Strategic Issues for Action on Population Ageing in ASEAN countries

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SEACA 2010
Decreasing fertility in the ESCAP region

Fertility trends by major regions of the world 1950-2015

Increasing Life Expectancy in ESCAP region

Life expectancy at birth by major region of the world 1950-2015

Population ageing rapidly in ESCAP region

Percentage of population over age 60

Brunei Darussalam
Cambodia
China
Indonesia
Japan
Lao People's Democratic Republic
Malaysia
Myanmar
Philippines
Republic of Korea
Singapore
Thailand
Viet Nam

Population ageing rapidly in ESCAP region

Percentage of population over age 80

- Brunei Darussalam
- Cambodia
- China
- Indonesia
- Japan
- Lao People's Democratic Republic
- Malaysia
- Myanmar
- Philippines
- Republic of Korea
- Singapore
- Thailand
- Viet Nam

## Ageing Asia – Over 60s & Median Age

<table>
<thead>
<tr>
<th>Country</th>
<th>2010 %&gt;60</th>
<th>2020 %&gt;60</th>
<th>2020 Median Age</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brunei Darussalam</td>
<td>9.8</td>
<td>16.6</td>
<td>30.7</td>
</tr>
<tr>
<td>Cambodia</td>
<td>9.9</td>
<td>12.4</td>
<td>26</td>
</tr>
<tr>
<td>Indonesia</td>
<td>15.8</td>
<td>20.3</td>
<td>32</td>
</tr>
<tr>
<td>Lao PDR</td>
<td>9.7</td>
<td>11.3</td>
<td>23.7</td>
</tr>
<tr>
<td>Malaysia</td>
<td>13.3</td>
<td>19.3</td>
<td>29.6</td>
</tr>
<tr>
<td>Myanmar</td>
<td>14.7</td>
<td>19.5</td>
<td>31.3</td>
</tr>
<tr>
<td>Philippines</td>
<td>11.5</td>
<td>15.2</td>
<td>26</td>
</tr>
<tr>
<td>Singapore</td>
<td>28.2</td>
<td>37.7</td>
<td>45.7</td>
</tr>
<tr>
<td>Thailand</td>
<td>20.4</td>
<td>28.6</td>
<td>36.2</td>
</tr>
<tr>
<td>Viet Nam</td>
<td>16.3</td>
<td>21.7</td>
<td>32.3</td>
</tr>
</tbody>
</table>
### Speed of population ageing in selected countries

**Number of years required or expected for per cent of population aged 65 or over to rise from 7% to 14%**

**More developed countries**

<table>
<thead>
<tr>
<th>Country</th>
<th>Start Year to End Year</th>
<th>Years</th>
</tr>
</thead>
<tbody>
<tr>
<td>France 1865-1980</td>
<td>115</td>
<td></td>
</tr>
<tr>
<td>Sweden 1890-1975</td>
<td>85</td>
<td></td>
</tr>
<tr>
<td>Australia 1938-2011</td>
<td>73</td>
<td></td>
</tr>
<tr>
<td>United States 1944-2013</td>
<td>69</td>
<td></td>
</tr>
<tr>
<td>Canada 1944-2009</td>
<td>65</td>
<td></td>
</tr>
<tr>
<td>United Kingdom 1930-1975</td>
<td>45</td>
<td></td>
</tr>
<tr>
<td>Spain 1947-1995</td>
<td>45</td>
<td></td>
</tr>
<tr>
<td>Japan 1970-1996</td>
<td>26</td>
<td></td>
</tr>
</tbody>
</table>

**Less developed countries**

<table>
<thead>
<tr>
<th>Country</th>
<th>Start Year to End Year</th>
<th>Years</th>
</tr>
</thead>
<tbody>
<tr>
<td>China 2000-2026</td>
<td>26</td>
<td></td>
</tr>
<tr>
<td>Sri Lanka 2004-2027</td>
<td>23</td>
<td></td>
</tr>
<tr>
<td>Thailand 2003-2025</td>
<td>22</td>
<td></td>
</tr>
<tr>
<td>Singapore 2000-2019</td>
<td>19</td>
<td></td>
</tr>
<tr>
<td>Republic of Korea 1999-2018</td>
<td>19</td>
<td></td>
</tr>
</tbody>
</table>

Dependency ratio

2010, 2025 and 2050

Feminization of the elderly population

Sex ratio of population aged 60+ in 2010

Europe
Northern America
Australia/New Zealand
Asia
Japan
Republic of Korea
Singapore
Thailand
China

Feminization of the elderly population

Sex ratio of population aged 80+ in 2010

- Europe
- Northern America
- Australia/New Zealand
- Asia
- Japan
- Republic of Korea
- Singapore
- Thailand
- China

