

11 July 2019

University Malaya Alumni Clubhouse (PAUM)

Ageing Gracefully: Sustainable Solutions

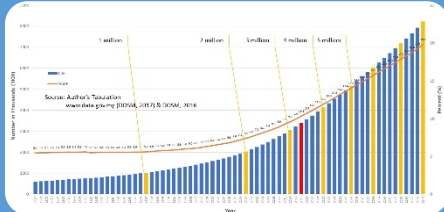


Malaysia - 1950
Population: 6,109,906

Source: United Nations, DESA, Population Division. WPP: The 2015 Revision. (Medium variant)

Prof. Dato' Dr. **Tengku Aizan HAMID**, DPSK FASc
Malaysian Research Institute on Ageing, Universiti Putra Malaysia

Content



Population Ageing in Malaysia



Situation of Older Persons and Their Families



Sustainable Strategies for the Future



Conclusion and Take-home Message

AGEING IN EAST ASIAN COUNTRIES: “The Twin Challenges of Ageing and Development”

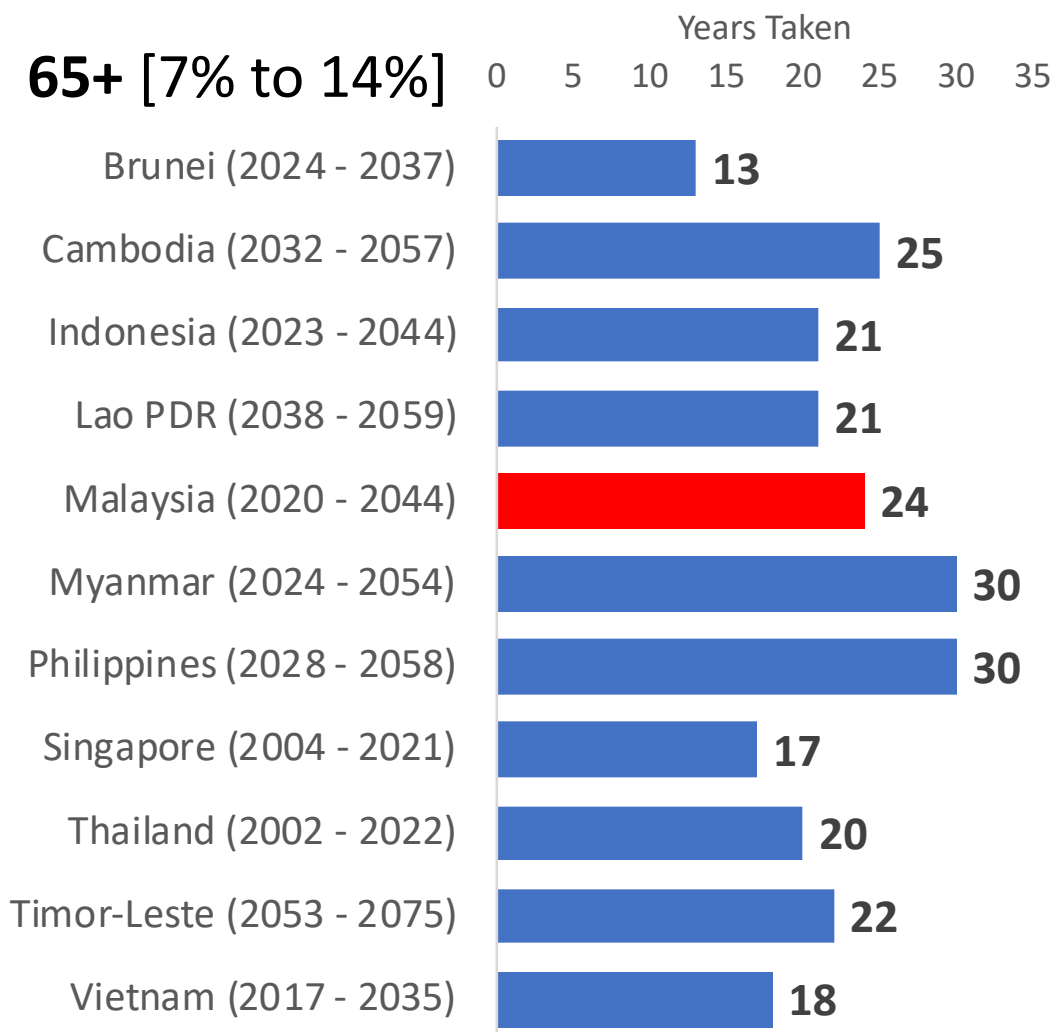
European experiences

- Population ageing followed on from economic development (in sequence)
- Proceeded at a fairly leisurely pace, e.g.
 - France (1865-1980) 115 years
 - Sweden (1890-1975) 85 years
 - Australia (1938-2011) 73 years

Less developed countries

- The two major transformation are occurring almost simultaneously
- Rapid ageing
 - Japan (1970-1996) 26 years
 - South Korea (2000-2018) 18 years
- Transformation in the structure and functions of the family and state

Speed of Ageing in ASEAN

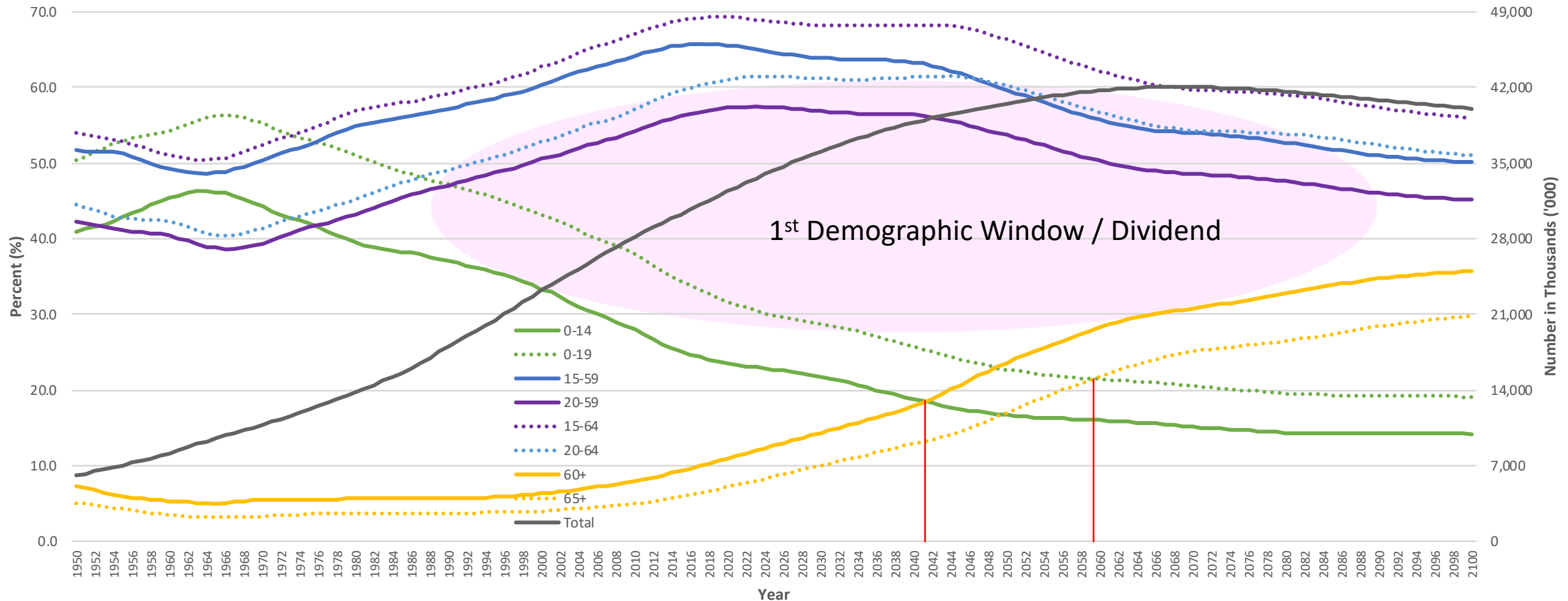


Source: Walker, Alan, and Christian Aspalter. *Active ageing in Asia*. Routledge, 2014.

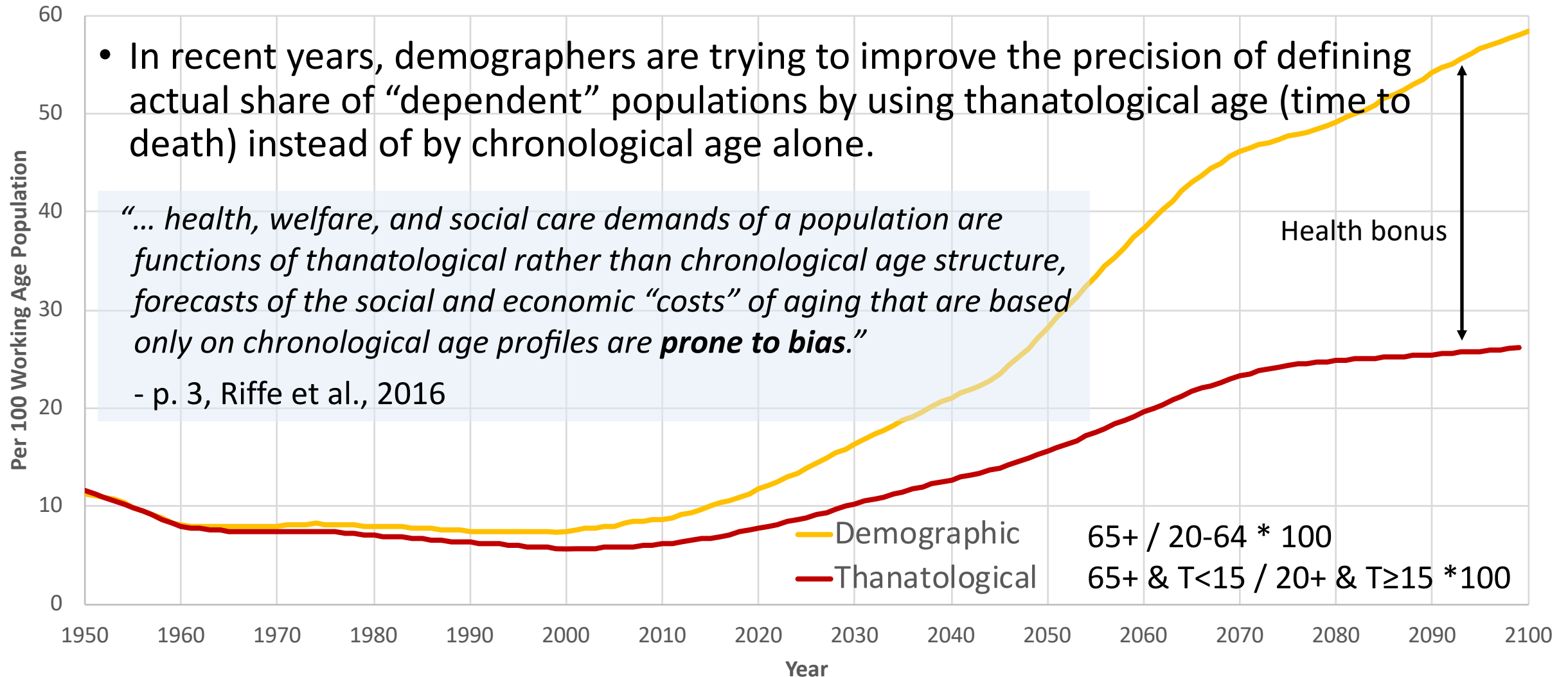
Source: Author's Tabulation, UN World Population Database (2019 Revision)

