Journal Homepage: -www.journalijar.com

INTERNATIONAL JOURNAL OF ADVANCED RESEARCH (IJAR)

ISSN (O): 2320-5407
ISSN (P): 3107-4928

Article DOI:10.21474/IJAR01/23942
DOI URL: http://dx.doi.org/10.21474/IJAR01/23942

RESEARCH ARTICLE

SILVER ECONOMY IN KERALA: DEMOGRAPHIC TRANSITION, EMERGING OPPORTUNITIES AND POLICY CHALLENGES

Mary Antony

1. Associate Professor Department of Economics Fatima Mata National College, Kollam.

Manuscript Info

Manuscript History
Received: 8 June 2026
Final Accepted: 10 July 2026
Published: August 2026

Key words:-
Silver Economy, Population Ageing, Elderly Welfare, Care Economy, Healthy Ageing, Kerala

Abstract

Population ageing has emerged as one of the most significant demographic transformations of the twenty-first century. Kerala, which has completed an advanced stage of demographic transition, is witnessing a rapid increase in the proportion of elderly persons. This demographic shift has led to the emergence of the "Silver Economy," which encompasses economic activities,products and services designed to meet the needs of older adults. The present study examines the demographic profile, economic status and policy responses associated with population ageing in Kerala and analyses the opportunities generated by the silver economy. The study is based on secondary data collected from the India Ageing Report 2023, Economic Review Kerala 2025, Census Reports and government publications. The findings indicate that Kerala's elderly population is projected to reach 8.4 million by 2036, accounting for nearly 22.8 per cent of the total population. Rising old-age dependency, increasing demand for healthcare, long-term care services, age-friendly housing and financial security mechanisms are creating substantial opportunities for economic growth. The study concludes that strategic investments in healthcare, care services, digital inclusion and active ageing programm es can transform Kerala's ageing challenge into a sustainable economic advantage.

Introduction:-

Population ageing has become a global phenomenon resulting from declining fertility rates and increasing life expectancy. According to the United Nations, the world is experiencing an unprecedented increase in the number and proportion of elderly persons. While developed countries experienced ageing gradually over several decades, developing countries are ageing at a much faster pace. India is also undergoing significant demographic transformation. The share of elderly persons aged 60 years and above has increased steadily and is expected to double by 2050. Within India, Kerala represents the most advanced stage of demographic transition. The State has achieved high literacy rates, low fertility rates, improved healthcare outcomes and longer life expectancy, resulting in a rapidly ageing population. The concept of the Silver Economy refers to all economic activities related to the production, distribution and consumption of goods and services targeted at older persons. It includes healthcare

Corresponding Author:- Mary Antony
Address:-Associate Professor Department of Economics Fatima Mata National College, Kollam.

services, pharmaceuticals, geriatric care, retirement housing, financial services, insurance, assistive technologies, wellness tourism and recreational services. The silver economy views older persons not merely as dependents but as active consumers, contributors and participants in economic development. The increasing elderly population in Kerala presents both challenges and opportunities. While rising dependency ratios and healthcare costs create pressure on public resources, the growing demand for elderly-oriented products and services generates new avenues for investment, entrepreneurship and employment. Therefore, understanding the dynamics of Kerala's silver economy is essential for designing effective development policies.

Research Problem:-

Kerala is experiencing the fastest rate of population ageing among Indian states. The rapid increase in the elderly population has implications for healthcare systems, pension programmes, labour markets, social protection mechanisms and family structures. Simultaneously, ageing has created new economic opportunities through increased demand for healthcare, caregiving services, retirement housing, wellness services and financial products.

Despite these opportunities, limited research has examined ageing from an economic perspective. Therefore, the present study seeks to analyse the demographic foundations, economic dimensions and growth potential of the silver economy in Kerala.

Objectives of the Study:-

- To analyse the demographic trends of population ageing in Kerala.
- To examine the economic and social characteristics of the elderly population.
- To evaluate the growth potential of the silver economy in Kerala.

Methodology and Data Sources:-

The study is descriptive and analytical in nature. The study is based entirely on secondary data collected from India Ageing Report 2023 (UNFPA and IIPS), Economic Review Kerala 2025, Elderly in India Report 2021, Census of India Reports and the kerala State Planning Board Publications. The study employs analytical tools like percentage analysis, comparative analysis and descriptive interpretation.

Analysis and Interpretation:-

Demographic Foundations of the Silver Economy:-

The emergence of the silver economy is closely linked to demographic ageing. An increasing proportion of elderly persons creates greater demand for healthcare, social protection, assisted living services and age-friendly products. Table 1 presents the trend in the elderly population of Kerala over the period 2011–2036.

