

Reproduced from *Older Persons in Southeast Asia: An Emerging Asset* edited by Evi Nurvidya Arifin and Aris Ananta (Singapore: Institute of Southeast Asian Studies, 2009). This version was obtained electronically direct from the publisher on condition that copyright is not infringed. No part of this publication may be reproduced without the prior permission of the Institute of Southeast Asian Studies. Individual articles are available at < <http://bookshop.iseas.edu.sg> >

OLDER
PERSONS
IN
SOUTHEAST
ASIA

The **Institute of Southeast Asian Studies (ISEAS)** was established as an autonomous organization in 1968. It is a regional centre dedicated to the study of socio-political, security and economic trends and developments in Southeast Asia and its wider geostrategic and economic environment.

The Institute's research programmes are the Regional Economic Studies (RES, including ASEAN and APEC), Regional Strategic and Political Studies (RSPS), and Regional Social and Cultural Studies (RSCS).

ISEAS Publishing, an established academic press, has issued more than 1,000 books and journals. It is the largest scholarly publisher of research about Southeast Asia from within the region. ISEAS Publishing works with many other academic and trade publishers and distributors to disseminate important research and analyses from and about Southeast Asia to the rest of the world.

OLDER
PERSONS
IN
SOUTHEAST
ASIA

AN EMERGING ASSET

EDITED BY

EVI NURVIDYA ARIFIN • ARIS ANANTA



INSTITUTE OF SOUTHEAST ASIAN STUDIES

Singapore

First published in Singapore in 2009 by
ISEAS Publishing
Institute of Southeast Asian Studies
30 Heng Mui Keng Terrace
Pasir Panjang
Singapore 119614

E-mail: publish@iseas.edu.sg

Website: <http://bookshop.iseas.edu.sg>

All rights reserved. No part of this publication may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, electronic, mechanical, photocopying, recording or otherwise, without the prior permission of the Institute of Southeast Asian Studies.

© 2009 Institute of Southeast Asian Studies, Singapore

The responsibility for facts and opinions in this publication rests exclusively with the authors and their interpretations do not necessarily reflect the views or the policy of the publisher or its supporters.

ISEAS Library Cataloguing-in-Publication Data

Older persons in Southeast Asia : an emerging asset / edited by Evi Nurvidya Arifin and Aris Ananta.

1. Ageing—Government policy—Southeast Asia—Congresses.
2. Older people—Southeast Asia—Economic conditions—Congresses.
3. Older people—Southeast Asia—Social conditions—Congresses.
4. Older people—Medical care—Southeast Asia—Congresses.

I. Arifin, Evi Nurvidya.

II. Ananta, Aris, 1954–

III. International Workshop on Financing Issues for an Ageing Society in Southeast Asia (2007 : Singapore)

HQ1064 A9O44

2009

ISBN 978-981-230-943-3 (soft cover)

ISBN 978-981-230-944-0 (hard cover)

ISBN 978-981-230-945-7 (PDF)

This book is meant for educational and learning purposes. The authors of the book have taken all reasonable care to ensure that the contents of the book do not violate any existing copyright or other intellectual property rights of any person in any manner whatsoever. In the event the authors have been unable to track any source and if any copyright has been inadvertently infringed, please notify the publisher in writing for corrective action.

Typeset by Superskill Graphics Pte Ltd

Printed in Singapore by Utopia Press Pte Ltd

Contents

<i>List of Tables</i>	ix
<i>List of Figures</i>	xv
<i>Foreword by Hal Hill</i>	xix
<i>Message from the Director</i>	xxv
<i>Preface</i>	xxvii
<i>Contributors</i>	xxix

PART I: INTRODUCTION

1. Older Persons in Southeast Asia: From Liability to Asset 3
Aris Ananta and Evi Nurvidya Arifin
2. Future Ageing in Southeast Asia: Demographic Trends,
Human Capital, and Health Status 47
*Wolfgang Lutz, Samir K. C., Hafiz T. A. Khan, Sergei Scherbov,
and George W. Leeson*

PART II: OLD-AGE INCOME SECURITY

3. Economics and Old Age: The Singapore Experience 71
David Reisman
4. National Long-Term-Care Severe Disability Insurance
in Singapore 97
Gerald Choon-Huat Koh