Changing Population Age Structure, Malaysia, 1950 - 2100

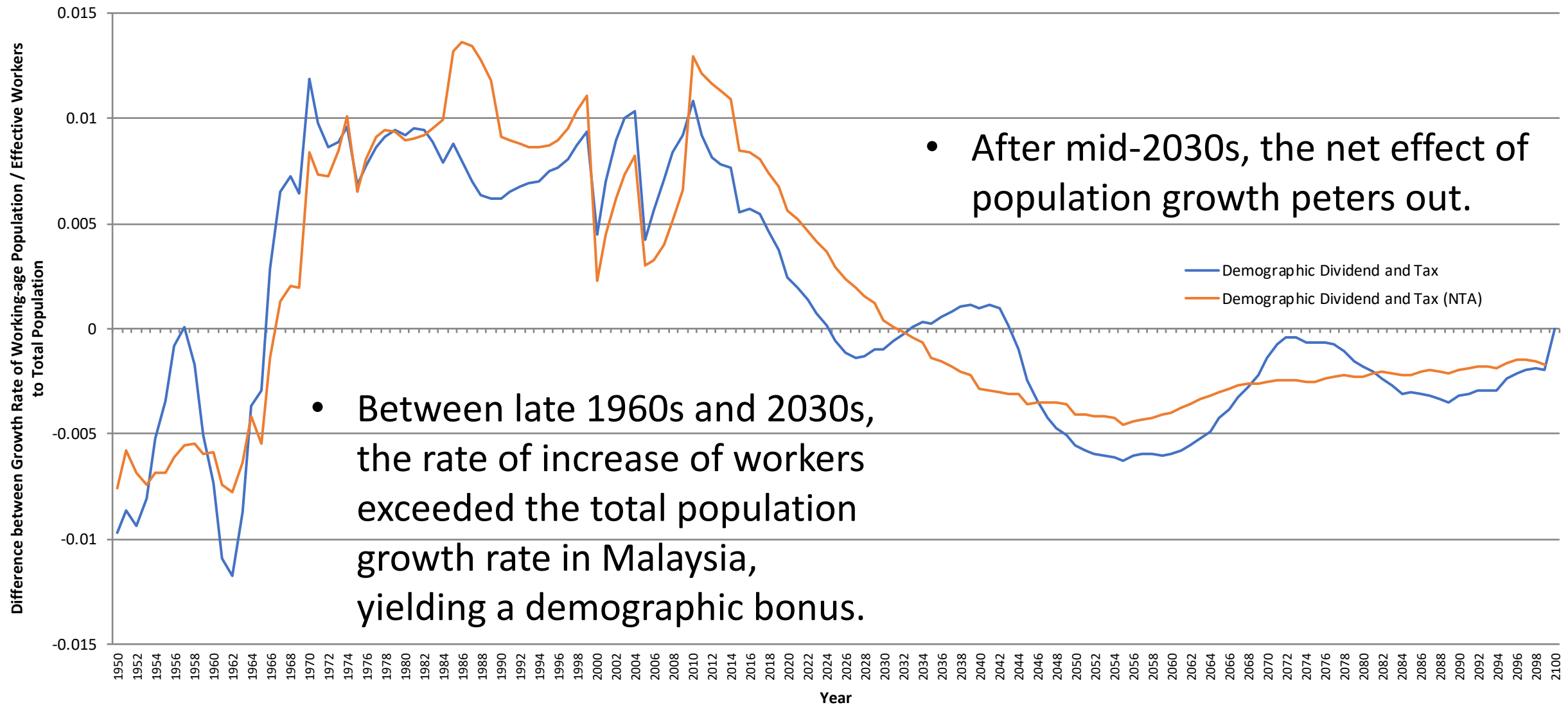
Percentage of Population by Broad Age Groups & Total Population Size, Malaysia, 1950 - 2100

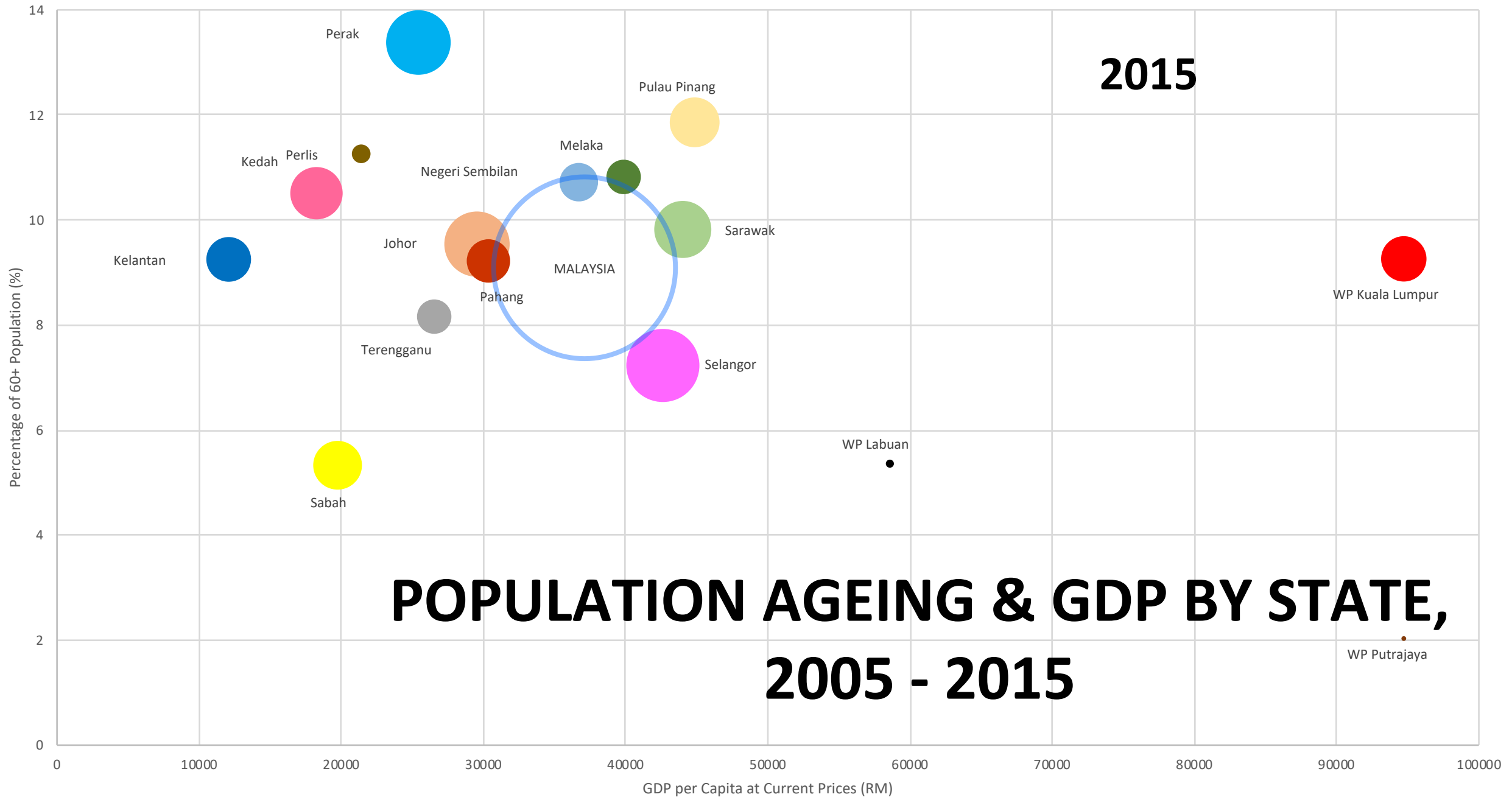


Old-age Dependency Ratios for Malaysia, 1950 - 2100



Demographic Dividend, Malaysia, 1950 - 2100





Percentage Distribution of older persons (60 years or over) Perak Darul Ridzuan

Sub-district (Mukim)

