



Issues and Challenges of Demographic Changes and Active Ageing Participation in Malaysia

By

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Agenda

1. Introduction

2. Outlook on the aged Malaysian economy

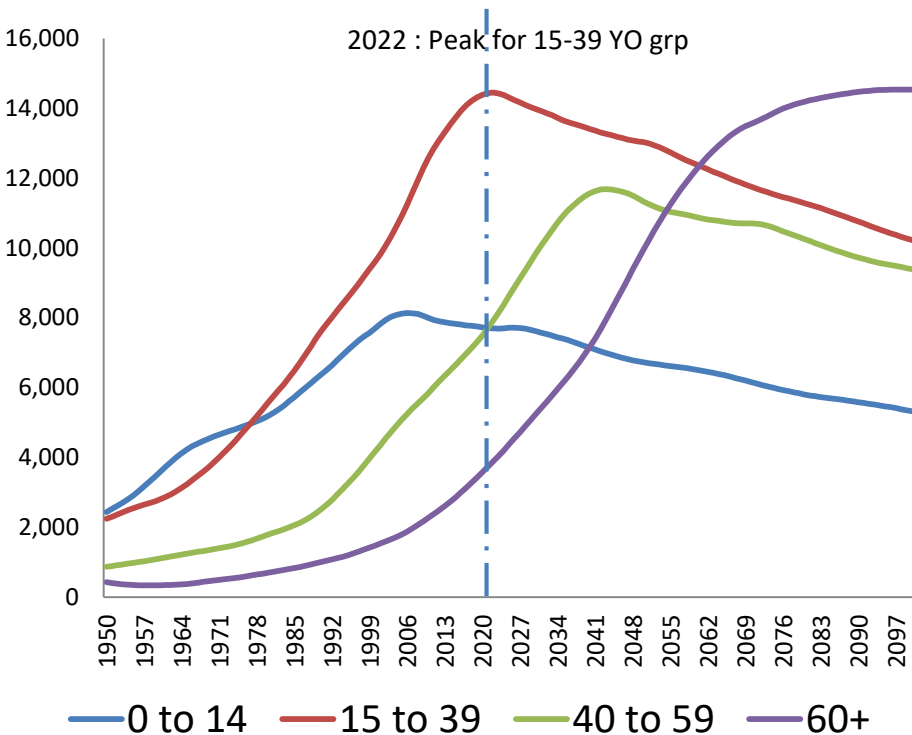
3. Active ageing issues, challenges and potential