5. Social Security and Health Care Financing for Older Persons in Thailand: New Challenges <i>Kusol Soonthorndhada</i>	116
6. An Exploration of a Universal Non-contributory Pension Scheme in Vietnam <i>Giang Thanh Long and Wade Donald Pfau</i>	140
 PART III: EMPLOYMENT AND OTHER SOURCES OF FINANCIAL CONTRIBUTION	
7. Employment of Older Persons: Diversity across Nations and Subnations in Southeast Asia <i>Evi Nurvidya Arifin and Aris Ananta</i>	167
8. Work, Income, and Expenditure: Elderly and Near-elderly Women in Metro Cebu, Philippines <i>Socorro A. Gultiano and Sonny S. Agustin</i>	218
9. Employability Approach to Financing Old Age <i>Chew Soon Beng and Rosalind Chew</i>	244
10. Facing the Geriatric Wave in Indonesia: Financial Conditions and Social Support <i>Tri Budi W. Rahardjo, Tony Hartono, Vita Priantina Dewi, Eef Hogervorst and Evi Nurvidya Arifin</i>	270
 PART IV: AGEING, MIGRATION, AND DEVELOPMENT	
11. The Nexus of Ageing and Migration in Singapore <i>Kalyani K. Mehta</i>	301
12. Overseas Labour Migration and Well-being of Older Filipinos <i>Grace T. Cruz and Elma P. Laguna</i>	314
13. Urbanization and the Ageing Community in Sarawak, Malaysia <i>Ling How Kee</i>	335

Contents	vii
PART V: ROLES OF GOVERNMENT AND CIVIL SOCIETY	
14. Ageing, Finance, and Civil Society: Notes for an Agenda <i>Philip Kreager</i>	361
15. Evaluation and Implementation of Ageing-related Policies in Indonesia <i>Nugroho Abikusno</i>	392
<i>Index</i>	415

List of Tables

5.1	Total Populations, Older Persons, and Median Age of the Total Population: Thailand, 1975–2025	118
5.2	Percentage of Older Persons Classified by Working Conditions, Economic Activities, Sex and Place of Residence: Thailand, 2001 and 2005	122
5.3	Number and Percentage of Personal Savings per Gross Domestic Product (GDP); Thailand, 1999–2004	124
5.4	Percentage of Older Persons by Living Arrangements: Thailand, 1994, 2002, and 2005	124
5.5	Percentage of Older Persons by Income Support from Various Sources: Thailand, 1994 and 2002	126
5.6	Percentages of Older Persons by Main Supporting Persons and Forms of Support: Thailand, 2002	126
5.7	Total Budget Allocation to Support Old Age Sustenance for Poor Older Persons: Thailand, 2003–07	134
5.8	Annual Budget Allocation for National Health Insurance Scheme: Thailand, 2003–07	137
6.1	Demographic Characteristics and Poverty of the Older Persons and Their Households in Vietnam, 2004	149
6.2	Changes of Poverty Rate under the Proposed NCP Scheme with Different Scenarios	152
6.3	Changes of Poverty Gap under the Proposed NCP Scheme	153
6.4	Costs of the Proposed NCP Scheme with Three Different Scenarios	157
6.5	Benefits of the Proposed NCP Schemes with Different Scenarios	158
6.6	Estimated Costs for a Universal NCP Scheme under Demographic Changes, 2004–2050	160

7.1	Numbers of Population, Older Persons, Population Aged 15–59, and Support Ratio: Selected Economies, 2000	170
7.2	Ageing Population and Labour Force Participation Rates (LPFR) of the Population Aged 60–64: Selected Economies in Southeast Asia, 2000	171
7.3	Employment Sectors by Age: Indonesia and Its Selected Provinces: 2000	194
7.4	Employment Sector by Age: Thailand and Its Selected Provinces, 2000	195
7.5	Employment Sectors by Age: Singapore, 2000	196
7.6	Employment Sectors by Age: Brunei Darussalam, 2001	196
7.7	Employment Sectors by Age: Malaysia and Its Selected States, 2000	197
7.8	Employment Status by Age: Singapore, 2000	199
7.9	Employment Status by Age: Brunei Darussalam, 2001	199
7.10	Employment Status by Age: Indonesia and Its Selected Provinces, 2000	200
7.11	Employment Status by Age: Thailand and Its Selected Provinces, 2000	202
7.12	Types of Occupation by Age Group: Thailand and Its Selected Provinces, 2000	204
7.13	Type of Occupation by Age Group: Malaysia and Its Selected States, 2000	205
7.14	Type of Occupation by Age Group: Brunei Darussalam, 2001	206
8.1	Odds of Sample Women Remaining in the 2005 Survey	225
8.2	Selected Characteristics of the Sample Women in 2005 by Age	225
8.3	Work-related Characteristics of Women by Age	227
8.4	Domestic Work of Women by Age	230
8.5	Household Composition by Age	231
8.6	Household Income by Age	232
8.7	Other Sources of Income by Women's Age	234
8.8	Household Expenditure by Age	235
8.9	Regression Estimates for Expenditure Per Capita with Selected Characteristics of Middle-aged, Near-elderly and Elderly Women, 2005	236