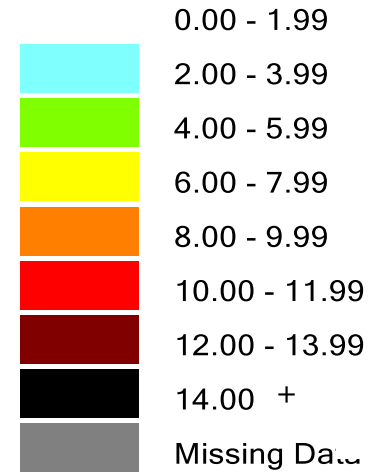
2000

2010

District

2000

2010



BANGSI PENDUDUK DAN PERUMAHAN MALAYSIA, 2010
POPULATION AND HOUSING CENSUS OF MALAYSIA, 2010

PERAK
PETA MENUNJUKKAN SEMPADAN DAERAH PENTADBIRAN DAN MUKIM
MAP SHOWING ADMINISTRATIVE DISTRICT AND MUKIM BOUNDARY



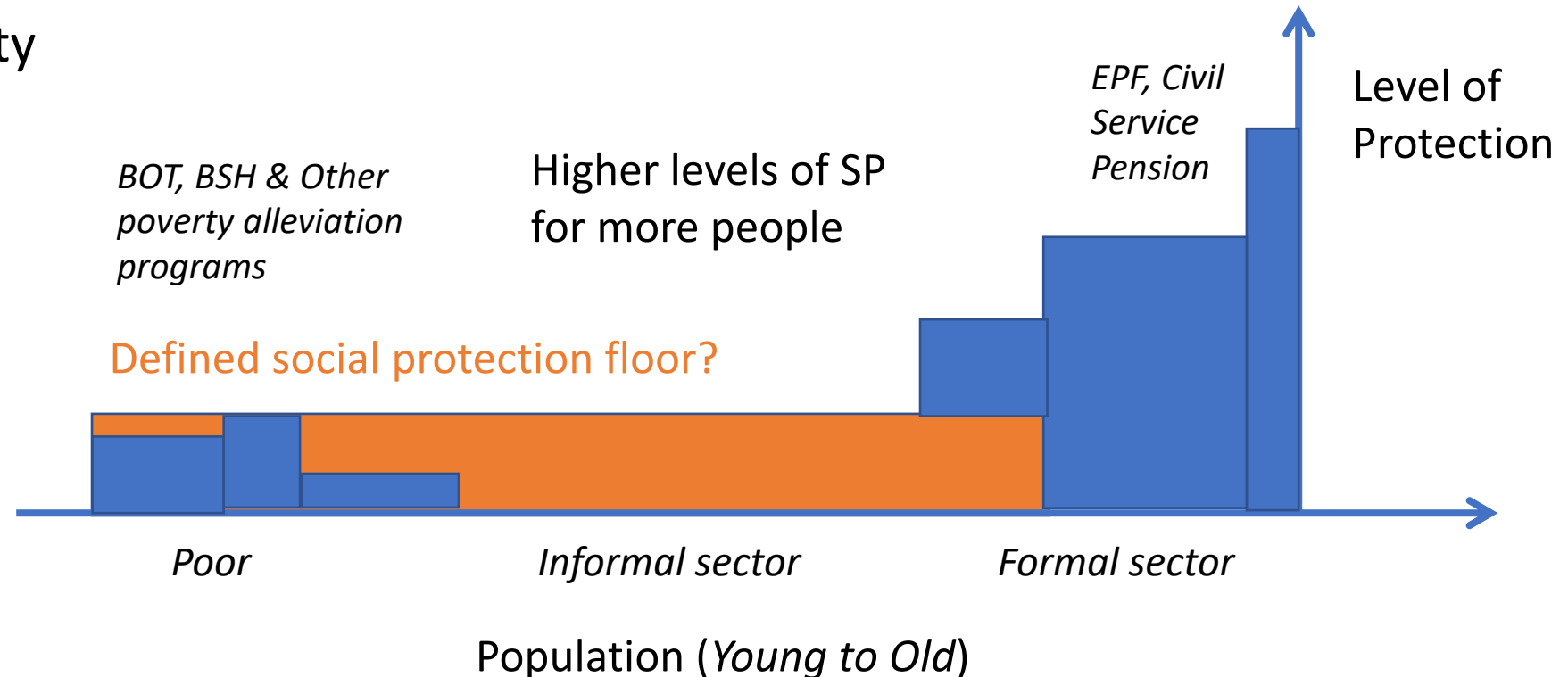
Geographical Gerontology

Between the last 2 censuses, the districts and Mukims in Perak has aged considerably.

Social Protection for Older Persons



- Gaps in social security
- Issues of:
 - Coverage
 - Adequacy
 - Sustainability
 - Equitability
 - Reliability
- Risk-pooling?
- Redistribution?



Older Persons by Living Arrangement, 2014

Generations Living Together	Households without Older Persons		Households with at Least One Older Persons		Total
	n	%	n	%	
Living Alone	472	4.78	281	5.66	753
1 Generation Household	949	9.61	786	15.84	1619
2 Generation Households	7636	77.31	2025	40.82	9535
3 Generation Households	538	5.45	1564	31.53	2095
4+ Generation Households	5	0.05	52	1.05	54
Skipped Generation Households	26	0.26	138	2.78	164
Undetermined	251	2.54	115	2.32	618
Total	9877	100.00	4961	100.00	14838

Source: HES2014, Dept. of Statistics Malaysia, 2016 [unpublished data]

Older Persons by Household Income Levels, 2014

Household Income Levels	All Households	Households without Older Persons	Households with Older Persons	Number & Percentage of Older Persons
B40 [≤RM3,531.52]	5,935 (40%)	3,672 (37.2%)	2,263 (45.6%)	3,139 (45.5%)
M40 [RM3,531.53 - RM7,708.16]	5,936 (40%)	4,103 (41.5%)	1,833 (37.0%)	2,561 (37.1%)
T20 [RM7,708.17+]	2,967 (20%)	2,102 (21.3%)	865 (17.4%)	1,197 (17.4%)
Poverty Line (Hh 4.2p < RM930)	193 (1.3%)	148 (1.5%)	45 (0.9%)	59 (0.9%)
Total	14,838 Hh	9,877 Hh	4,961 Hh	6,897 OP

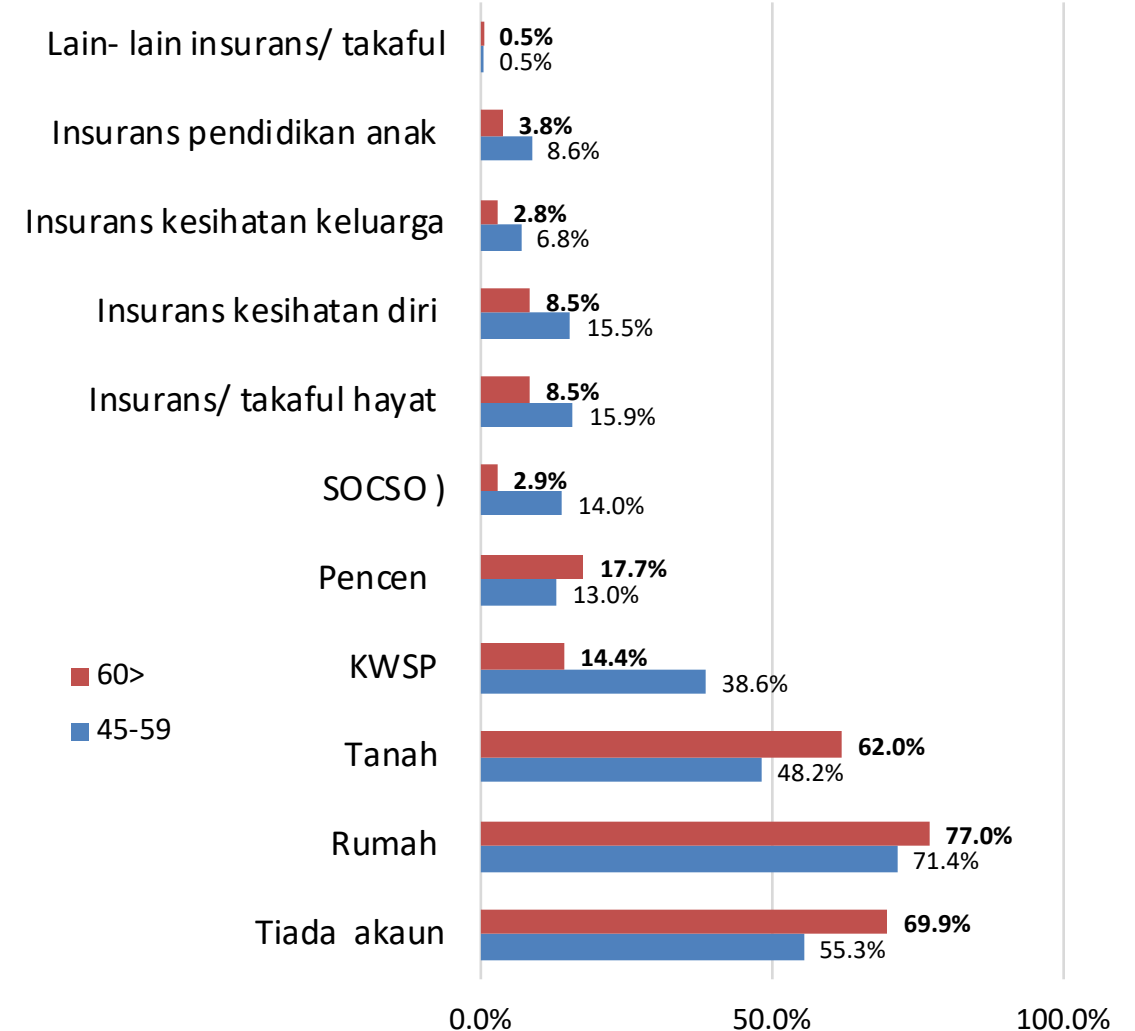
Source: HES2014, Dept. of Statistics Malaysia, 2016
[unpublished data]

Income Security in Old Age, 2017

Sources of Income by Sex and Age

Type	Sex		Age Group	
	Male	Female	45-59	60+
Wages	43.2%	20.8%	49.2%	12.9%
Business	15.3%	12.7%	17.6%	9.9%
Rent	3.2%	3.7%	4.2%	2.6%
Dividend	0.6%	0.5%	0.6%	0.5%
Welfare	6.6%	9.5%	4.2%	12.4%
Pension	15.4%	7.0%	5.1%	18.6%
SOCSSO	2.2%	0.8%	2.0%	1.0%
Agriculture	13.1%	7.6%	9.9%	11.1%
Annuity	0.6%	0.0%	0.6%	0.0%
Children	40.6%	46.9%	32.8%	56.2%
Others	5.9%	6.7%	6.8%	5.7%

Asset Rich, Income Poor



Crude Prevalence Rates of Chronic Diseases among Older Malaysians, 2005 & 2013

Diseases	MHQOLOM, 2005						TUA, 2013					
	Male		Female		Total (2,979)		Male		Female		Total (2,322)	
	N	%	N	%	N	%	N	%	N	%	N	%
Hypertension	404	29.5	505	34.5	909	30.5	521	46.8	647	53.6	1,168	50.3
Heart Problems	147	10.8	118	8.1	265	8.9	147	13.2	92	7.6	239	10.3
Diabetes	189	13.8	239	16.3	428	14.4	294	26.4	311	25.7	605	26.1
Kidney Problems	30	2.2	31	2.1	61	2.0	29	2.6	11	0.9	40	1.7
Cancer	5	0.4	6	0.4	11	0.4	6	0.5	31	2.6	37	1.6
Stroke / Angina	27	2.0	22	1.5	49	1.6	33	3.0	12	1.0	45	1.9
Gout	96	7.0	83	5.6	179	6.0	76	6.8	28	2.3	104	4.5

Fiscal, Economic and Social Consequences

Economic

- Changes in population age-sex structure
 - Decline in working-age / effective workers population - labour shortage
- Slowing economic growth
- Growing silver economy

Social

- Intergenerational relationships and compact
- Commodification of care - care crisis
 - Decent work and care economy
 - Changing health profile
- Individual/Family-State roles and responsibilities