More women not currently married (single)

Percentage of currently married population aged 60 years or over

<table>
<thead>
<tr>
<th>Region</th>
<th>Men</th>
<th>Women</th>
</tr>
</thead>
<tbody>
<tr>
<td>Europe</td>
<td>80</td>
<td>47</td>
</tr>
<tr>
<td>Northern America</td>
<td>75</td>
<td>48</td>
</tr>
<tr>
<td>Asia</td>
<td>81</td>
<td>50</td>
</tr>
<tr>
<td>New Zealand</td>
<td>77</td>
<td>50</td>
</tr>
<tr>
<td>Australia</td>
<td>76</td>
<td>50</td>
</tr>
<tr>
<td>Japan</td>
<td>86</td>
<td>53</td>
</tr>
<tr>
<td>Republic of Korea</td>
<td>87</td>
<td>37</td>
</tr>
<tr>
<td>Singapore</td>
<td>83</td>
<td>49</td>
</tr>
<tr>
<td>Thailand</td>
<td>83</td>
<td>49</td>
</tr>
<tr>
<td>China</td>
<td>78</td>
<td>56</td>
</tr>
</tbody>
</table>

In Asia, a lower proportion of older persons are living alone. The percentage of the population aged 60 years or over living alone varies significantly across regions.

- Europe: Males 13% (35% of total population), Females 9%
- Northern America: Males 15% (34% of total population), Females 9%
- Asia: Males 5% (34% of total population), Females 9%
- New Zealand: Males 17.1% (36.1% of total population), Females 12.7%
- Japan: Males 12.7% (12.7% of total population), Females 12.7%
- Republic of Korea: Males 7.7% (7.7% of total population), Females 7.7%
- Singapore: Males 1.6% (2.7% of total population), Females 2.7%
- Thailand: Males 2.9% (5.5% of total population), Females 5.5%
- China: Males 8.1% (8.1% of total population), Females 8.1%

Labour force participation

Trends of labour force participation of population aged over 65, 1990 and 2007

- Europe: 5.3% (1990) to 6.5% (2007)
- Oceania: 8.1% (1990) to 9.8% (2007)
- Northern America: 11.3% (1990) to 13.6% (2007)
- Latin America and Caribbean: 22.2% (1990) to 23.9% (2007)
- Asia: 22.2% (1990) to 23.8% (2007)
- Africa: 26.3% (1990) to 39.5% (2007)
Labour force participation of population aged 65 and over by sex, 2007

<table>
<thead>
<tr>
<th>Region</th>
<th>Female</th>
<th>Male</th>
</tr>
</thead>
<tbody>
<tr>
<td>Europe</td>
<td>3.9</td>
<td>7.4</td>
</tr>
<tr>
<td>Oceania</td>
<td>6.0</td>
<td>14.5</td>
</tr>
<tr>
<td>Northern America</td>
<td>10.0</td>
<td>18.5</td>
</tr>
<tr>
<td>Latin America and Caribbean</td>
<td>14.1</td>
<td>36.4</td>
</tr>
<tr>
<td>Asia</td>
<td>13.4</td>
<td>36.1</td>
</tr>
<tr>
<td>Africa</td>
<td>25.6</td>
<td>56.7</td>
</tr>
</tbody>
</table>

Percentage
Demographic Dividend

- Fertility/mortality declines created bulge in age distribution, concentrated on young
- Over time, bulge produced large working age population
- Fewer dependent children, older persons to support
- Increase in labour force, potential savings rate, per capita output
- Provide boost to investment and growth – “demographic dividend” e.g. Thailand’s dividend period will last till 2035-40, Malaysia 2045, Indonesia 2050
- However need to invest in education, skills and quality of workforce
<table>
<thead>
<tr>
<th>Year</th>
<th>Country</th>
</tr>
</thead>
<tbody>
<tr>
<td>1980</td>
<td>Singapore</td>
</tr>
<tr>
<td>1995</td>
<td>Thailand</td>
</tr>
<tr>
<td>2005</td>
<td>Brunei Darussalam</td>
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<tr>
<td></td>
<td>Indonesia</td>
</tr>
<tr>
<td></td>
<td>Viet Nam</td>
</tr>
<tr>
<td>2010</td>
<td>Malaysia</td>
</tr>
<tr>
<td></td>
<td>Myanmar</td>
</tr>
<tr>
<td>2015</td>
<td>Philippines</td>
</tr>
<tr>
<td>2030</td>
<td>Lao PDR</td>
</tr>
<tr>
<td>2035</td>
<td>Cambodia</td>
</tr>
</tbody>
</table>
Changing demographics

- Decreasing fertility
- Increasing life expectancy
- Speed of ageing
- Total dependency ratio
- Feminization of ageing
- Increasing older old
- Increasing number single
- Living alone
- Demographic dividend
Implications for ASEAN