8.10	Regression Estimates for Income Per Capita with Selected Characteristics of Middle-aged, Near-elderly and Elderly Women, 2005	237
9.1	Distribution of Active CPF Members by Engrossed Balances (Including Withdrawals) and Age Groups as of 31 December 2006	248
9.2	Distribution of Active CPF Members by Monthly Wage Levels and Age Groups as of 31 December of Respective Year	249
9.3	Proportion of Employees under Flexible Wage Systems, Singapore as of 30 June 2004	255
9.4	Proportion of Employees with Some Form of Wage Flexibility by Industries as of 30 June 2004	256
9.5	Number of Skills Development Fund (SDF) Sponsored Trainees: 1996, 1999, and 2005	257
9.6	Principal Statistics of Skills Development Fund (SDF): 2003 and 2005	258
9.7	Number of Trainees by Age: 2003 and 2005	258
9.8	Number of Trainees by Education: 2003 and 2005	259
9.9	Number of Trainees by Firm Size: 2003 and 2005	260
9.10	Expenditure Per Trainee by Firm Size: 2003 and 2005	260
9.11	Proportion of Funds Used by Firm Size	261
9.12	Revenue and Expenditure of Skills Development Fund (SDF)	261
9.13	CPF Contribution Rates for Workers aged 35 to 45, 2006	263
9.14	Indices of Unit Business Cost and Unit Labour Cost in the Manufacturing Sector (1993=100)	265
9.15	Unemployed Residents by Education Level ('000)	265
10.1	Changes in Number and Percentage of Older Persons: Indonesia, 1971–2025	272
10.2	Main Industry of Working Older Persons: Indonesia, 2006	276
10.3	Occupation of Working Older Persons: Indonesia, 2006	276
10.4	Monthly Net Wage of Working Older Persons in Comparison with Other Age Groups and Minimum Wage: Indonesia, 2002–2004	278

10.5	Older Persons' Main Source of Income in the Last Six Months: Indonesia, 2005	281
10.6	The Economic Strata of the Older Persons' Household: Indonesia, 2003 and 2006	283
10.7	Economic Vulnerability of Older Persons: Indonesia, 2003 and 2006	285
10.8	Reading Activities among Older Persons: Indonesia, 2006	288
10.9	Duration of Illness by Types of Residence: Indonesia, 2006	289
12.1	Characteristics of Older Recipients and Non-Recipients of Remittances: Philippines, 1996	319
12.2	Well-being of Older Recipients and Non-Recipients of Remittances: Philippines, 1996	321
12.3	Logit Regression of Economic Well-being of Older Persons	322
12.4	Logit Regression of Physical Well-being of Older Persons	324
12.5	Preventive Health Service Utilization by Whether Respondents Received Remittance or Not	325
12.6	Percentage of Who Take Care of Grandchildren Because Parents are OCW by Whether or Not They Received Any Remittance by Various Background Variables	327
13.1	Percentage of Urban Population: Sarawak and Malaysia, 1970–2000	337
13.2	Number of Population Aged 55 and Above: Sarawak, 1980 to 2000	339
13.3	Number of Population Aged 60 and Above: Sarawak, 2000 and 2004	340
13.4	Distribution of Respondents by Monthly Household Income	341
13.5	Income Distribution by Gender	342
13.6	Distribution of Respondents by Their Sources of Earnings	343
13.7	Distribution of Respondents by Number of Dependants Supported on the Income	344
13.8	Respondents' Work Status	345
13.9	Previous Employment	346
13.10	Distribution of Respondents by Spouse's Previous and Current Employment Status	346
14.1	Percentages of Households in Receipt of Charity in the Three Communities, 2000	377

14.2	Percentages of Households in Receipt of Charity by Strata, 2000	377
14.3	Percentages of Older Persons and Non-Older Persons Households in Receipt of Charity, 2000	379
14.4	Strata Comparisons between Older Persons and Non-Older Persons Households, 2000	380
14.5	Percentages of Older Persons and Non-Older Persons Households in Receipt of Charity by Strata: Kidul, 2000–05	380
14.6	Percentages of Minimum Annual Needs Covered by Charity, Various Scenarios	382
15.1	Frequency of Health Complaints of Older Persons	395
15.2	Distribution of Healthy Lifestyles of Older Persons	396

