

Ageing in
Southeast and
East Asia

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Ageing in Southeast and East Asia

Family, Social Protection
and Policy Challenges

EDITED BY
LEE HOCK GUAN



INSTITUTE OF SOUTHEAST ASIAN STUDIES

Singapore

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30 Heng Mui Keng Terrace
Pasir Panjang
Singapore 119614

E-mail: publish@iseas.edu.sg

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The greying of Southeast Asia is becoming a reality at much faster rates than previously experienced by the developed countries. Needless to say, the social, economic and political implications raised by the phenomenon of ageing on a massive scale in the region are enormous. Population ageing, for example, would increase the pressure on governments to increase spending on pensions, health and social welfare provisions. In turn, public provisions and capacity to assist the older population are partly determined by a combination of the size of the absolute numbers of older persons and the level of aggregate wealth of a country. Since all the Southeast Asian countries are in the low to middle-income categories, with the exception of Singapore, it would mean that to meet the socio-economic challenges of an ageing population they would have to ensure substantial economic development as well.

The workshop on ageing was organized in part to raise awareness of the phenomenon of population ageing and in part to stimulate intellectual exchange on population ageing and the status of the older populations in the region and their policy implications. Four areas addressed by the workshop were: 1) comparisons of the formulation and implementation of ageing policies in East and Southeast Asia, 2) the family support system and housing for the older population, 3) economic security, or insecurity, and law and the older persons, and 4) health status and health care financing, and the feminization of older populations.

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Lee Hock Guan

CONTRIBUTORS

Abn Kye Choon is Professor, Department of Sociology, Yonsei University, Seoul, South Korea

Alex Arifianto is Researcher, The SMERU Research Institute, Jakarta

Chia Ngee Choon is Associate Professor, Department of Economics, National University of Singapore

Chung Kyung Hee is Research Fellow, Korea Institute for Health and Social Affairs

Nibhon Debavalya is Senior Research Associate, College of Population Studies, Chulalongkorn University, Bangkok

The late *Sri Harijati Hatmadji* was Director, Demographic Institute, Faculty of Economics, University of Indonesia

Yukinobu Kitamura is Professor of Economics, Institute of Economic Research, Hitotsubashi University

Lee Hock Guan is Senior Fellow, Institute of Southeast Asian Studies, Singapore

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

Josefina N. Natividad is Professor, Department of Sociology, University of the Philippines, Diliman, Quezon City

Nurizan Yahaya is Associate Professor, Head, Biosocial, Cognitive and Functional Laboratory, Universiti Putra Malaysia

Ong Fon Sim is Associate Professor, Faculty of Business and Accountancy, University of Malaya

Tengku Aizan Hamid is Associate Professor, Director, Institute of Gerontology, Universiti Putra Malaysia

Thang Leng Leng is Associate Professor, Department of Japanese Studies, National University of Singapore

Albert Tsui K.C. is Associate Professor, Department of Economics, National University of Singapore

Nur Hadi Wiyono is Researcher, Demographic Institute, Faculty of Economics, University of Indonesia

Grace Wong is Senior Lecturer, Department of Real Estate, National University of Singapore

Yap Mui Teng is Senior Research Fellow, Institute of Policy Studies, Singapore

INTRODUCTION

Lee Hock Guan

In recognition of the situation of older persons in the world, 1999 was declared as the International Year of Older Persons by the United Nations. Following the Second World Assembly on Ageing held in April 2002 in Madrid, Spain, the inaugural ASEAN Senior Officials Meeting on Social Welfare and Development, held in October 2002 in Siem Reap, Cambodia, included in its ASEAN Work Programme on Social Welfare, Family, and Population (2003–06), priorities to take into account with regard to welfare, the family and population, given the emerging challenges arising from demographic developments, particularly population ageing.

