As one grows older, support from their spouse reduces and eventually replaced with support from both their sons and daughters. Other support also plays a significant role in financing the older persons, especially for those in the older age group.

Indonesians are more likely to have own income than other ethnic groups, due to the majority of them are still working. They might not have much choice but to depend on themselves as they have limited sources of income.

Family ties seem to be still strongest among the Indians as 97 percent has been receiving regular financial assistance from their family members, especially from their children compared to 68 percent for Malays and 64 percent for Indonesians (Table 3.13).

The other sources of financial support are from relative, friends and public/private charity. There are only about 2.1 percent of the respondents who received financial support from public/private charity.

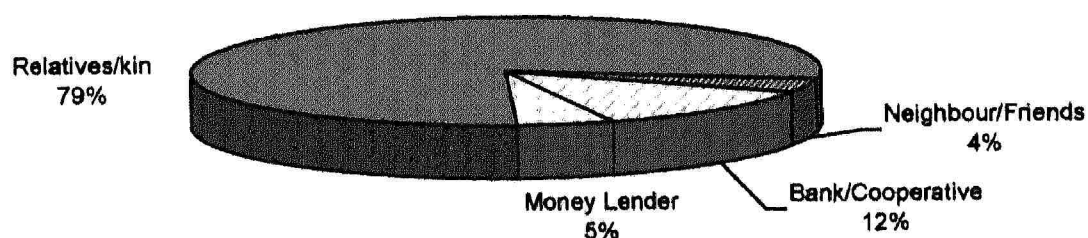
Table 3.13: Respondents Regular Sources of Financial Support by Sex and Age Group

	Ethnic Group			Total	n
	Malays	Indians	Indonesians		
Own Source	50.5	46.6	62.5	52.4	189
Employment	45.8	28.1	62.2	38.5	189
Pension	9.9	10.3	10.0	10.1	189
Investment/rent/dividends	19.8	17.2	5.0	15.9	189
From Family	67.8	96.6	64.1	75.9	187
Spouse	35.3	27.8	25.0	30.9	136
Son	50.6	87.3	60.3	64.5	169
Daughter	46.4	77.8	61.8	59.3	172
From Others	15.4	20.7	20.0	18.0	189
Relative/Non-Relative	16.5	20.7	20.0	18.5	189
Public/Private Charity	1.1	1.7	5.0	2.1	189

n = number of cases

Only less than 14 percent of the respondents are confident of getting a loan if they apply (Figure 3.2). In fact there is not many avenues for them to borrow money as they are considered as high risk borrower. Financial Institution would normally set the age limit of financing up to the age of 60 only. Most of the time, the older persons who apply loan from a financial institution, they would need a guarantor. The majority of them would go for non-institutional loan, that is from their relatives/kin and friends as shown in Figure 3.2. Only 12 percent would approach bank/cooperative for loan.

Figure 3.2: Sources of Loan of Respondents



Other than receiving support, about 22 percent of the respondents are providing financial support for someone else in the last one year, where 26 percent of males provide the support compared to 18 percent of female respondents. The younger respondents are more likely to provide financial support to someone else compared to the older respondents as more of them are still working. Education level has marginal effect on whether the respondents provide any support to someone else. It is more prevalent for those who are working as they have the financial capability compared to those who are not working.

The Indians are less likely to provide any financial support as their contribution to the household maintenance is very minimal. About 30 percent of Indonesians and 26 percent of Malays is still able to provide financial support to someone else. This indicates that their social status is some what higher than the Indians.

Table 3.14: Percentage of Respondents Provide Financial Support for Someone Else In the Last One Year

Variables	Percent
Total	22.2
Sex	
Male	26.3
Female	18.1
Age Group	
Below 60	24.5
60 and Above	19.5
Education	
No Schooling	20.6
Schooling	23.1
Work Status	
Currently Not Working	20.2
Currently Working	25.3
Ethnic Group	
Malays	26.4
Indians	10.3
Indonesians	30.0

3.5 Conclusion

The results indicate that all the male respondents have ever worked in their lifetime compared to about 75 percent for female respondents. The work activity of respondents for past one week also indicates the proportion involved in economic work was higher for males than females. Less than half

of the respondents still participate in economic activities where the work rate diminished sharply with age. However, participation of females in the labour force at later age shows improvement. It is interesting to note that about 5 percent of older respondents are working in the construction industry that requires strength and energy especially the Indonesians. Majority of the respondents are employees.

The mean weekly incomes of working respondents are RM251 with males earning substantially higher income than females. The older respondents have higher income than the younger respondents. This is also true for those with some schooling and Malays. The respondents are contributing about 30 percent of the monthly household expenses which includes both currently working and currently not working. About 35 percent of the respondents are supported by some social security assistance which includes EPF, SOCSO and Insurance. Majority of the respondents are dependent on their family members for financial support. Should the respondents require financial assistance, majority of them will go for non-institutional loan, that is from their relatives/kin and friends. Other than receiving support, about 22 percent of the respondents are providing financing support for someone else in the last one year.