- Big disparity - GDP per capita, population
- Inequality in various areas - health, education, infrastructure

Issues:
- Will the increasing number of older persons affect economic growth - workforce productivity?
- What do they have for financial security and are these adequate/sustainable?
- What will be their health care needs be (type of illness, how financed)?
- What kind of policies exist and how should they evolve to meet these trends?
- With resource constraints, how should ageing be prioritized among other development needs, including fairness between generations?
UN and ESCAP Agenda on Ageing

1982: First World Assembly on Ageing – Vienna
1992: Proclamation on Ageing – General Assembly
1995: World Summit for Social Development – Copenhagen (Society for All)
1999: International Year of Older Persons (Society for all Ages)
1999: Macao Plan of Action on Ageing
2002: Shanghai Regional Implementation Strategy for the Madrid International Plan of Action on Ageing
2007: Macao Outcome Document of Highlevel review of MIPAA implementation
Madrid International Plan of Action on Ageing (MIPAA)

Core concepts:
- Development approach – integrate ageing into development process; more focus on developing countries
- Life-course intergenerational approach - inclusiveness of all age groups

Three priority directions:
- Older persons and development
- Advancing health and well-being into old age
- Ensuring enabling and supportive environments
Conceptual trends

- Government to ensure older persons not in poverty, individual responsibility for higher living standard
- Traditional intergenerational contract to adapted intergenerational contract
- Older persons bear individual responsibility/self help for longer lives - active ageing
- Older persons as resource/contributor, not burden
- New older persons (better educated, more savings, healthier lifestyle)
- Heterogeneity of older persons – support/care needed for frail, vulnerable older old
- Age-segregation (targeted at older persons) and age-integration (strengthen customary intergenerational support system)
Income security for older persons

- Limited formal social security systems covering formal sector, civil service, armed forces
- Labour force largely in informal sector or agriculture largely unprotected
- Poverty and old age
- Multi-tiered/multi-pillar system (adapted from World Bank taxonomy)
  - Zero pillar non contributory social assistance/social pension
  - Public pension, defined benefit, notional defined contribution
  - Occupational or personal pension plan
  - Personal savings, home ownership, other assets
  - Family transfers
Income security for older persons

- Towards universal access to basic pension:
  Expand zero pillar e.g. social pensions:
  + (a) reduce poverty (b) redistributive effects
  - (a) better ways to enhance quality of life eg health care (b) leakage to non-poor (c) moral order/direction of intergenerational flow from old to young, create dependence

Implementing countries: Thailand, Viet Nam, Philippines (forthcoming)

Need evaluation studies from implementing countries e.g. Thailand (500 baht for over 60s)
Income security for older persons

- Improve total dependency ratio
  - Promote employability
  - Legislative/regulatory measures
  - Change/adapt working environment
  - Incentivize employers/employees
  - Re-training and skills development
  - Review and extend retirement age e.g. Malaysia 55
  - Targeted programmes to retain/retrain/recruit women in workforce
  - Migrant workers
Towards sustainable pension systems:
Review/expand formal pension schemes
(coverage, adequacy, administrative efficiency, transparency)

- Key Provident and Pension Funds
- Malaysia: Employees Provident Fund (EPF)
  Government Pension Fund (GPF)
- Philippines: Social Security System (SSS)
  Government Service Insurance System (GSIS)
- Singapore: Central Provident Fund (CPF)
  Government Pension Fund (GPF)
- Thailand: Social Security Organization (SSO)
  Government Pension Fund (GPF)

Low replacement ratio, longevity and inflation risks.
# Life Expectancy at Birth

<table>
<thead>
<tr>
<th>Country</th>
<th>Life Expectancy 2015-2020</th>
<th>Life Expectancy 2045-2050</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brunei Darussalam</td>
<td>78.2</td>
<td>81.1</td>
</tr>
<tr>
<td>Cambodia</td>
<td>65.6</td>
<td>74.4</td>
</tr>
<tr>
<td>Indonesia</td>
<td>73.6</td>
<td>78.6</td>
</tr>
<tr>
<td>Lao PDR</td>
<td>68.7</td>
<td>75.8</td>
</tr>
<tr>
<td>Malaysia</td>
<td>76</td>
<td>80.1</td>
</tr>
<tr>
<td>Myanmar</td>
<td>66.6</td>
<td>74.8</td>
</tr>
<tr>
<td>Philppines</td>
<td>74</td>
<td>78.7</td>
</tr>
<tr>
<td>Singapore</td>
<td>81.6</td>
<td>84.1</td>
</tr>
<tr>
<td>Thailand</td>
<td>71.2</td>
<td>77.2</td>
</tr>
<tr>
<td>Viet Nam</td>
<td>76.4</td>
<td>80.4</td>
</tr>
</tbody>
</table>
Income security for older persons

- Review/expand formal pension schemes
  (coverage, adequacy, administrative efficiency, transparency)
  - Review and extend retirement age in line with increased longevity:
    Malaysia – retirement age 55, life expectancy 76 (2010) 80.1 (2050)

- Expand to include self-employed.

