

CASE  
STUDY

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# POPULATION AGEING IN MALAYSIA

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## Executive Summary

Population ageing is a relatively new phenomenon in Malaysia. The proportion of population aged 60 years and older had been gradually increasing from 5.2% in 1990 to 6.2% in 2000 and 8.0% in 2010. However, the tempo of population ageing will accelerate in the next few decades. Malaysia will be an ageing nation by around 2030 when 14% of the population will be 60 years old and over. By 2050 this will further increase to 24%. Among the older population, the oldest old will be growing at a faster pace. Population ageing is the result of gain in life expectancy and fertility decline to replacement level in 2012. The continuing fertility decline also resulted in labour shortage and erosion of family support for older people.

Population ageing poses serious challenges to the health care and social protection systems, but it also presents an opportunity to tap the vast reservoir of human resources of experienced workers for national development, in the light of a tight labour market. To allow older people to work longer, the Government has raised the retirement age for both public and private sector employees to 60 years old since 2014 from 58 years (public sector) and 55 years (private sector). Still, more efforts are needed to promote active and productive ageing.

The older population is by no means a homogenous group, and their needs differ widely. Older men are more likely to have a surviving spouse than older women, as the incidence of widowhood increased rapidly with advancing age among older women. About two thirds of older adults co-reside with children, while many also receive remittances from children. Many older adults have had no formal education, and are engaged in informal services and agricultural activities. However, with the rising trend in education, the rapidly increasing number of older people with higher education in the next few decades will constitute a pool of skilled human resources.

There are more women than men aged 70 and over in Malaysia, and the gap widens in older age groups. Older women are also much more likely to be widowed than men. The constitution guarantees equal rights for all, but women are discriminated at the work place, and in terms of inheritance. Although women are the main care providers and they take on multiple roles, only less than one fifth of households are headed by women. Compared to older men, older women are in greater need for financial assistance and support. The National Policy for Women focuses more on

younger women, especially those in the labour force. Health programmes also focus more on women in the reproductive years, and there is relative neglect of the health care needs of older women.

One of the major challenges in population ageing is the provision of adequate health care services to a rapidly increasing number of older persons with deteriorating health or multiple illnesses. In Malaysia, population ageing has been accompanied by a rise in non-communicable diseases, caused by sedentary lifestyle and food habits. The increasing number of older persons is straining the health care system. Geriatric care in the country is still underdeveloped and available services could not meet the rapidly increasing demand. To meet the health care needs of the rapidly increasing number of older persons, measures are being taken to train more geriatricians and improve geriatric and long term care facilities. There are also efforts to promote healthy living through health education and campaigns to prevent further rise of non-communicable diseases.

Another major challenge in population ageing is the provision of adequate social protection. Older persons generally depend on income from work or savings, as well as financial support from children. The incidence of poverty is higher among older adults than the working age population. Are the existing five pillars of social protection adequate in providing for the needs of the increasing number of older persons? The cash and social assistance under pillar zero is rather limited and many who are in need do not receive it. The Employee Provident Fund (EPF) and Pension (for civil servants) which cover a little less than two thirds of the older adults, are inadequate to meet the financial needs for daily living of the older people, as most people used up their EPF savings within 5 years after retirement. Free and subsidized health care services are provided in government hospitals and clinics to older persons to alleviate their financial burdens amid the escalating health care cost.

Many Non-Government Organizations (NGOs) run by older adults and the community have played an important role in the care and well-being of the elderly, especially with the erosion of family support system which is a consequence of shrinking family size, out-migration of adult children and increased female labour force participation in the modern sector. Government, NGOs and the private sector are forging smart partnerships to cater to the needs of older people, including health care, home care and provision of special privileges to older persons.

The National Policy for the Elderly calls for efforts to enable older people to live independently, with respect and dignity, through self-reliance and continuous participation in society. Various government agencies, such as the Department of Social Welfare and the Ministry of Health have been providing health care and social services to safeguard the welfare of older people.

While Malaysia has taken measures to address issues of population ageing, including the adoption of the National Policy for Older Persons and the National Health Policy, the effectiveness of policies and programmes have yet to be evaluated. With increased funding, Gerontology and geriatric research have proliferated in recent years, and the findings from this research can be used for the formulation, monitoring and evaluation of policies and programmes.

There is a need to promote active and productive ageing from the development perspective, and care and protection from the welfare perspective. Efforts

must be made to encourage and facilitate the older persons to participate actively in social and economic activities, as stipulated in the National Policy for Older Persons. Financial and health care needs of the older persons must be provided adequately through improved social protection schemes. Families must be given the needed support to take care of their older members. There is a need to forge a smart partnership between the public and private sector. Efforts must also be stepped up to promote community involvement in the care of older persons, and NGOs must be given the necessary support to play their roles more effectively. In view of the increasing health problems, geriatric health care must be improved, and health education campaigns that promote healthy lifestyle must be given high priority. Research findings can be utilized in formulating, monitoring and evaluation of the policies and programmes.

## Introduction

### POPULATION AGEING AS AN EMERGING CONCERN IN MALAYSIA

Population ageing is a relatively new phenomenon in Malaysia. The number and proportion of aged 60 years and older increased gradually from 5.2 % in 1990 to 6.2 % in 2000 and 8.0 % in 2010. However, population projections indicate that the tempo of population ageing will accelerate in the next few decades. Malaysia will become an ageing nation by around 2030 when 14 % of the population will be aged 60 and over, and this will increase further to 24 % in 2050. The phrase "getting old before getting rich" is one of the most important features of population ageing in developing countries, including Malaysia. Moreover, the shrinking family size and breakdown of the extended family have eroded the traditional care and support for older persons. Social and economic consequences of the rapid increase in the number of older persons have caught the attention of policy makers and researchers.

The age structure of a population is shaped by past trends in fertility, mortality and migration. In Malaysia, population ageing is the result of gain in life expectancy and fertility decline to replacement level in 2012. Malaysia is currently enjoying a demographic

dividend, with working age population aged 15-64 years making up 67% of the total population. To sustain economic growth, the nation must take advantage of this window of opportunity, which will last for only a few more decades.

Population ageing and increase in old age dependency pose great challenges to social and economic development, health care, and social protection system. Malaysia still lacks a comprehensive social security scheme for retirees, their dependents and those who are not working. The country is undergoing epidemiological transition, with increasing prevalence of non-communicable diseases. Along with increasing affluence, non-communicable diseases increased the demand for health care services, especially in geriatric care. The 2011-2025 Country Health Plan highlighted that the rapidly ageing population has strained the health care system, because older people use health services far more than younger people (Malaysia, Ministry of Health, 2011). The increasing demand for long term care of older persons poses serious challenges to the capacity of the family and health care providers.