4. Conclusion

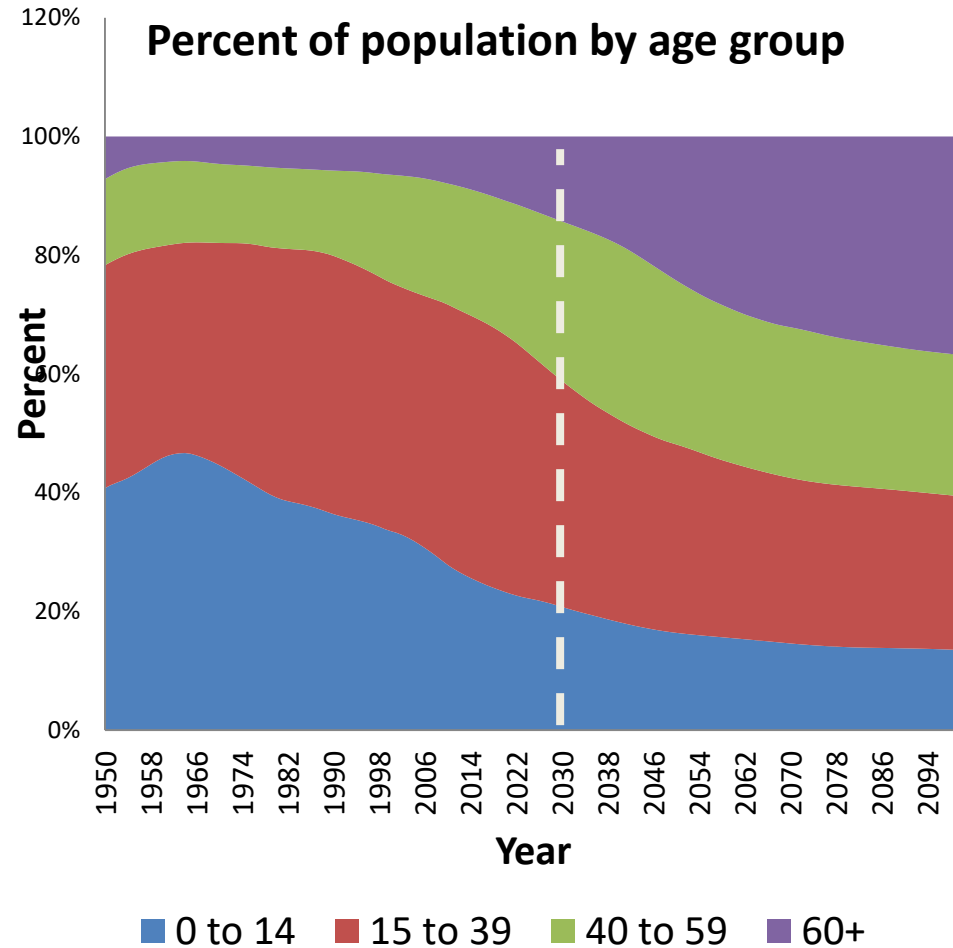


Changes in Population Age Structure in Malaysia

Population by age group

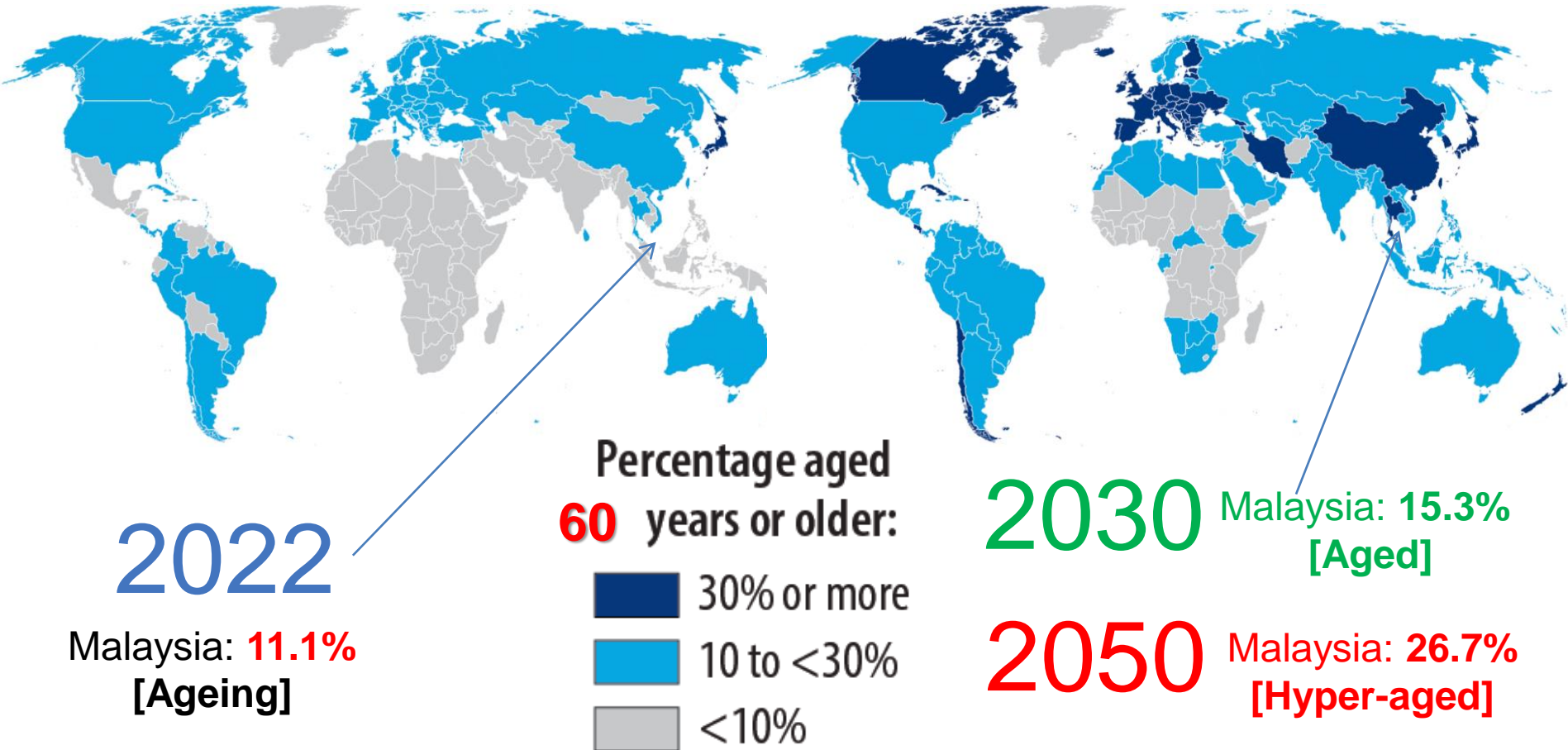