Population ageing — the process by which older persons assume a proportionately larger share of the total population — is fast becoming a reality in Southeast Asia, but at much faster rates than previously experienced by developed countries. In part this is due to the huge advances made in the areas of health care knowledge, technologies and services, and as well as their accessibility by an increasingly larger segment of the population. Better control of perinatal and infant mortality, a decline in birth rates, improvements in nutrition, basic health care and control of many infectious diseases have all contributed to a Southeast Asian demographic transition revolution. In 1975, the estimated number of older persons was 18.3 million (or 5.7 per cent of the total population), but by 2000, that number had doubled to 37.3 million (or 7.1 per cent), and was projected to reach 87.9 million in 2025 (12.3 per cent).¹ From 1975 to 2025, or in two generations, while the total Southeast Asian population would increase from 522.1 to 692.2 million, or by 32.6 per cent, the number of older persons would increase by 135.6 per cent. The number of older persons has been projected to reach 176.1 million or close to a quarter of the total population by 2050.

These indicators clearly confirmed that the greying of Southeast Asia is becoming a reality at much faster rates than was previously experienced by

developed countries. The increase in the number of elderly people in countries such as Thailand and the Philippines will be up to 15 times higher than in the United Kingdom and Sweden in the period 1985–2020; this is part of the process known as the “compressed demographic transition”. As in the case of the developed world, women form the majority of older people, a development usually referred to as the “feminization of later life”. In virtually all Southeast Asian countries, this proportion increases with age. As Southeast Asian countries undergo rapid declines in fertility and mortality rates, they are experiencing varying stages of population ageing.

The economic and social implications of ageing are directly connected to the increasing proportion of the elderly in the population as well as the increase in their absolute numbers. For example, in 2000, while Singapore had the highest proportion of the elderly — 12 per cent (170,000) of its population aged 60 years and older — Indonesia had the highest absolute number of 14 million, which was 7.2 per cent of the population. This meant that even though the elderly population in Indonesia was only 7.2 per cent in 2000, it still had an ageing problem because of the large absolute number involved, especially since a disproportionate percentage of the older population are concentrated in the rural areas.

The social, economic and political implications raised by the ageing phenomenon in the region are enormous. Because of the fast speed of ageing, the region, unlike developed countries, cannot afford the luxury of time for the gradual evolution of social and structural support systems and networks for the older population. Southeast East Asian nations will need to formulate and implement without delay comprehensive policies to deal with the impending “age quake”. Studies have shown that proper policies are best implemented and the appropriate infrastructure constructed to prepare for the inevitable ageing of the population when the dependency rates are still low. This demographic window is an opportunity that should not be ignored.

Fortunately, evidence suggests that nearly all Southeast Asian governments have recognized the phenomenon of population ageing and have started the processes of formulating and implementing national ageing policies. Chapters 4 to 7 examine the national ageing policies of Singapore, Indonesia, Malaysia and Thailand respectively. However, the existing national policies in Southeast Asia, with the exception of those in Singapore, are inadequate and underdeveloped, and as such would need much more work and commitment. Even in the case of Singapore, its established policies and programmes are being reviewed in view of the changing demographics; in other words, policies need to be dynamic. Several salient points should be taken into account in the formulation of national ageing policies such as: the older

population is not a homogenous group, feminization of ageing, equity and sustainability of welfare policies, and the challenge of utilizing the older population as a resource, instead of viewing them as a burden.

Frequently, ageing policies were formulated without sufficient research and available data, consultations with experts, and input from the very people the policies were designed for — the older population; Chapter 3 on Korea shows the need to understand the many sided aspects of ageing as a means to formulate better policies for the older population. Institutions should be tasked, and, if none exist, created, to act as national data collection centres, to conduct and coordinate research on the ageing phenomenon, and to formulate appropriate policies and programmes. In a number of Southeast Asian countries, there are glaring gaps between ageing policies and their implementation and outcomes; this suggests the need for more effective processes and procedures for execution and monitoring of the policies.

The financial expenditure needed to support the older population would increase with the growing proportion of the aged and the longer survival of the aged population. Chapters 1 and 2 evaluate the adequacy of the existing national financial support systems of Japan and Singapore respectively in addressing the retirement needs of their older populations. These two studies illustrate the strengths and limitations of the existing support systems for the older populations and it is worthwhile to consider briefly a fundamental difference between East and Southeast Asian, and European, approaches to public welfare.