- Expand private investments and annuities
  - Expand private financial providers
  - Incentivize private investments and savings
  - Can help to develop capital markets and financial sector
Health security for older persons

- Subregions within the ESCAP region have lowest proportion of total health expenditure of GDP compared to other regions
- They also have lowest proportion of public health expenditure of GDP – scope for expansion
- ESCAP region has highest level of out-of-pocket expenditure in the world

<table>
<thead>
<tr>
<th>Region</th>
<th>Total health expenditure as % GDP</th>
<th>Public health expenditure as % GDP</th>
</tr>
</thead>
<tbody>
<tr>
<td>South Asia</td>
<td>4.4</td>
<td>1.1</td>
</tr>
<tr>
<td>East Asia and the Pacific</td>
<td>5.0</td>
<td>1.9</td>
</tr>
<tr>
<td>Sub-Saharan Africa</td>
<td>6.1</td>
<td>2.4</td>
</tr>
<tr>
<td>Middle East and North Africa</td>
<td>5.6</td>
<td>2.7</td>
</tr>
<tr>
<td>Latin America and Caribbean</td>
<td>6.8</td>
<td>3.3</td>
</tr>
<tr>
<td>Europe and Central Asia</td>
<td>6.5</td>
<td>4.5</td>
</tr>
</tbody>
</table>
Health security for older persons

- Changing epidemiology – rise in noncommunicable chronic diseases (and dementia)
- Some countries have double burden of childhood, infectious diseases, maternal health, plus rising chronic diseases. MDG social goals still not met by some countries.
- Focus on frail, vulnerable older old
- Healthcare expenditures concentrated in period before death
Health security for older persons

- Increasing need for long-term care (depends on financial capacity, social protection philosophy)
- End of life, palliative care
- Lifecourse approach
- Health promotion/prevention/rehabilitative (not just curative)
- Community-based care/primary health care
- Individual responsibility, self-care
- Recognize care needs of frail older old
- Support/capacity building for health personnel/care givers (usually female)
- Limited health insurance - strive towards universal coverage for basic package
- Multi-pillar (tax funded, social health insurance, private insurance)
Families

- Family support and filial piety still strong in ASEAN countries
- Incentives to strengthen family (co-residence, tax incentives, health support etc)
- Legislative/regulatory measures
- Intergenerational transfers/solidarity
- Reciprocity/social exchange
- Family structure to family function, alternatives e.g peers,
- Rising number of singles, dysfunctional families
- Family approach too limiting – should be 4 fold (self, family, community, government)
Enabling and supportive environment

✦ Ageing in place
  - independent living, accessible and affordable connectivity/transportation, universal design, assistive devices, lifetime neighbourhood/community

✦ Age-friendly cities (WHO)
  - outdoor spaces and buildings, transportation, housing
  - social participation, respect and social inclusion, civic participation and employment
  - communication support and health services, communication and information
Enabling and supportive environment

✧ Finance:
   ○ Financing ageing (tax restructuring, more broad-based e.g. VAT, long term bonds, national savings fund, “sin tax” , private investments and savings etc)

✧ Governance:
   ○ Whole of government approach e.g. health, housing, transportation, finance - mainstream
   ○ National coordinating mechanisms and institutions
   ○ Age discrimination/ageism/elder abuse and neglect - legislation, Convention?
   ○ Media to change perception

✧ Partners:
   ○ Private sector – economic, health, insurance, silver industry, social, CSR
   ○ Collectivization – civil society, Older People’s Association elder clubs (influencing/advocacy, services)
Regional cooperation

✧ Cross-border cooperation on transboundary issues (e.g. migration, accreditation)

✧ Countries can benefit from “demographic dividend” through cross-border movement of capital from capital-surplus country and outflow of labour to ageing countries

✧ Strengthen social pillar of ASEAN (social cultural community)

✧ Share good practices and lessons learned e.g. “late agers” from “early agers”
Looking ahead

✦ A platform for experts and decision makers to seek solutions to challenges of population ageing e.g. Entity within ASEAN socio-cultural pillar

✦ A comprehensive review of state of ageing in every country to inform regional and global review of MIPAA

✦ Resist shift to withdraw fiscal stimulus packages (to austerity) through advocacy of social protection measures for social cohesion and social equity.
THANK YOU