Table 1 Growth of Elderly Population in Kerala

Year	Elderly Population Share (%)
2011	12.6
2021	16.5
2031*	20.9
2026*	22.8

(*Projected)

Source: Government of Kerala (2025), Economic Review 2025; India Ageing Report (2023).

Table 1 shows a consistent increase in the proportion of elderly persons in Kerala. The elderly population increased from 12.6 per cent in 2011 to 16.5 per cent in 2021 and is projected to reach 22.8 per cent by 2036. This indicates that nearly one-fourth of Kerala's population will belong to the elderly age group. Such a demographic transformation significantly expands the market for healthcare services, retirement housing, financial planning, assistive technologies and long-term care services. Therefore, population ageing serves as the primary demographic foundation of Kerala's silver economy.

Comparative Ageing Trends in India and Kerala:-

Understanding Kerala's ageing trajectory requires comparison with national trends. Table 2 compares the elderly population share and growth rates of Kerala with those of India.

Table 2 Comparative Ageing Profile: India and Kerala

Indicator	India (%)	Kerala (%)
Elderly Population Share (2021)	10.1	16.5
Elderly Population Share (2036)	15.0	22.8
Annual Growth Rate of Elderly Population	3.3	4.0

Source: India Ageing Report (2023); Office of the Registrar General of India Population Projections (2011–2036).

The data reveal that Kerala's ageing process is considerably more advanced than the national average. While India is expected to have 15 per cent elderly population by 2036, Kerala will reach 22.8 per cent. The annual growth rate of elderly persons is also higher in Kerala. This accelerated ageing process places Kerala at the forefront of demographic transition and highlights the urgency of developing age-friendly infrastructure, healthcare systems and elderly-focused economic sectors.

Old-Age Dependency and Economic Burden:-

The old-age dependency ratio measures the burden placed on the working-age population by elderly dependents. Rising dependency ratios have important implications for economic productivity, social security systems and healthcare expenditure.

Table 3 Old-Age Dependency Ratio in Kerala

Year	**Old Age Dependency Ratio (%)**
2011	19.6
2021	26.1
2031*	34.3

(*Projected)

Source: Economic Review Kerala (2025); Elderly in India Report (2021).

The old-age dependency ratio has increased significantly from 19.6 per cent in 2011 to a projected 34.3 per cent in 2031. This means that every 100 working-age persons will support approximately 34 elderly individuals. The increasing dependency burden necessitates stronger pension systems, healthcare financing and elderly support services. Simultaneously, it creates opportunities for the expansion of the care economy, including home nursing, geriatric healthcare and rehabilitation services.

Economic Independence among the Elderly:-

Economic independence is a key determinant of quality of life among elderly persons. The following table presents gender differences in economic independence among Kerala's elderly population.

Table 4 Economic Independence among Elderly Persons

Category	Male (%)	Female (%)
Rural	48	10
Urban	57	11

Source: NSS 75th Round, Social Consumption on Health (2017–18); Economic Review Kerala (2025).

The table highlights substantial gender disparities in economic independence. Nearly half of elderly males remain economically independent, while only around one-tenth of elderly females possess independent income sources. This reflects the feminisation of ageing and economic vulnerability among older women. Such findings underline the need for gender-sensitive pension programmes, financial literacy initiatives and social security measures aimed at improving the economic well-being of elderly women.

Pension Support and Elderly Welfare:-
Social security pensions play a crucial role in supporting elderly livelihoods and reducing old-age poverty. Table 5 presents the distribution of old-age pension beneficiaries across local governments in Kerala.

Table 5 Old Age Pension Beneficiaries in Kerala (2025)

Local Body	Beneficiaries (Lakhs)
Gramapanchayats	23.3
Muncipalities	3.5
Corporations	2.0
Total	28.8

Source: Sevana Pension Database, Information Kerala Mission (2025).
A total of 28.8 lakh elderly persons receive old-age pensions in Kerala. The majority of beneficiaries reside in rural areas under Grama Panchayats. Pension transfers provide financial security and contribute significantly to household consumption. These pension payments stimulate demand for medicines, healthcare, food products and local services, thereby supporting the growth of the silver economy.

Growth of Institutional Care Services:-
Changing family structures, migration and increasing longevity have contributed to rising demand for institutional care facilities. Table 6 shows the trend in the number of residents in old-age homes in Kerala.

Table 6 Number of Persons in Old Age Homes in Kerala

Year	No. of inmates
2016-17	19,149
2020-21	28,788
2024-25	37,895

Source: Social Justice Directorate, Government of Kerala (2025).
The number of inmates in old-age homes increased from 19,149 in 2016–17 to 37,895 in 2024–25. This reflects growing demand for institutional care services due to migration of younger family members, increasing life expectancy and changing social structures. The expansion of old-age homes, assisted living centres and dementia care facilities represents a major component of Kerala's emerging silver economy.