Several studies on the existing public pension systems in Western countries have indicated that they were not sustainable if economic growth and productivity could not continue to increase to keep pace with the population ageing process. Indeed, European countries have already begun to rethink their existing policies and programmes in view of a looming crisis of sustainability. The emergence of European social security systems can be traced to the expansion of social rights to include citizens' welfare. In the past, because European citizenship understood human beings as rights-bearing, autonomous individuals, social contracts mainly emphasized the contractual relations between the state and individuals. The question of welfare thus became the responsibility of the state towards the individual, giving rise to a largely public sector-based welfare system. Several European countries appear to be moving from systems where the state plays the major role in welfare provision for the older population, towards greater individual and family responsibility.

In contrast to the European rights-bearing, autonomous individual, the predominant notion of a person in East and Southeast Asian countries is that

of a role-bearing individual with an emphasis on concrete interpersonal relationships and interactions. Since a web of relationships and interactions circumscribe an individual's position in society, it is expected that the community — and especially the family — would be apportioned an important role in the social contract. In all East and Southeast Asian countries the family, or more generally, kinship networks, contribute substantially to taking care of the elderly in the society (Chapters 8, 11 and 12). In practice, of course, Asian states also provide assistance to family support, especially in the case of poor families or civil servants' families. However, the sustainability of largely family-based Asian welfare systems has been adversely affected by several trends, such as the changing perceptions of familial roles, the growing number of nuclear families and unmarried individuals, declining fertility and increased population mobility. In effect these trends mean that Asian states will have to play a larger role in caring for the elderly in the future, and these factors have to be considered in developing income security schemes for old age in Southeast Asia.

The Singapore “many hands” model, where the well-being and welfare of the older population are regarded as the responsibilities of the individual and the family first, and then of the community, with the state coming in as a backup, is potentially an example that could avoid the sustainability trap (Chapters 4 and 9). Nevertheless, one has to be cautious with using the family as the primary support base for the aged population, given the increasing trend of migration, and the increasing number of smaller families (two children or fewer) and the singles population (Chapters 8, 11 and 12).

The health status and expenditure for health of the older population are key areas that need more research and carefully thought out and planned policies. The upward trend for health expenditure is invariable with the increasing proportion of the older population and the longer survival of the aged population. To minimize morbidity and disability in old age and thus lower health costs, emphasis should be given to promoting healthy life styles and early health screening and detection. Other ways to ensure cost-effective care include the development of community-based services, the strengthening of family support and home care, the improvement of housing and living arrangements, and the provision of step-down services to hospitals, such as day care, home nursing, hospice and so on. The financing of care should take the following into consideration: family support for home care, personal savings and community services for primary health care, compulsory savings for hospitalizations and acute care, insurance and institutional support for catastrophic and long-term care, and taxation and state welfare as a safety net.

While the full challenge posed by the greying of the region would only be felt at national levels in the near future, older persons in the region are already experiencing various old-age vulnerabilities because of marginalization and exclusion, and inadequate social protection and welfare measures. Old-age vulnerabilities are further accentuated by the socio-psychological perception that conflates old age with illness or disability, instead of equating it with opportunities for positive change and productive functioning. The prevailing learned social and cultural perceptions and attitudes that view old age as a “disability” should be changed to regard it as an “asset” (Chapter 10).

The employment and employability of the older population should be reviewed given that the older population are living longer healthy lives and are better educated. Furthermore, rather than regarding the aged population as a “dependent” population, they should be regarded as “consumers” providing opportunities for the development of a “silver” industry. Initiatives to improve social networks, housing, public services, leisure activities, public safety and the physical environment for the older population should be undertaken to enhance their quality of life and to develop the “silver” market. Hence, for Southeast Asian countries to meet the challenge of the greying of their populations, they should start to formulate and implement long-term policies to address the gradual ageing of their population, and steps should be taken to look at approaches to reduce the health costs of an ageing population.

Note

- ¹ Most developed countries usually use the age of 65 years and above as the definition of older, or “elderly”, person. It has been pointed out that while this definition is suitable for developed countries, it may be problematic for developing countries where the age of becoming “old” could be different. In this volume, authors have used either 60+ or 65+ to refer to the older population.