

Director General

Dato' Aminah Abdul Rahman

**Deputy Director General
(Policy)**

Dr. Anjli Panalal Doshi

**Deputy Director General
(Management)**

Nasaruddin Abdul Muttalib

Population

Dr. Siti Norlasiah Ismail

Family Development

Fauwaz Hasbullah

Human Reproduction

Dr. Rosliah Harun

Corporate Planning

Abdul Shukur Abdullah

Management and Finance

Suaizan Abdul Jabar

**Human Resource
Management**

Suraya Ghazali

Information Technology

Marina Mahayudin

Editorial

Dr. Siti Norlasiah Ismail

Rozi Muda

Adzmel Mahmud

Nur Airena Aireen Azman

Mohd. Firdaus Mazalan

Azian Abdul Hamid

Noor Azizan Abdullah Daud

Secretariat

Zanaliah Puji

Ageing in Asia: The Way Forward

Ageing population is a universal phenomenon experienced by nearly all countries in the world at different rates. Malaysia, for example, with a total population of 28.6 million in 2011, has experienced a steady rise in its older persons (those aged 60 years and above) from 6.3% in 2000 to 7.7% (or 2.2 million) in 2011. By 2020, it is estimated that the number of older persons in Malaysia will be 5.5 million and by 2030, older persons will constitute 15% of the total population.

In order to address the increasing challenges and needs of senior citizens, the government has reviewed the National Policy and Plan of Action for Older Persons which were formulated in 1995 and 1998 respectively. Subsequently, in responding to the trends of ageing population, a new Policy for Older Persons and its Plan of Action was approved by the government in January 2011.

The review was seen as necessary, in particular to address the needs of older persons effectively and efficiently and to ensure an enabling and supportive environment for the well-being of older persons as well as to promote healthy, active and productive ageing. The Policy outlines six strategies to empower the individual, family and the community towards improving the well-being of older Malaysians, namely promotion and advocacy; life-long learning; safety and security; governance and shared responsibility; intergenerational solidarity; and research and development.

People are living longer today, and with increasing age, we are also more likely to live with chronic illness and disability. Some research carried out indicates that approximately 80% of people age 65 and older have at least one chronic illness, such as heart disease, diabetes or arthritis, and that the number of older persons with multiple chronic illnesses is substantial. To address these issues in the future, research should focus on older persons with multiple chronic illnesses rather than just one illness, as this scenario best represents the typical older patient.

In the context of the ASEAN region, it is estimated that the proportion of older people over 60 years in South-East Asia will triple between 2000 and 2050. However, the responsibilities for the care of older people by young family members are getting weaker due to growing nuclear families, prevailing migration and increasing participation of women in the work force.

In Philippines the population is still relatively young but demographic transition toward a much older population is underway. The share of persons aged 60+ is projected to increase from 7% of the population in 2010 to 18% in 2050 and the elderly dependency ratio is estimated to increase from 11% in 2010 to 29% in 2050. Urbanisation and outward migration of workers have weakened the traditional family old-age support system. However, the social assistance programme does not provide adequate support to the elderly poor. There are disparities in the mandatory Defined Benefit (DB) programmes covering public and private sector workers in the Philippines. As current DB programmes may be unsustainable in the long term, there is a mix of a reduced DB tier and an expanded Defined Contribution (DC) tier as an alternative for promoting equity and sustainability.

Singapore is expected to experience very rapid ageing of the population in the next two decades. The population aged above 65 years, as projected by the United Nations, will increase from about 0.46 million in 2010 to 1.40 million in 2030, an increase of 207 percent in just two decades (UNDESA, 2010). Life expectancy at age 65, in 2011 which was 18.3 years for men, and 21.8 years for women (DOS, 2011) is also expected to rise. Singapore has relied primarily on a single-tiered retirement financing system, involving mandatory savings administered by a national agency, called Central Provident Fund (CPF). With increasing longevity, relying on savings from income during the working years to finance retirement period, which in some cases may exceed the proportion of life spent in labour force, has become increasingly untenable for a significant proportion of the population.