List of Figures

1.1	Percentage of Older Persons Aged 60 and Over in Southeast Asia: 1950–2050	12
2.1	Uncertainty Distribution for the Future Population Size of Southeast Asia: 2000–50	49
2.2	Uncertainty Distribution for the Future Population Size in Singapore: 2000–50	50
2.3	Future Paths in the Proportion of the Population Above Age 65 in Southeast Asia: 2000–50	51
2.4	Future Paths in the Proportion of the Population Above Age 65 in Singapore: 2000–50	51
2.5	Future Paths in the Proportion of the Population Above Age 80 in Southeast Asia: 2000–50	52
2.6	Future Paths in the Proportion of the Population Above Age 80 in Singapore: 2000–50	52
2.7	Age Pyramid by Level of Educational Attainment, Singapore 2000	54
2.8	Reconstruction of Age and Education Pyramids for Singapore in 1970	55
2.9	Projection of Age and Education Pyramids for Singapore in 2030	56
2.10	Age and Education Pyramids for Thailand in 1970	56
2.11	Age and Education Pyramids for Thailand in 2000	57
2.12	Age and Education Pyramids for Thailand in 2030	57
2.13	Age Profiles of ADL Scores for Men for Individual Countries and Pooled (All Educational Levels Combined)	59
2.14	Age Profiles of ADL Scores for Women for Individual Countries and Pooled (All Educational Levels Combined)	60

2.15	Age Patterns of ADL Scores for Women with Primary Education Only	60
2.16	Age Patterns of ADL Scores for Women with Secondary Education as Their Highest Educational Attainment	61
2.17	Average ADL Scores for Women Aged 15–79 from 2000 to 2050 (Not considering the changing educational composition of the population)	63
2.18	Average ADL Scores for Population Aged 40–79 with (“ADL-Edu”), and without (“ADL”) Considering Educational Structure: Singapore, 2000–50	63
2.19	Average ADL Scores for Population Aged 40–79 with (“ADL-Edu”), and without (“ADL”) Considering Educational Structure: The Philippines, 2000–50	64
2.20	Average ADL Scores for Population Aged 40–79 with (“ADL-Edu”), and without (“ADL”) Considering Educational Structure: Malaysia, 2000–50	64
3.1	Infant Mortality Rate (per 1,000 live births): Singapore and Some Other Countries, 2007	72
3.2	Life Expectancy at Birth: Singapore and Some Other Countries, 2007	72
3.3	Healthy Life Expectancy at Birth: Singapore and Some Other Countries, 2007	73
3.4	Adult Mortality in the Productive Years 15–60 (per 1,000): Singapore and Some Other Countries, 2007	73
3.5	Hospital Beds (per 1,000 of population): Singapore and Some Other Countries, 2007	75
3.6	Doctors (per 1,000 of population): Singapore and Some Other Countries, 2007	75
3.7	Percentage of Population Aged 65 and Above: Singapore and Some Other Countries, 2030	76
3.8	Projected Percentage of Population Over 65 Years Old: Singapore, 1957–2030	77
3.9	Selected Fertility Rates: Singapore and Some Other Countries, 2007	78
3.10	Total Fertility Rates by Ethnicity: Singapore, 1957–2003	78
3.11	Dependency Ratios of Resident Population: Singapore, 1980–2030	81
3.12	Old-Age Dependency Ratios: Singapore and Some Other Countries, 2007	81

3.13	The Age Profile of Health Care Expenditure: The Netherlands, 2000	86
3.14	Age-specific Prevalence of Hypertension: Singapore, 2004	87
3.15	Suicide Rates by Gender and Age Group: Singapore, 2003	88
3.16	Comparative Suicide Rates: Singapore, 1999 and 2005	89
3.17	Private and Public Expenditure on Health Care: Singapore, 1996–2005	92
5.1	Life Expectancy at Birth: Thailand, 1990–2025	119
5.2	Trends of Old Aged Population and Aged Dependency Ratio: Thailand, 1975–2025	120
5.3	Current Structure of Multipillar Retirement Saving Plans in Thailand	128
5.4	Employment Structure and Retirement Savings Coverage, 2006	133
5.5	The Structure of Health Insurance System: Thailand, 2006	136
7.1	Age Structure of Very Young Populations: Brunei Darussalam (2001), Jakarta, and Kuala Lumpur, 2000 (in percentage)	172
7.2	Age Structure of Youthful Populations: Indonesia, West Sumatra, Phuket, Malaysia, Trengganu, Penang and Johor, 2000 (in percentage)	173
7.3	Age Structure of Transitional Populations: Singapore, Thailand, East Java, and Chaiyaphum, 2000 (in percentage)	174
7.4	Age Structure of Old Population: Sing Buri, 2000 (in percentage)	174
7.5	Age-Specific Labour Force Participation Rates by Sex: Singapore, 1980 and 2000	185
7.6	Age-Specific Labour Force Participation Rates by Sex: Brunei Darussalam, 1981 and 2001	185
7.7	Age-Specific Labour Force Participation Rates by Sex: Thailand, 2000	186
7.8	Age-Specific Labour Force Participation Rates by Sex: Sing Buri, Thailand, 2000	186
7.9	Age-Specific Labour Force Participation Rates by Sex: Phuket, Thailand, 2000	187
7.10	Age-Specific Labour Force Participation Rates by Sex: Chaiyaphum, Thailand, 2000	187