Percent of population by age group



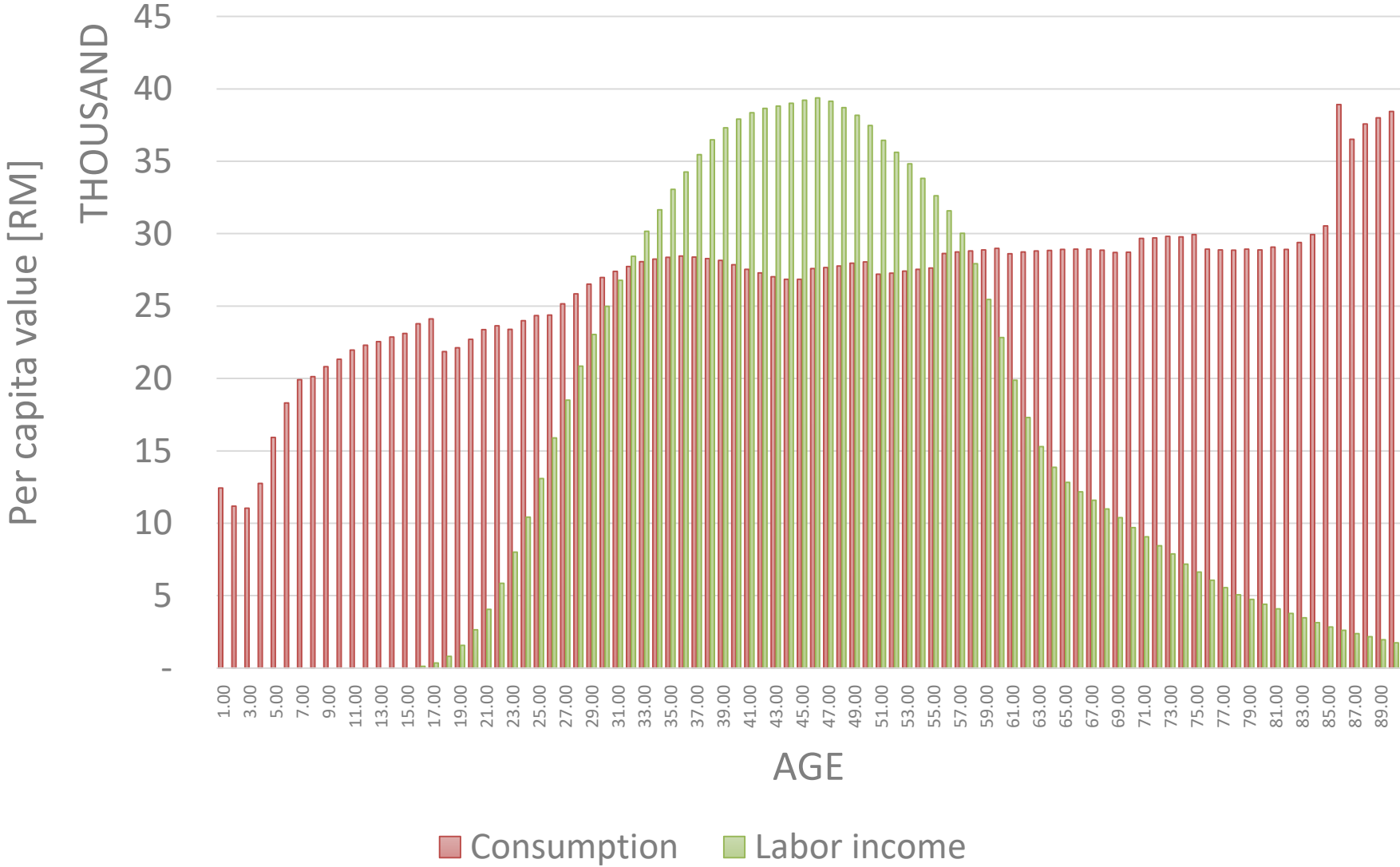
- Malaysia's total fertility rate (TFR) has been at a below-replacement level since 2013, and in 2020 stood at 1.7.