In the case of Thailand, the main source of income of the elderly is from children. It was reported that 80% of the population expect their children will take care of them physically, mentally and financially. Fifteen percent of elderly received remittance between 5,000-10,000 THB in the past 12 months, while another 20% received remittance between 10,000-30,000 THB. About 70% of elderly have telephone contact with children who live outside their household. Forty five percent of elderly who are older than 94 years are taken care by their daughters or daughters-in-law. Another 38% take care of themselves.

About 40% of Thais who are older than 65 still work. Only 4% of elderly have pension. Elderly are at risk of living under the poverty line. The elderly are more likely to isolate themselves from society and about 20% of elderly cannot travel without a personal assistant. In the next 20 years, Thailand will have more elderly than children.

Similarly, the Vietnamese population is ageing at a historically unprecedented rate. Living arrangements have changed substantially from extended to nuclear families. Among the elderly living alone, most of them are females and rural persons. In widowhood, females are dominant, especially at more advanced ages. Vietnam provides retirement and social allowances to older people, but there remain a number of challenges in terms of delivery and financing. Vietnam needs to deal with these issues with policies and programmes to transform the current PAYG DB retirement schemes to a system of individual accounts with an NDC scheme. In transitioning to the new system, it should focus on rural older people first, and then expand to all older people.

The Republic of Korea's Income Security Schemes comprise both public and private components. Income Security Schemes in Korea face the main issues of (a) improving the coverage of the national pension scheme, (b) securing adequate benefit level of public pension schemes which are financially more stable in the long run, and (c) further developing multi pillar systems. Reforms of the income security systems are based on the principles of (a) sufficiency of coverage, (b) adequacy of benefits, (c) equity between generations, income strata and income security schemes, (d) efficiency, (e) affordability, and (f) sustainability. One option is based on a social insurance oriented model and the second option is based on a tax financing oriented model. Both options consist of basic income security schemes with additional income security schemes.

In China, the number of people aged 65 and over is 119 million and by 2050, this number will triple. Of whom, over 100 million will be people aged 80 and over, representing five times the current number. The increase in the proportion of people aged 65+ from 7% to 14% takes 25 years. The fastest population ageing in the 21st century will be seen in China and South Korea. The consequence of this phenomenon is that the level of population aging is ahead of that of economic and social development, social security provisions and urbanisation. In view of the rapid population shift, ageing and changes in family structure, the Chinese Government has taken measures such as conducting strategic research and planning, improving the legal system, accelerating the establishment of a comprehensive social security system and improving the employment system. In this respect, the government, families, enterprises and the media ought to participate in a collective effort to deliver services to the elderly.

The phenomena of population ageing is imminent and it is here for good. We need to adjust the society to adapt and adopt a lifestyle which is friendly to the aged. We need to promote productive ageing and in doing so we are also promoting self-esteem, relevance and at the same time delays psycho-social problems of the older persons. Besides enabling the older persons to earn an income this will also benefit the family – making it less stressful, lessen financial burden and favours intergenerational activities. Subsequently, the nation will benefit from the experience of senior citizens, minimising budget needed for healthcare and old folks home or nursing home and instead channel these funds towards building cities and communities that are friendly to the older persons.

Source:

1. Malaysia Country Statement: The Third Session Of The Open-Ended Working Group On Ageing, 21 August 2012.
2. Summary Report of the recent The International Conference on Population Ageing: Issues and Challenges, 11 July 2012, Kuala Lumpur, jointly organized by NPFDB and Faculty of Economics and Administration, University of Malaya.

Acronyms:

1. UNDESA - United Nations Department of Economic and Social Affairs
2. DOS - Department of Statistics, Singapore
3. PAYG DB - Pay - As - You - Go defined - benefit pension scheme
4. NDC Scheme - Notional Defined Contribution