7.11	Age-Specific Labour Force Participation Rates by Sex: Malaysia, 1980 and 2000	188
7.12	Age-Specific Labour Force Participation Rates by Sex: Indonesia, 1980 and 2000	188
7.13	Age-Specific Labour Force Participation Rates by Sex: Jakarta, Indonesia, 2000	189
7.14	Age-Specific Labour Force Participation Rates by Sex: West Sumatra, Indonesia, 2000	189
7.15	Age-Specific Labour Force Participation Rates by Sex: East Java, Indonesia, 2000	190
7.16	Types of Occupation: Thailand, 2000	206
7.17	Types of Occupation: Malaysia, 2000	207
7.18	Types of Occupation: Brunei Darussalam, 2001	207
8.1	Size of Population by Major Age Groups: Philippines 2000–40 (NSO medium series)	222
9.1	Seniority-based Wage System	251
9.2	Flexible Wage System	252
9.3	Worker's Income = Fixed wage component + MVC + Bonus	254
9.4	Social Safety Nets	266
10.1	Older Persons Watching TV: Indonesia, 2003 and 2006	287
12.1	Proportion of Older Couples with Remittances by Age and Sex: Philippines, 1996 PES	318
13.1	An Older Woman Weaving a Basket at Her Home in a Remote Village	343
13.2	A Group of Older Men Gather at a Shopping Mall	348
13.3	Older Persons Dancing at a Senior Citizens' Service Centre	348

Foreword

The editors and contributors to this volume are to be congratulated for a topical, fascinating and broad-ranging study of ageing in Southeast Asia. The authors raise many thought-provoking, indeed worrying, issues. But the subtitle could just as well have been something like “the challenge of success”, for one of the key drivers of Southeast Asia’s dramatic demographic transitions has of course been the region’s rapid socio-economic development.

The study deepens our knowledge of demographic issues in the ten countries and, more broadly, it connects to at least four sets of analytical and policy issues. The first is the speed of the region’s demographic transitions in recent decades. For a volume on ageing, it is useful to remind younger readers that the literature up to the 1970s was preoccupied with *rapid* population growth, and its associated challenges — providing employment, education and housing. Malthusian scenarios were ever-present in some countries, memorable for example in the arresting observation of Nathan Keyfitz that the island of Java was in danger of “asphyxiating for want of land”.

A decade into the twenty-first century, not only are population growth rates falling, but in some countries populations are actually declining, or at least they would if it were not for net in-migration. In Asia, Japan is leading the way in this respect, with Singapore and China following closely. Korea and parts of Southeast Asia are likely to be in this situation within a decade. As the editors observe, countries are becoming “old before they are rich”, which is contrary to the demographic experience of Western countries, with the wealth to more easily manage the economic challenges associated with ageing.

In Southeast Asia, the Singapore experience illustrates the rapidity of demographic change. As David Reisman points out, Singapore’s infant mortality rate has declined from 82 (per thousand live births) in 1950 to 2.6

in 2007, one of the lowest in the world. Correspondingly, its fertility rate has also fallen dramatically, from about 6.4 in 1950 to 1.3 in 2007. As a result, the “dependency ratio” (somewhat arbitrarily defined as the population aged under 15 and 65+ years, as a percentage of the working age population 15–64 years) at first fell sharply, from about 95 per cent in 1966 to 39 per cent in 2006. But it is now rising quickly, and it is projected to be about 65 per cent in 2030. Similar trends are evident elsewhere in the region, albeit in most cases not quite at the Singapore rate.

A second reason is that, perhaps more than any other social science discipline, demography connects to a wide range of cross-cutting issues, both conceptual and policy-oriented. This volume, with contributions not just from demographers but also from economists, psychologists, sociologists, health professionals, and social workers nicely illustrates the need for a multi-disciplinary approach to demographic issues.

For economists, the issues are relatively straightforward: rapid population growth results in a youthful population and a high proportion of young dependents, that is, a high dependency ratio. As population growth has slowed, and populations have aged, this ratio has fallen, that is, the percentage of the population in working age groups has risen. This is the period of the so-called “demographic dividend”, which much of East Asia has benefited from since the 1970s. Indeed, one strand of literature has gone so far as to argue that a good deal of the “East Asian miracle” can in fact be explained by demographics. Opinions divide on just how important a factor this may have been. One widely reported set of estimates by David Bloom and associates suggests that it may have accounted for as much as one-third of regional growth rates since the 1970s.