Fiscal

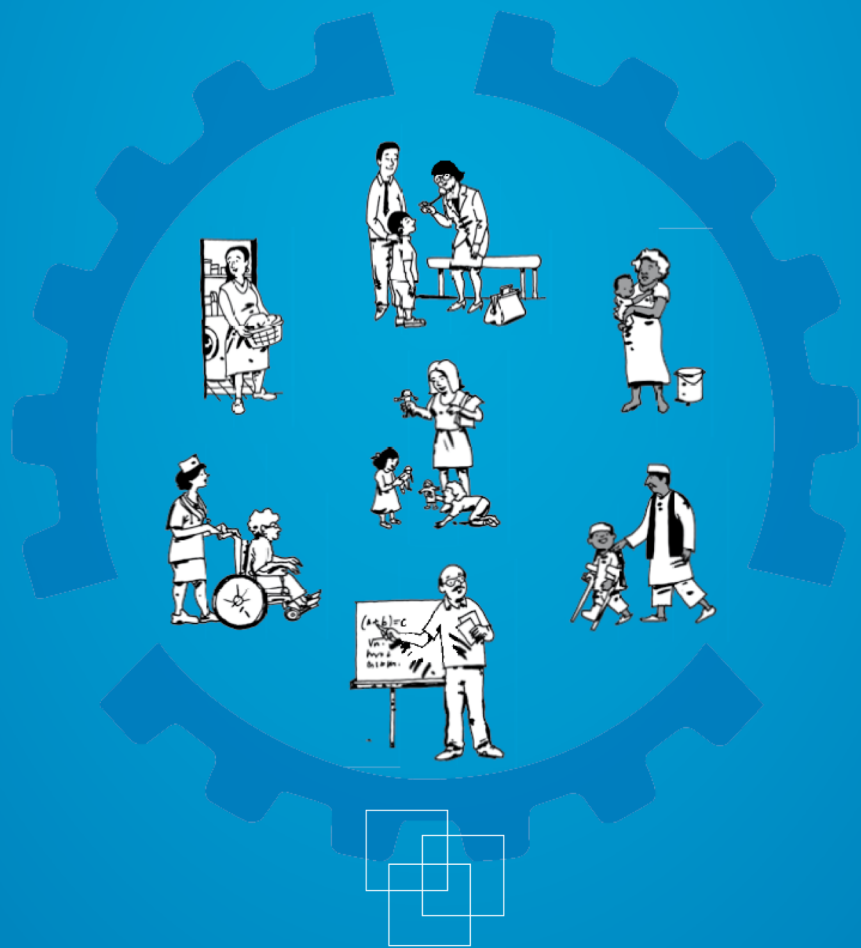
- Increasingly disproportionate tax and benefit system
- Rise in age-related spending
- Changing patterns of savings, investments, and capital growth
- Generational equity and interdependence



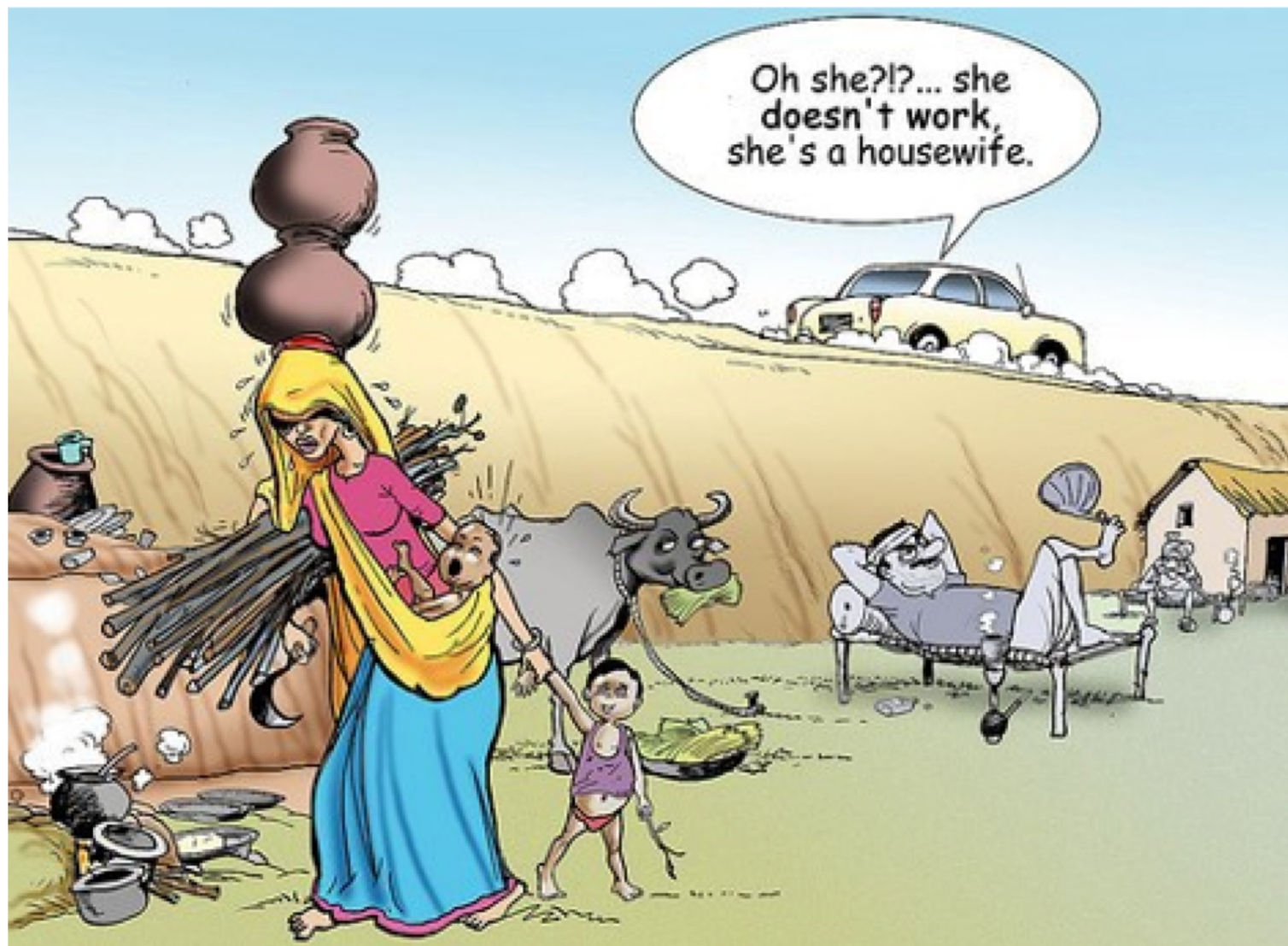
International
Labour
Organization

CARE WORK AND CARE JOBS

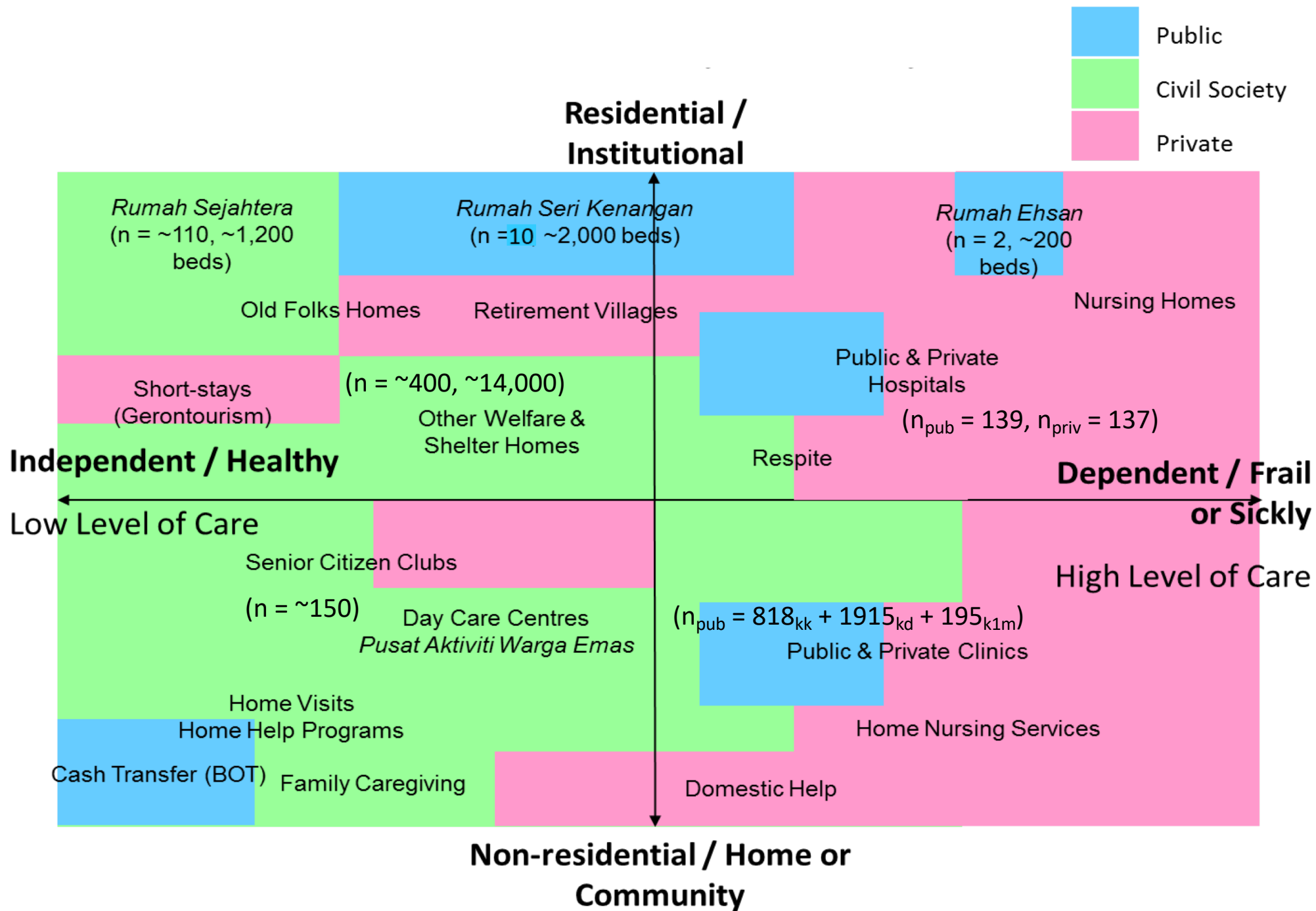
FOR THE FUTURE OF DECENT WORK



The hidden cost of care in the formal economy...