Expansion of Community-Based Elderly Care:-
Community-based healthcare initiatives improve elderly well-being while reducing pressure on institutional care facilities. Table 7 presents the growth of beneficiaries under the Vayomithram Scheme.

Table 7 Beneficiaries of Vayomithram Scheme

Year	Beneficiaries
2017-18	2,53,503
2021-22	2,78,623
2024-25	2,90,590

Source: Kerala Social Security Mission (2025).

The number of beneficiaries under the Vayomithram Scheme increased steadily from 2.53 lakh in 2017–18 to 2.91 lakh in 2024–25. This demonstrates increasing utilisation of community-based healthcare services among elderly persons. Programmes such as Vayomithram contribute to healthy ageing and generate employment opportunities for healthcare professionals, social workers, caregivers and rehabilitation specialists. Consequently, community-based elderly care has become a vital component of Kerala's care economy.

The statistical evidence clearly demonstrates that Kerala is entering an advanced stage of population ageing. The increasing elderly population, rising dependency ratios, expanding pension coverage and growing demand for healthcare and institutional care services are transforming the State's economic landscape. These demographic changes have created significant opportunities for the development of healthcare industries, caregiving services, retirement housing, financial products and wellness programmes. Therefore, the silver economy has emerged as a strategic sector capable of promoting inclusive growth, employment generation and improved quality of life for older persons in Kerala.

Major Findings:-

The analysis of demographic, economic and social indicators reveal several important findings regarding the growth and prospects of the silver economy in Kerala. First, Kerala has emerged as the most aged state in India, with a significantly higher proportion of elderly persons compared to the national average. The state's demographic transition has progressed more rapidly due to declining fertility rates, increased life expectancy and improvements in healthcare outcomes.

Second, the elderly population in Kerala is projected to reach 8.4 million by 2036, accounting for approximately 22.8 per cent of the total population. This demographic shift indicates that nearly one out of every four persons in Kerala will belong to the elderly age group, creating unprecedented demand for elderly-oriented products and services.

Third, the old-age dependency ratio is expected to increase from 26.1 per cent in 2021 to 34.3 per cent by 2031. This rise reflects increasing pressure on the working-age population and highlights the need for stronger social security mechanisms, pension systems and healthcare infrastructure.

Fourth, the study identifies a clear gender dimension in ageing. Elderly women are found to be more economically vulnerable than elderly men due to lower workforce participation, reduced lifetime earnings, limited savings and longer life expectancy. This phenomenon, often referred to as the feminisation of ageing, necessitates gender-sensitive policy interventions.

Fifth, both institutional and community-based elderly care services are expanding rapidly across the state. The increasing number of old-age home residents and beneficiaries under programmes such as Vayomithram and Sayamprabha indicate growing demand for long-term care, home-based support and geriatric services.

Sixth, healthcare, palliative care, rehabilitation services, home nursing, assisted living facilities and geriatric counselling have emerged as major components of Kerala's evolving silver economy. These sectors have significant potential for employment generation and entrepreneurship.

Seventh, government initiatives such as old-age pensions, Vayomithram, Sayamprabha Homes, Elderly-Friendly Panchayats, Palliative Care Programmes and the newly established Senior Citizens Commission have substantially improved elderly welfare and promoted healthy ageing.

Finally, the study finds that the silver economy possesses immense potential for economic diversification, employment creation and inclusive growth. The increasing consumption needs of older persons are generating new opportunities in healthcare, financial services, housing, tourism, wellness and assistive technologies.

Policy Implications:-

The findings of the study suggest several policy interventions that can strengthen Kerala's preparedness for an ageing society while maximising the benefits of the silver economy. Strengthening Geriatric Healthcare Infrastructure: Given the increasing prevalence of chronic diseases, disabilities and age-related health conditions, Kerala must expand geriatric healthcare facilities at primary, secondary and tertiary levels. Dedicated geriatric wards, memory clinics, rehabilitation centres and specialised healthcare professionals should be integrated into the public health system. Promoting Home-Based Elderly Care Services: Most elderly persons prefer to age within their own homes and communities. Therefore, greater emphasis should be placed on expanding domiciliary healthcare services, home nursing, telemedicine and community-based caregiving programmes. Such initiatives can reduce institutionalisation while improving the quality of life of elderly persons.

Development of Age-Friendly Housing and Infrastructure: Urban and rural planning should incorporate age-friendly principles, including barrier-free housing, accessible public transportation, pedestrian-friendly spaces, elderly parks and smart living environments. Age-friendly infrastructure will promote independent living and active ageing.