Conversely, as populations age and dependency ratios rise, this dividend will disappear and become a negative source of growth. The fact that this challenge, of looking after a large aged community, is now occurring in lower-middle income countries is historically unprecedented.

Authors from other disciplines approach these issues from a variety of perspectives. There is for example the moving account by Kalyani Mehta of the older members of the Gujarati community in Singapore, and how they feel socially and culturally isolated. Health professionals remind us that the demographic transition is also an epidemiological one, and that the World Health Organization’s notion of “active ageing” provides a helpful policy framework. There are in addition important gender dimensions, since women on average live longer than men, they are typically more engaged with the care of the elderly, and they generally

have less economic security in old age. Philip Kreager underlines the ramifications for civil society and mass organizations of a rapidly ageing population. Elsewhere, political scientists have examined the implication of “grey power”, including the inter-generational struggles for resources, for example over unfunded national pension schemes.

A third major issue relates to the striking demographic differences both between and within countries. A look at the statistics illustrates these differences, which are deftly examined by the editors in their overview chapter. Within Southeast Asia, there is no straightforward correlation between economic development and demographic change. The fastest transition has occurred in the richest country, Singapore. But the next richest of the major economies, Malaysia, has experienced much slower demographic change. Meanwhile, fertility has fallen quite quickly in Thailand and Indonesia, but not in the Philippines, as Socorro A. Gultiano and Sonny S. Agustin point out. Among the three Mekong economies in transition from plan to market, demographic change in Cambodia and Laos is much slower than that of Vietnam.

Thus the Philippines and Malaysia seem to be outliers within Southeast Asia. These two countries have very different development histories, cultures and institutions, suggesting that the relationship between socio-economic development and demographic variables is a complex, multi-faceted one.

There are also significant differences within countries, indicating that national population policies have uneven effects across regions and households. Some of these differences, moreover, have political ramifications. In Indonesia, for example, fertility has fallen very quickly in some regions (for example, Central and East Java, Bali, North Sulawesi), to the point where these regions now have fertility levels below replacement. Fertility levels among Malaysia’s *bumiputera* community are much higher than that of the Chinese community. Singapore’s leadership is known to fret over the inverse correlation between female education levels and fertility, as well as the related phenomenon of lower fertility levels in the ethnic Chinese community.

The volume also dwells on a fourth reason for interest in demographic issues, that of international dimensions. For rapidly ageing societies, inward migration is seen as one solution to the rising dependency burden, even in countries like Japan that have been historically resistant to immigration. International population movement in response to differential fertility rates might be seen as a win-win solution, to the extent that both the

“ageing” and “youthful” societies benefit: expanded employment and earnings opportunities for the latter, and managing the consequences of rapid ageing for the former. Indeed, academics such as Dani Rodrik argue that the gains for poor countries from international migration far exceed those from multilateral trade and investment liberalization, and that therefore opening global labour markets ought to be a central issue in any round of global commercial negotiations.

Nevertheless, these flows do raise concerns. The receiving societies worry about the social and economic integration of the new arrivals, while the source countries are concerned about the loss of human capital and the social disruption caused by absent parents. In both cases, the calculus differs depending on whether the flows are temporary or permanent.

An attractive feature of this volume is that it not only lays out the issues systematically but also canvasses policy options. A central theme is the need to regard an ageing community as an “emerging asset”, in the words of the editors, rather than a financial burden. Hence the notion of “active ageing”, with policies designed to assist the elderly to lead healthy, fulfilled and productive lives.

Specifically, as dependency ratios rise, there will need to be a range of policy responses. First, governments will need to help prepare the community to be able to manage their economic security in old age. This response will vary depending on social norms and political priorities. In Singapore, as Chew Soon Beng and Rosalind Chew point out, the historical distrust of the “welfare state” has led to alternatives, ranging from compulsory saving schemes through to training and other programmes to raise earnings and workforce participation. Kusol Soonthorndhada outlines the various social security and healthcare measures that Thai governments have adopted. Whether these initiatives are financially viable remains to be seen. Certainly the experience in neighbouring countries — notably Indonesia and the Philippines — is that unfunded national pension schemes may eventually become a fiscal time bomb.

A second policy response emphasized by several authors is an increased commitment to education and training, and greater labour market flexibility. Better-educated workers are likely to have higher life-time earnings, and therefore the ability to save more for old age. They are also likely to be more adaptable and easily retrained in response to changing economic structures. These measures need to be accompanied by greater labour market flexibility, including the elimination of age-based discrimination in the labour market.