Care for Older Malaysians: A Conceptual Mapping



Long-term Care for the Elderly: Unfunded

Residential

In 2010, 0.8% of older Malaysians (60+) reside in institutions (UN, 2017)



UPM
UNIVERSITI PUTRA MALAYSIA
BERILMU BERAKTI

2016

MyAgeing telephone-surveyed 392 residential aged care facilities. An estimated 13,730 older residents are cared for by about 2,775 paid staff (11% foreign workers)

Government

Businesses

NGO/CSO

PAID vs. UNPAID
>90% OOP
adult children

Around 2/3 of older Malaysians reside with their adult children

PAID vs. UNPAID
Charities for
childless/destitute

10 RSK; 2 RE (Federal)
Retirement Villages;
21 Nursing Homes (Act 586);
244 Care Centres (Act 506);
Unregistered Old Folks Homes

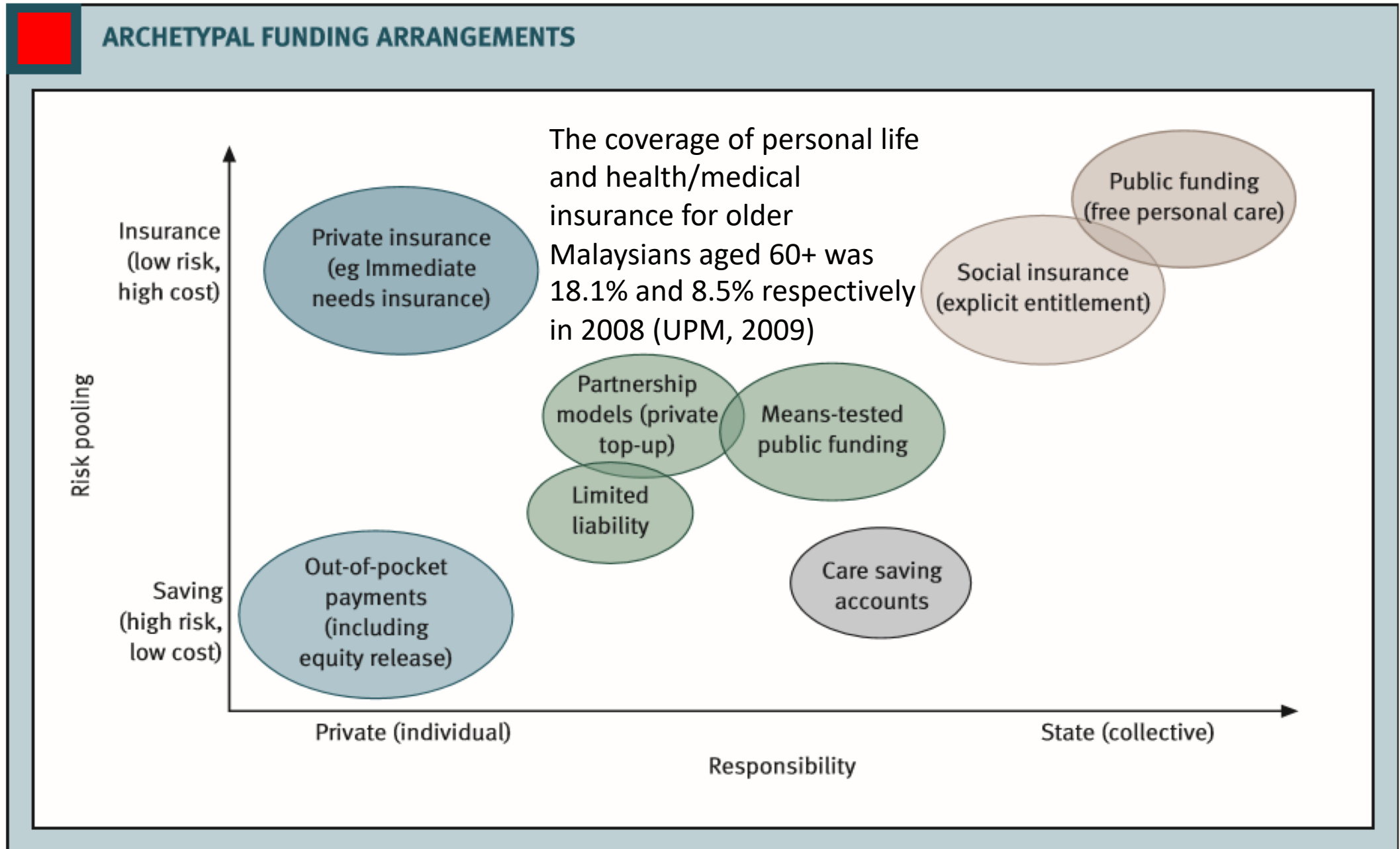
Non-residential

- Day centres / Activity centres (PAWE)
- Senior citizen clubs / health clubs
- LLL centres (U3A) / Religious learning (pondoks)
- Home help (KBDR)
- Transportation

Senior Living: A Business Opportunity?

Private Aged Healthcare Facilities and Services Act 2017
[Act 802] (Not yet in force)

Financing Old-age

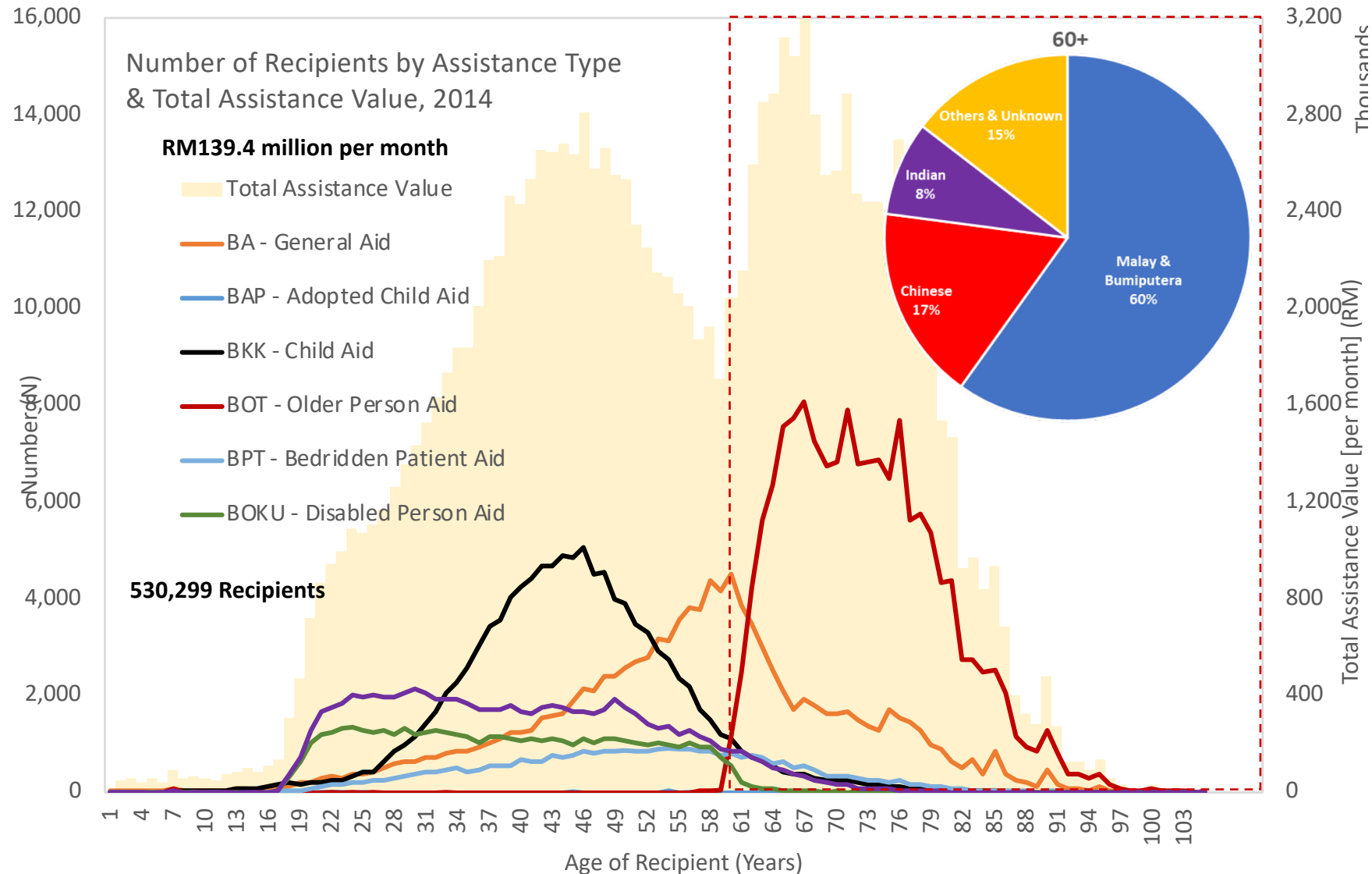


Social Assistance for Older Persons

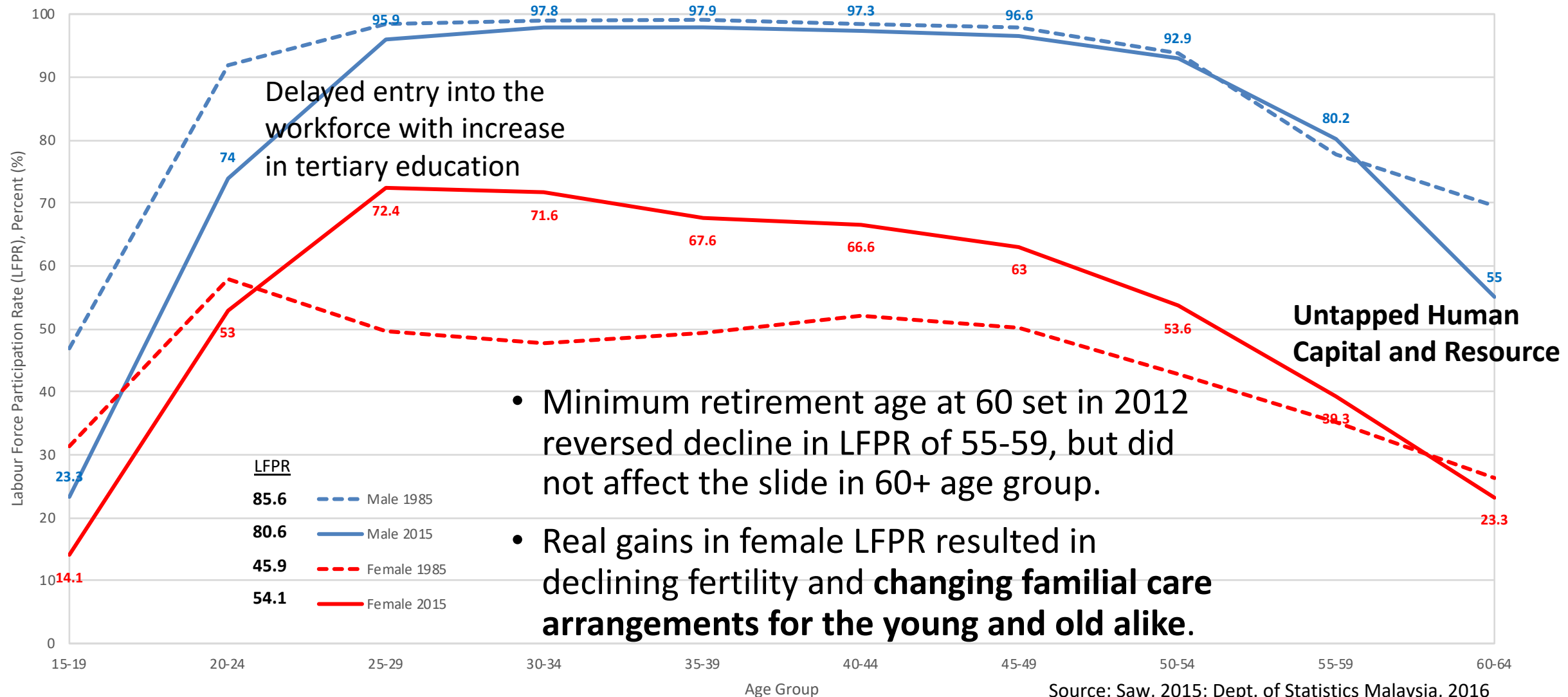
5% - 8% of OPs receive DSW assistance. If BSH/BR1M is included, the share is higher.