Strengthening Pension and Social Security Systems: Although Kerala has one of the largest social pension programmes in India, rising longevity and dependency ratios necessitate further strengthening of pension systems. Universal social protection mechanisms and targeted support for vulnerable elderly women should be prioritised. Encouraging Private Investment in Elder Care: The government should facilitate private sector participation in assisted living facilities, retirement communities, senior wellness centres and geriatric healthcare institutions through incentives, subsidies and public-private partnerships. Such investments can create employment while meeting growing demand.

Enhancing Digital Inclusion and Literacy: Digital technologies are increasingly important for healthcare access, financial transactions and social participation. Special programmes should be introduced to improve digital literacy among elderly persons, enabling them to access online services, telehealth platforms and social networks. Promoting Elderly Entrepreneurship and Productive Ageing: Older persons possess valuable knowledge, skills and experience. Policies should encourage senior entrepreneurship, consultancy services, mentoring programmes and flexible employment opportunities to enable continued economic participation and social engagement. Formulating a Comprehensive Silver Economy Policy: Kerala should develop a dedicated Silver Economy Policy integrating healthcare, housing, social protection, financial services, technology and employment strategies. Such a policy would provide a coordinated framework for transforming population ageing into an engine of sustainable economic growth.

Conclusion:-

Population ageing is one of the most significant demographic transformations shaping Kerala's socio-economic future. While the increasing proportion of elderly persons presents challenges in terms of healthcare expenditure, dependency burden and social protection requirements, it simultaneously creates substantial opportunities for economic innovation and growth. The findings of this study demonstrate that Kerala's ageing population is generating increasing demand for healthcare services, caregiving systems, age-friendly housing, financial security products, wellness services and community support mechanisms. These emerging demands have contributed to the development of a dynamic silver economy that has the potential to become a major pillar of the state's future development strategy.

Kerala's experience suggests that ageing should not be viewed solely as a welfare concern but as a developmental opportunity. Investments in healthy ageing, long-term care systems, age-friendly infrastructure and elderly participation can generate employment, stimulate entrepreneurship and improve social well-being. The state's extensive network of social welfare programmes, decentralised governance structures and community-based care initiatives provide a strong foundation for further expansion of the silver economy. In conclusion, the future sustainability of Kerala's development model will depend not only on addressing the challenges associated with demographic ageing but also on effectively harnessing the economic opportunities created by an ageing population. By adopting a holistic and inclusive approach, Kerala can transform its elderly population from a perceived dependency burden into a valuable social, economic and human resource, thereby ensuring dignity, security and quality of life for older persons while promoting sustainable and inclusive development.

References:-

1. Economic Review 2025. State Planning Board, Government of Kerala, Thiruvananthapuram.
2. Government of Kerala. (2025). Draft Kerala State Policy on Ageing 2025. Social Justice Department, Government of Kerala.
3. International Institute for Population Sciences (IIPS), & United Nations Population Fund (UNFPA). (2023). India ageing report 2023: Caring for our elders—Institutional responses. UNFPA India.
4. Kerala Social Security Mission. (2025). Annual report 2024–25. Government of Kerala.
5. Ministry of Statistics and Programme Implementation. (2021). Elderly in India 2021. Government of India.
6. National Statistical Office. (2019). Key indicators of social consumption in India: Health (NSS 75th Round, July 2017–June 2018). Ministry of Statistics and Programme Implementation, Government of India.
7. Office of the Registrar General & Census Commissioner, India. (2020). Population projections for India and states 2011–2036. Ministry of Home Affairs, Government of India.
8. Rajan, S. I., Shajan, A., & Sunitha, S. (2020). Ageing and elderly care in Kerala. China Report, 56(3), 354-373.
9. Rajan, S. I., Sunitha, S., Irshad, C. V., & Paul, S. (2025). Growing old in Kerala: A gendered revisit.
10. Rana, R. (2026). From Dividend to Durability: India's Demographic Transition and the Rise of the Silver Economy. HRC Journal of Economics and Finance, 23.

11. Rawat, R., Mukherjee, S., Ugargol, A. P., & Swain, A. (2026). Silver linings for the silver economy: institutional and entrepreneurial responses to healthy ageing and long-term care in India. Journal of Social and Economic Development, 28(1), 254-284.
12. Social Justice Department. (2025). Report on elderly welfare programmes in Kerala. Government of Kerala.
13. United Nations Population Fund. (2023). India ageing report 2023: Caring for our elders—Institutional responses. UNFPA India.
14. United Nations. (2022). World population prospects 2022. Department of Economic and Social Affairs, Population Division.
15. World Health Organization. (2020). Decade of healthy ageing: Baseline report. World Health Organization.
16. World Health Organization. (2021). Global report on ageism. World Health Organization.
17. World Health Organization. (2021). United Nations decade of healthy ageing (2021–2030): Plan of action. World Health Organization.