Third, international migration will continue to be a key part of the solution, especially in Southeast Asia, a region traditionally known for its porous international boundaries and its ethnic diversity. Singapore and Malaysia have one of the highest proportions of immigrant workers in their labour forces, while the Philippines is the third or fourth largest recipient of international remittances in the world. ASEAN as an institution has begun to move slowly in response to these developments, with the establishment of the ASEAN Labour Area and other initiatives. But whether or not ASEAN develops more formal mechanisms, these population flows will continue regardless, as long as economic disparities within the region remain large.

There is a range of additional measures advocated by the authors, including infrastructure and housing programmes that accommodate the needs of the elderly, attention to social mores that engender respect for the elderly as valued members of the community, health programmes that reduce the need for expensive, institutionalized care, and much else.

These are just some of the issues discussed in this readable and accessible volume. I commend it to a diverse readership — regardless of age! — in the academic, policy and business communities, as well as the general public.

Hal Hill

*H.W. Arndt Professor of Southeast Asian Economies
The Australian National University*

Message from the Director

With their growing importance in both developing and developed countries, issues relating to the ageing population in Southeast Asia continue to be one of the major research interests of the Institute of Southeast Asian Studies (ISEAS). One of the primary concerns is how to transform older persons from liabilities to assets, given the possible decline in number and proportion of the working age population, combined with limited availability of social security schemes. Because of its complexity, the examination cannot be conducted from one discipline only. It should be an interdisciplinary work.

Therefore, I am glad that two ISEAS researchers, Dr Evi Nurvidya Arifin and Dr Aris Ananta, have brought together experts from various disciplines, examining the above issues in Southeast Asia and producing this book. Earlier, Dr Lee Hock Guan, also researcher at ISEAS, edited *Ageing in Southeast and East Asia: Family, Social Protection and Policy Challenges* (Singapore: Institute of Southeast Asian Studies, 2008). Currently, another edited book, under the theme of gender and ageing, is being prepared by Dr Theresa Devasahayam, another ISEAS researcher.

I hope that this book, and others in the series of publications on ageing by ISEAS researchers, can stimulate deeper discussions on the need for better ageing-related policy formulation in Southeast Asia and beyond.

K. Kesavapany
Director
Institute of Southeast Asian Studies

Preface

In the twenty-first century, the ageing population has become a global phenomenon. Its economic, social, and political impacts are apparent in almost all countries. Worldwide, the proportion of population aged sixty and over is growing faster than any other age groups. Looking towards the future, the growth rate of the ageing populations in Southeast Asia will also accelerate, and some countries will even reach higher rates than in developed countries. The heterogeneous feature of Southeast Asia indicates that some countries will be demographically “advanced” but economically developing. To some extent this will incur certain economic, social and political burdens and perhaps even impede economic growth, adversely affect social cohesion, and even endanger political stability, if not anticipated with appropriate policies and programmes.

Rapid ageing in Southeast Asia is also accompanied by other underlying social, political, economic and technological transitions. There have also been a rising number of studies on ageing in Southeast Asia, raising many fundamental questions. How does the elderly population remain independent and active economically and therefore reduce the burden of the younger population? Will the rapid increase of the pace and stages of ageing population bankrupt the health care services and social security systems? How will the change in norms on family affect the financing of the elderly population? Can we promote the growing size of older persons as a possible asset for development? This book contributes to a better understanding of ageing populations in Southeast Asia, especially in one particular, and very important, aspect of ageing communities — the financing of the older persons and the possible transformation of older persons from liabilities to assets. The book also concludes that active ageing is one of the aims of the development, as well as an important means to solve the financing issues of the older persons. This book offers a much wider understanding of financing

older persons from the social, cultural and political perspectives. It provides valuable insights not only for Southeast Asia, but also elsewhere in this era of the “ageing century”.

The chapters in this book were first presented in a two-day international workshop on “Financing Issues for an Ageing Society in Southeast Asia” on 3–4 September 2007 and a half-day public seminar on “Financing Ageing Population in the ASEAN Community” on 5 September 2007 at the Institute of Southeast Asian Studies (ISEAS), Singapore. The workshop and seminar were organized by ISEAS.

We, the editors of the book, would like to thank all authors for their contributions to this book. We are thankful for Professor Chew Soon Beng who presented his paper in the public seminar and agreed to publish his paper co-authored with Professor Rosalind Chew in this volume. Our thanks go to Mr Rodolfo C. Severino, former ASEAN Secretariat-General and currently Head of the ASEAN Studies Centre at ISEAS, for his thoughts and insights presented during the public seminar, and to Professor Kalyani Mehta, who not only contributed to this book but also engaged the audience of the public seminar through her presentation. We also appreciate all comments raised by the participants of both the workshop and public seminar.