Source: e-Bantuan, Dept. of Welfare Services, 2016 [unpublished data]

- Aid for older persons (BOT) grew from 17% of all DSW cash transfers in 2005 to over 35% in 2015.
- In 2014, 43.7% of the RM1.6 billion total welfare expenditure goes to older persons
- 41.9% of all welfare aid recipients are 60+:
 - BOT - 68.1%
 - BA - 21.0%
 - BPT - 4.0%
 - BKK - 3.3%
 - EPC - 2.7%



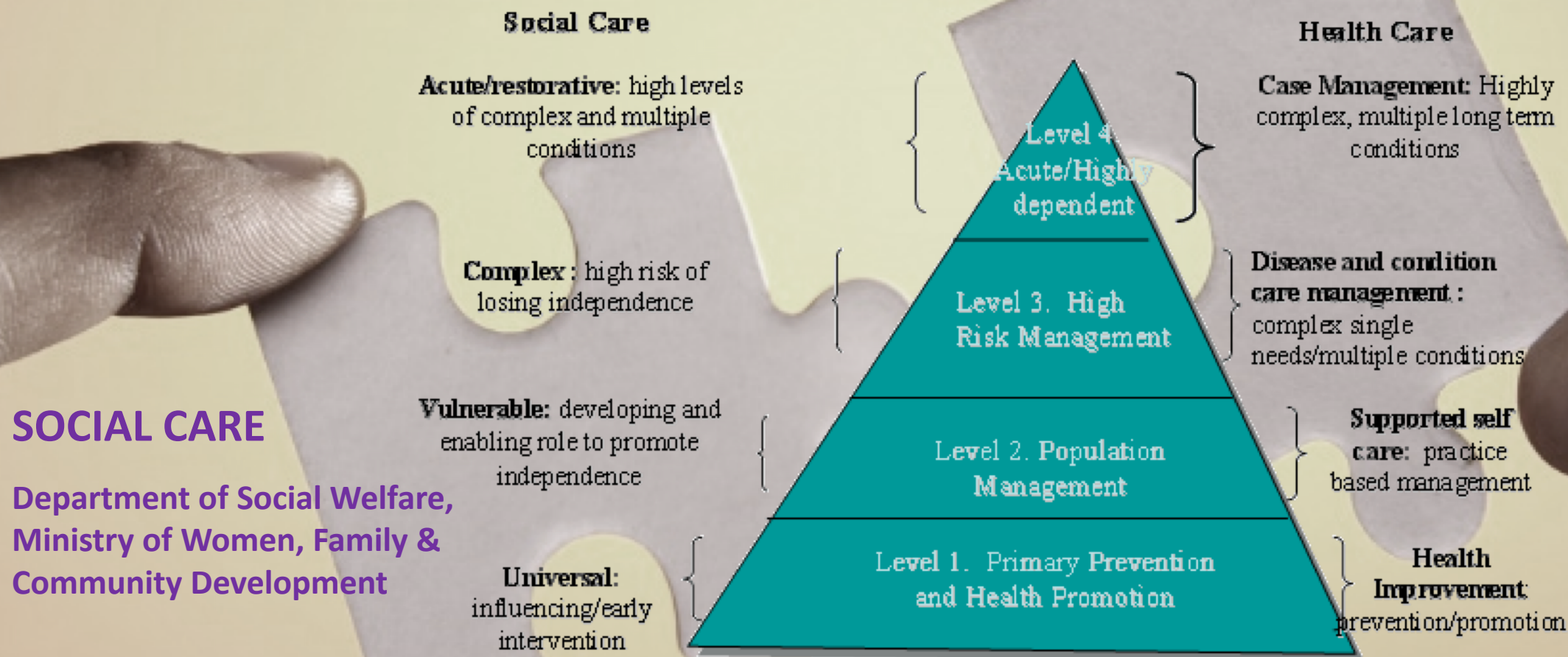
Labour Force Participation Rate, 1985 & 2015



FROM FRAGMENTIZATION TO INTEGRATION

HEALTH CARE
Ministry of Health

Health and Social Care 'Triangle Model'

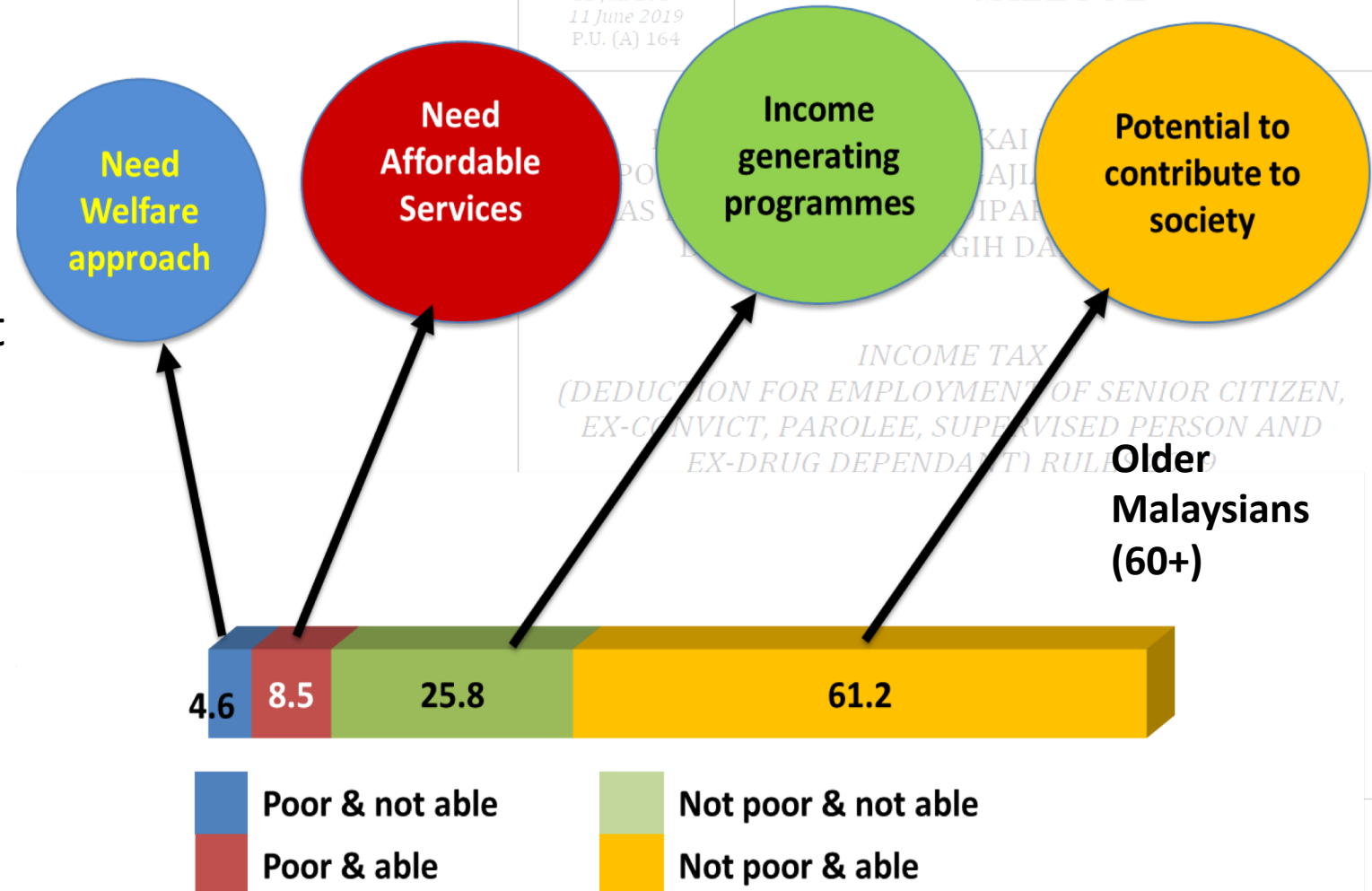


SOCIAL CARE

Department of Social Welfare,
Ministry of Women, Family &
Community Development

Sustainable Strategies for the Nation

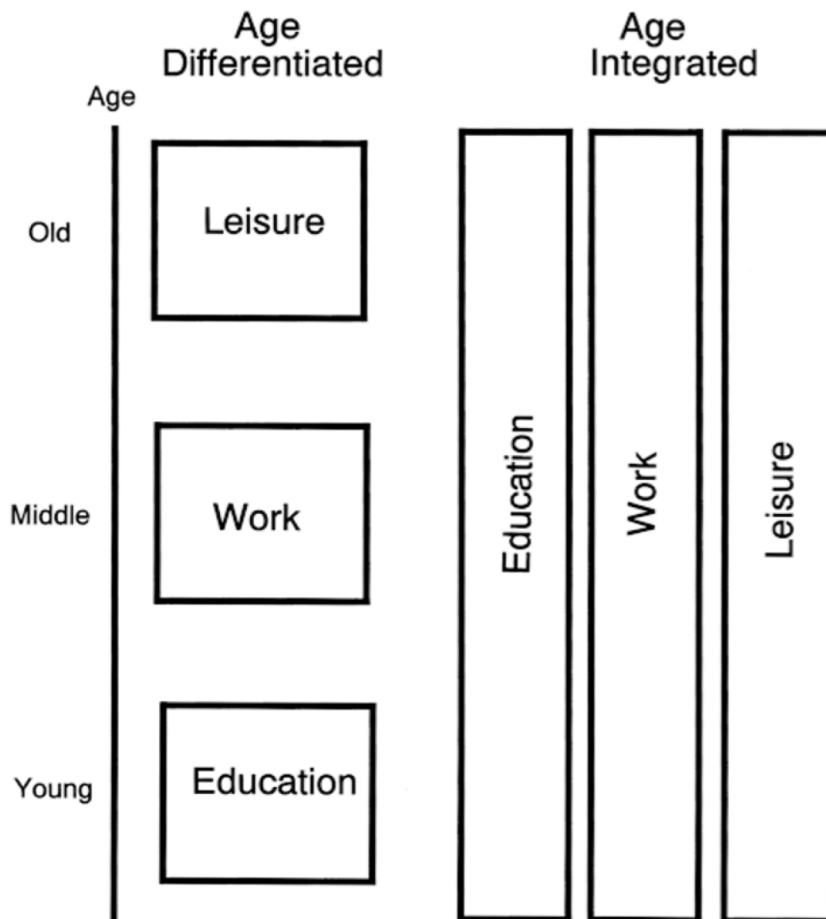
- Older persons are a diverse group with unique generational characteristics:
 - Asset rich, income poor
 - Feminization of aging
- Older persons as a resource, not burden. Differences between:
 - Third age
 - Fourth age
- Positive recent developments:
 - Minimum wage
 - Minimum retirement age
 - Private retirement savings
 - Income tax deduction for employment of older persons



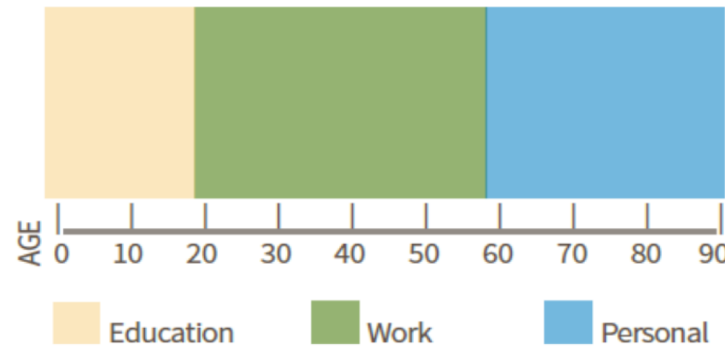
Source: UPM, 2017

Age Integration towards a Society for All Ages

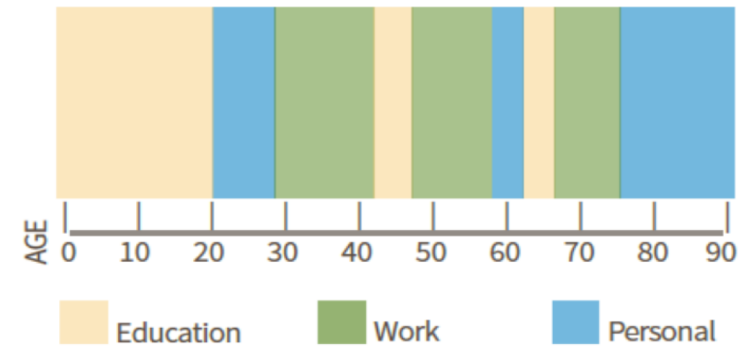
Ideal Types of Social Structures



Traditional Lifespan



Life Course Approach



- No discrimination by age (*lowest-hanging fruit*)
- Work-life balance; Harnessing untapped resources
- Life course perspective
- Economic, social and cultural participation of older persons
- Healthy, active, productive, positive & supportive ageing = well-being in old age



Building Age-friendly Cities and Communities

- Physical and social environment
 - Transportation
 - Housing
 - Outdoor spaces and buildings
 - Communication and information
 - Social participation
 - Civic participation and empowerment
 - Respect and inclusion
 - Community support and health services

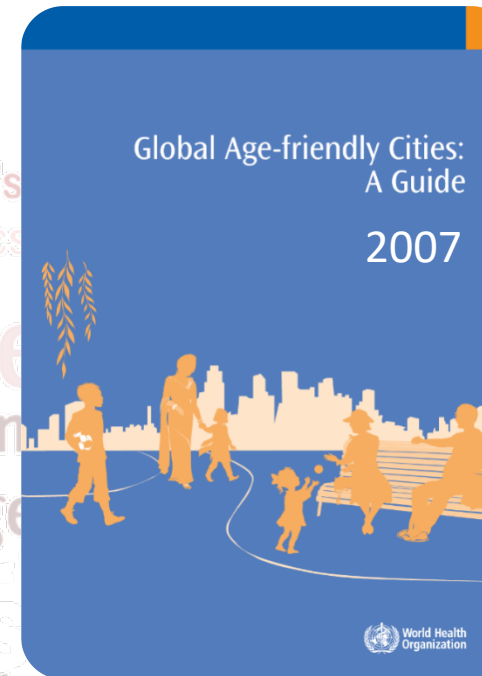
Reforms:

- Health & long-term care system
- Pensions & social protection system
- Local government & national governance structure

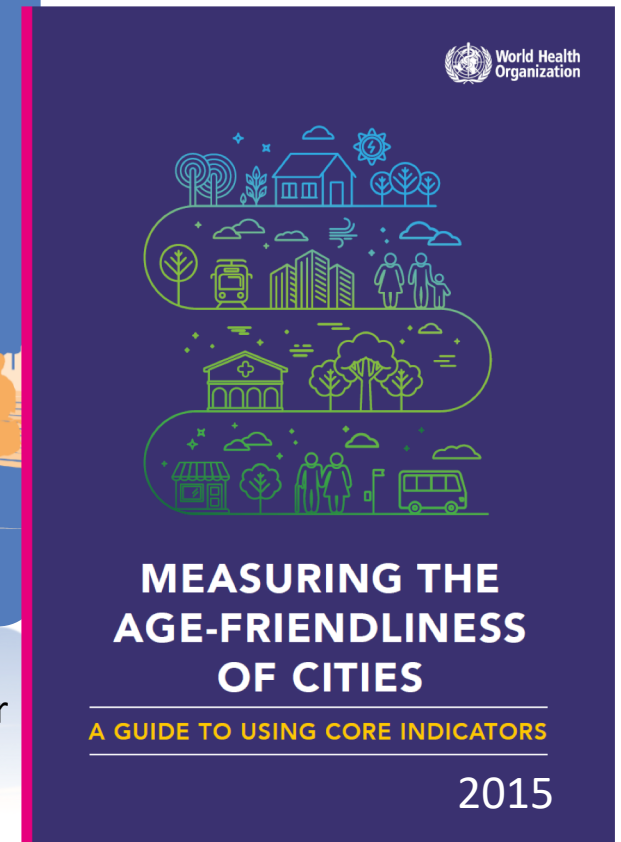
2



World Health Organization



WHO Global Network for
Age-friendly Cities and
Communities



-

3

A human-centered society that balances economic advancement with the resolution of social problems by a system that highly integrates cyberspace and physical space.

SDGs & Ageing in Malaysia



- SDGs mentioned “**older person**” 4 times in its indicator and targets.
- The challenge of inclusive development.
- How can we encourage the social, economic and cultural participation of older persons?
- Focus on physical development alone is not enough to spark impactful change.



MIPAA & the Shanghai Implementation Strategy

P1: Ageing & Development	P2: Health & Well-being	P3: Enabling Supportive Environments	Implementation & Monitoring
<ol style="list-style-type: none"> 1. The challenges & mainstreaming ageing 2. Protection & security 3. Poverty 4. Integration & participation 5. Positive image 6. Employability & workability 7. Concerns of older women 	<ol style="list-style-type: none"> 1. Life course perspective on ageing 2. Quality of life at all ages 3. Quality health & Long-term Care (LTC) 4. Health care financing 	<ol style="list-style-type: none"> 1. Older persons & families 2. Social services & community support 3. Housing & living environment 4. Non-discrimination 5. Caregivers 6. Older consumers 	<ol style="list-style-type: none"> 1. National mechanism 2. Cooperation: Government, NGOs & other sectors 3. Regional & inter-government cooperation 4. Research

WHO, 2015

World Report on Ageing and Health

Fig. 2.4. A public-health framework for *Healthy Ageing*: opportunities for public-health action across the life course