We would like to thank Ambassador K. Kesavapany, Director of ISEAS, who gave his full support through the entire process of the publication of the book. Our gratitude also goes to Dr Chin Kin Wah, Deputy Director of ISEAS, for overseeing this multi-disciplinary project. We very much appreciate and acknowledge the generous support from the Institute to these two events. Without the conducive environment at the Institute, the book would possibly not be published.

We would like to thank the workshop rapporteurs, Mr Deepak Nair and Ms Jean Tan. A special thank goes to the administration unit, especially Mrs Y. L. Lee, Ms Karthi Nair, Mr Tee Teow Lee and Mr Ramlee, who have worked hard organizing many administrative details and preparing the workshop and public seminar. Last but not least, our gratitude goes to Mrs Triena Ong, Head of the Publications Unit of ISEAS, and Ms Rahilah Yusuf for making this volume a reality.

*Evi Nuroidya Arifin
Aris Ananta*

Contributors

Nugroho Abikusno is Director of InResAge Jakarta, Center for Community Health and Population Studies, Trisakti University, Jakarta and a member of the National Commission for Older Persons, Republic of Indonesia.

Sonny S. Agustin is Junior Research Associate, University of San Carlos Office of Population Studies Foundation, University of San Carlos, Cebu City, Philippines.

Aris Ananta is Senior Research Fellow at the Institute of Southeast Asian Studies, Singapore.

Evi Nurvidya Arifin is Visiting Research Fellow at the Institute of Southeast Asian Studies, Singapore.

Chew Soon Beng is Professor of Economics and Industrial Relations, Division of Economics, Nanyang Technological University, Singapore.

Rosalind Chew is Coordinator of the Economic Growth Centre of the Economics, Division of Economics, Nanyang Technological University, Singapore.

Grace T. Cruz is Associate Professor and Director of the University of the Philippines Population Institute (UPPI), University of the Philippines.

Vita Priantina Dewi is Researcher at Center for Health Research, University of Indonesia.

Giang Thanh Long is a lecturer at the National Economics University, Hanoi, Vietnam.

Socorro A. Gultiano is Senior Research Associate, University of San Carlos Office of Population Studies Foundation, University of San Carlos, Cebu City, Philippines.

Tony Hartono is member of National Commission for Older Persons, Republic of Indonesia.

Eef Hogervorst is Professor of Psychology, Department of Human Sciences, Loughborough University, United Kingdom.

Hafiz T.A. Khan is Senior Lecturer in Applied Statistics, Department of Economics and Statistics, Middlesex University, London, and Associate Research Fellow, Oxford Institute of Ageing, Oxford University.

Gerald Choon-Huat Koh is Assistant Professor at the Department of Epidemiology and Public Health, Yong Loo Lin School of Medicine, National University Health System, Singapore.

Philip Kreager is Lecturer in Human Sciences, Sommerville College, and Senior Research Fellow, Oxford Institute of Ageing, Oxford University.

Elma P. Laguna is Ph.D. Fellow, Bremen International Graduate School of Social Sciences, Bremen, Germany.

George W. Leeson is Deputy Director and Senior Research Fellow at the Oxford Institute of Ageing, Oxford University.

Ling How Kee is Head of the Department of Sociology and Anthropology, Faculty of Social Sciences, Universiti Malaysia Sarawak.

Wolfgang Lutz is Leader of the World Population Program at IIASA, and Director of the Vienna Institute of Demography of the Austrian Academy of Sciences, Austria.

Kalyani K. Mehta is Associate Professor, Department of Social Work, National University of Singapore.

Wade Donald Pfau is Associate Professor at the National Graduate Institute for Policy Studies (GRIPS), Tokyo, Japan.

Tri Budi W. Rahardjo is Senior Researcher at Center for Health Research, University of Indonesia, Jakarta, and a Member of the National Commission for Older Persons, Republic of Indonesia.

David Reisman is Professor of Economics, Division of Economics, Nanyang Technological University, Singapore.

Samir K.C. is Research Scholar at the World Population Program at International Institute for Applied Systems Analysis (IIASA), Austria.

Sergei Scherbov is Senior Research Scholar at the World Population Program at International Institute for Applied Systems Analysis (IIASA), and Leader of the Population Dynamics and Forecasting Research Group at the Vienna Institute of Demography of the Austrian Academy of Sciences, Austria.

Kusol Soonthorndhada is Senior Researcher at the Institute for Population and Social Research, Mahidol University, Thailand.