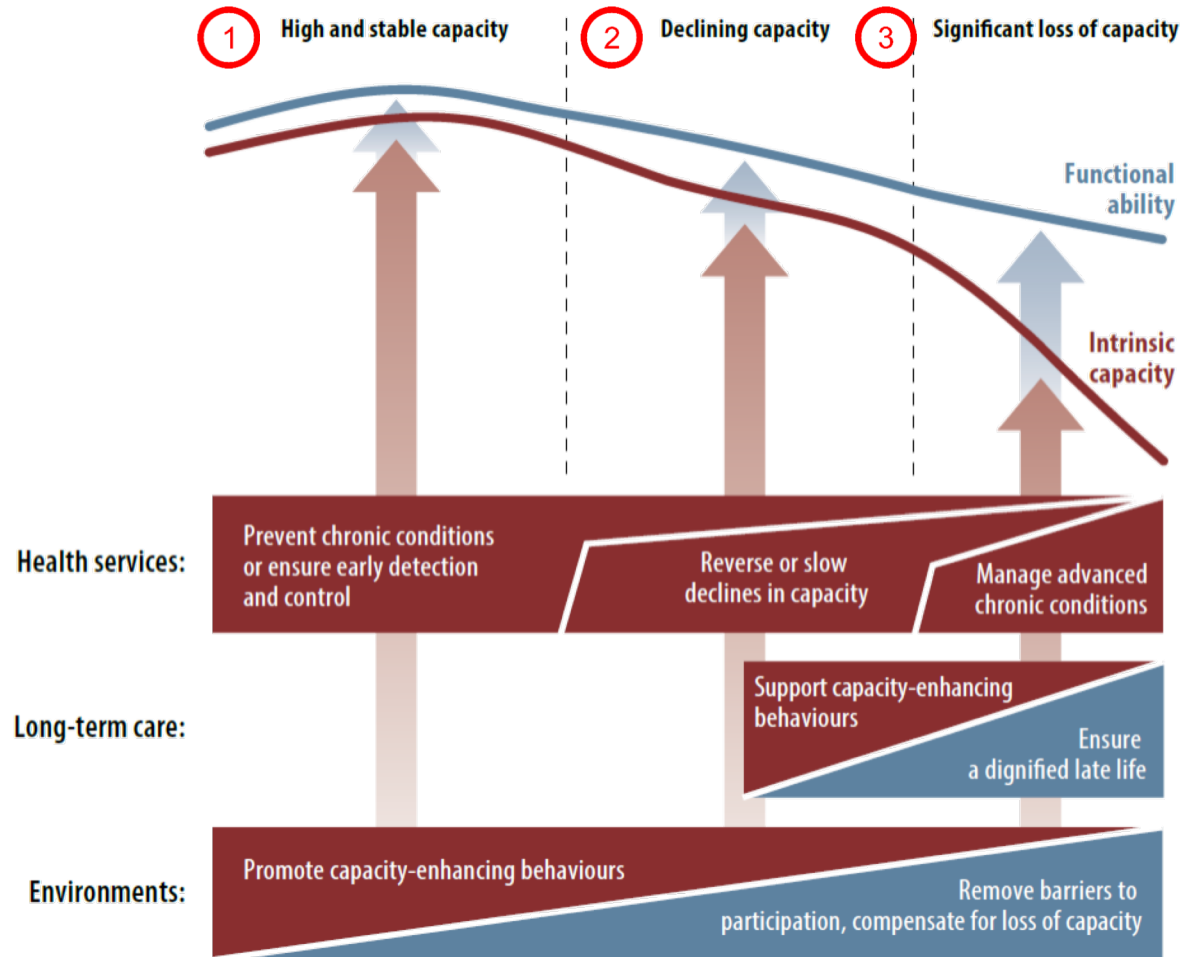
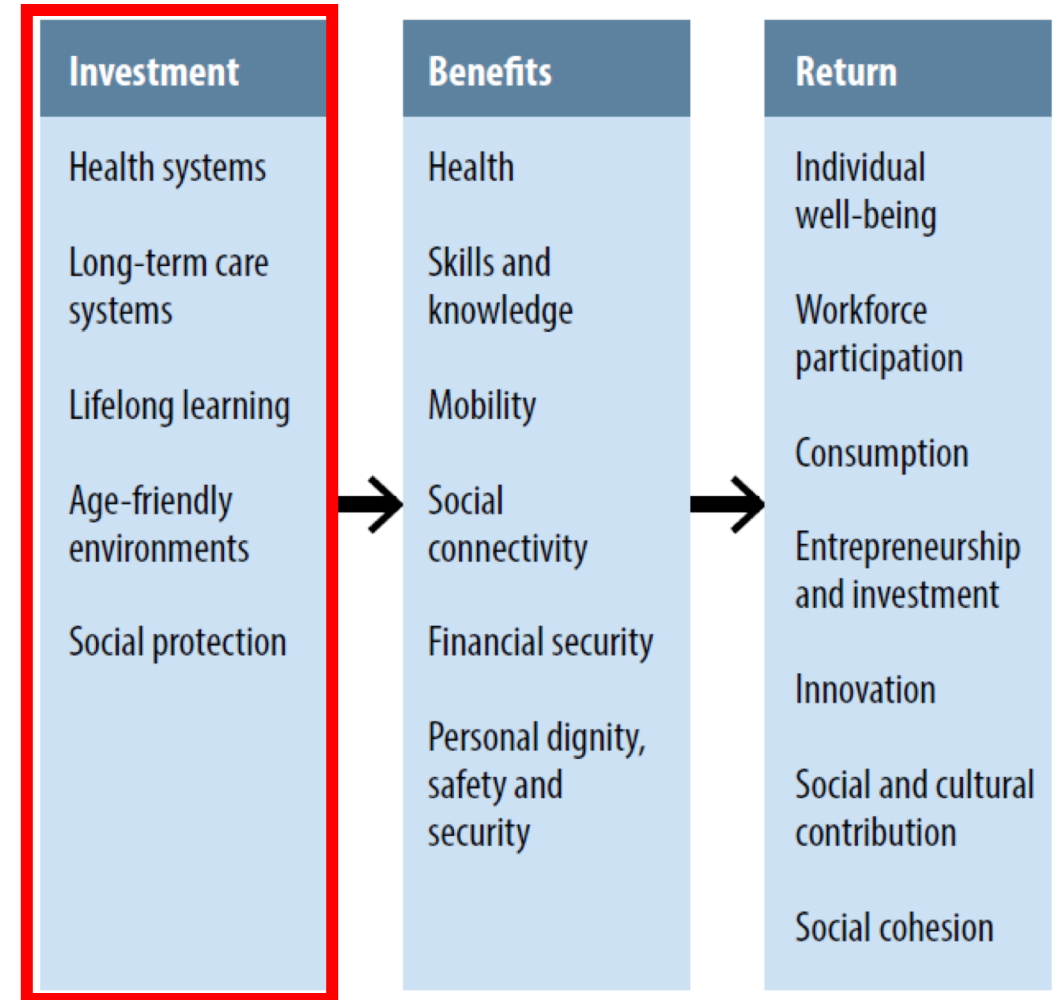


Fig. 1.3. Investment in and return on investment in ageing populations



Source: adapted from unpublished information from the World Economic Forum's Global Agenda Council on Ageing, 2013.

Conclusion

1. What do the elderly want? Supporting the role of the family and community
2. Minimum standards of health and social care, including welfare / SP reform
3. Continuum of aged care – Issues of Integrated Care (Low to High)
4. Differences in public, private and civil society-operated facilities & services (clientele, purpose, capacity, function) – no one size fits all solution
5. Legal reform (Monitoring & supervision) and attitudes towards ageing
6. Financing mechanisms (Funding) and sustainability – rights vs. responsibilities
7. Need for evidence-based policymaking, better quality data and sharing / access – Big data analytics
8. Moving from welfare-oriented approach to an industry /consumer development approach

Key Take-home Message

#1. Older persons are not a burden. A society for all ages means that the elderly enjoy the same basic rights and privileges as others, including food, shelter, health care, education and work.



Older Persons
as a Resource

#2. Older persons are a heterogeneous lot. Of all age groups, the greatest heterogeneity or diversity is found among older persons. Whether it is age, sex, ethnicity, location, health status or other socio-economic differences, the effects of life experiences over the life course lead to unique and unpredictable outcomes.

Changing
Cohorts



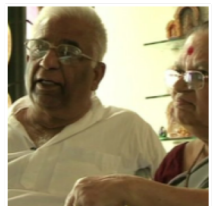
#3. Older persons are neither the sole responsibility of Family or State. The debate on shared responsibility begins with the younger self. We have responsibilities to ourselves and to each other.



Shared
Responsibility

#4. Older persons are consumers too. The public, private and voluntary sectors must recognize that the triple bottom line (economic, social and environmental) framework is a basis for smart partnerships. The silver market represents the opportunities that comes together with the challenges of population ageing.

Silver-hair
Industry



#5. The science of longevity is not as important as adding life to years. What happens when we all live to 142?



Research &
Development



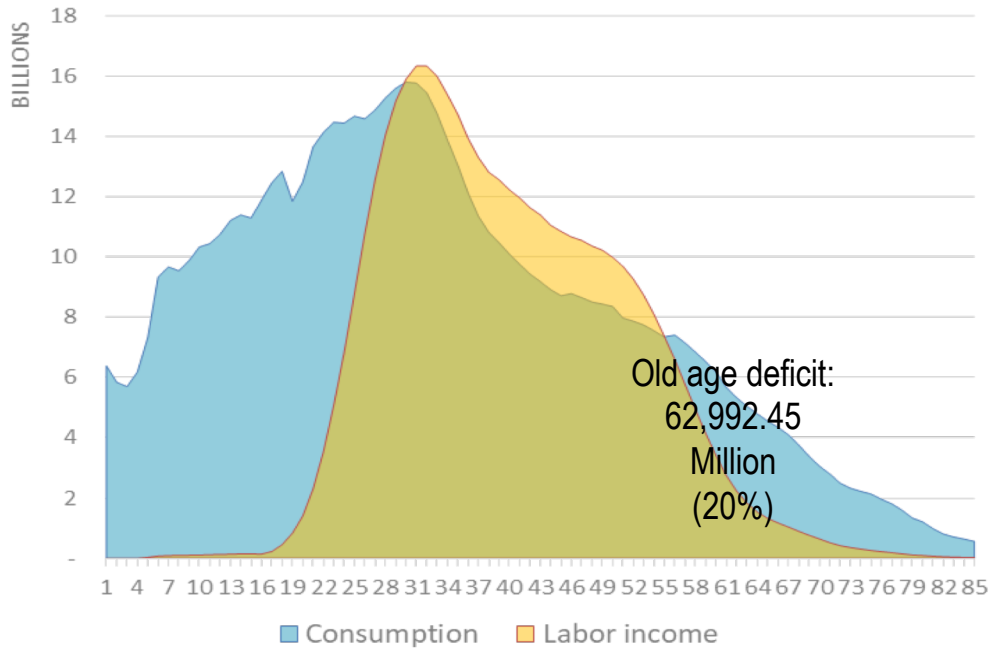
New Building Officiating Ceremony
23 September 2019



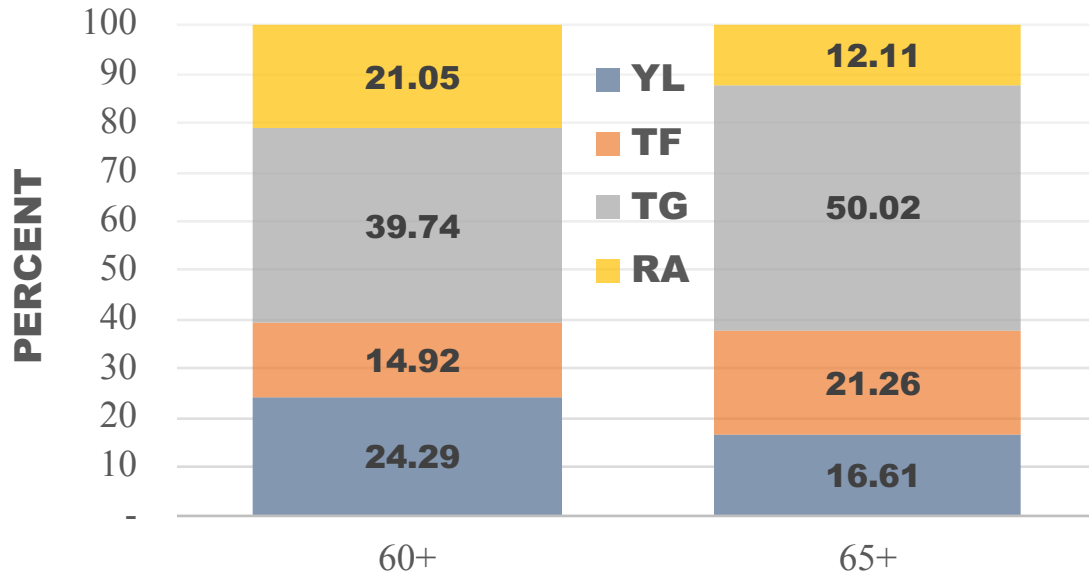
TERIMA KASIH/*THANK YOU*

www.upm.edu.my

BERILMU BERBAKTI
WITH KNOWLEDGE WE SERVE



Source: Authors NTA calculation using HIES 2014]



NTA: A new policy tool

Financing Old Age Deficit, Malaysia, 2014

- ❑ Deficit for old-age is about 20% of the total deficit
- ❑ Deficit for old age < young ages due to fewer number of persons in older age categories

Sources & Importance:

- ❑ OP has multiple sources of financing old age
- ❑ Both TF and TG almost entirely goes to young (NOT Old)
- Older elderly rely on both family (TF) and public (TG) transfer
- Younger elderly (60+) has three main sources: TG, YL and RA
- But generally, **public transfer (TG) is the main source** of financing when we get old

Implication:

- Fiscal burden and sustainability, economic growth & our ability to secure the second demographic dividend

Active Ageing Index

The 2014 active ageing index