Malaysia is ageing...



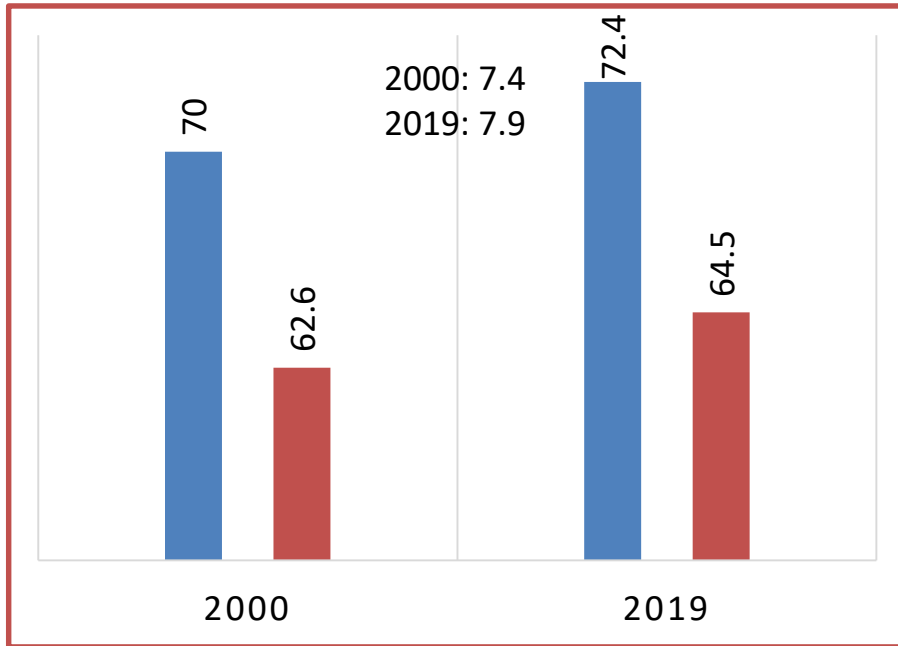
Sources: WHO, DOSM, (2022)

Consumption and Labor Income by Age, Malaysia 2016

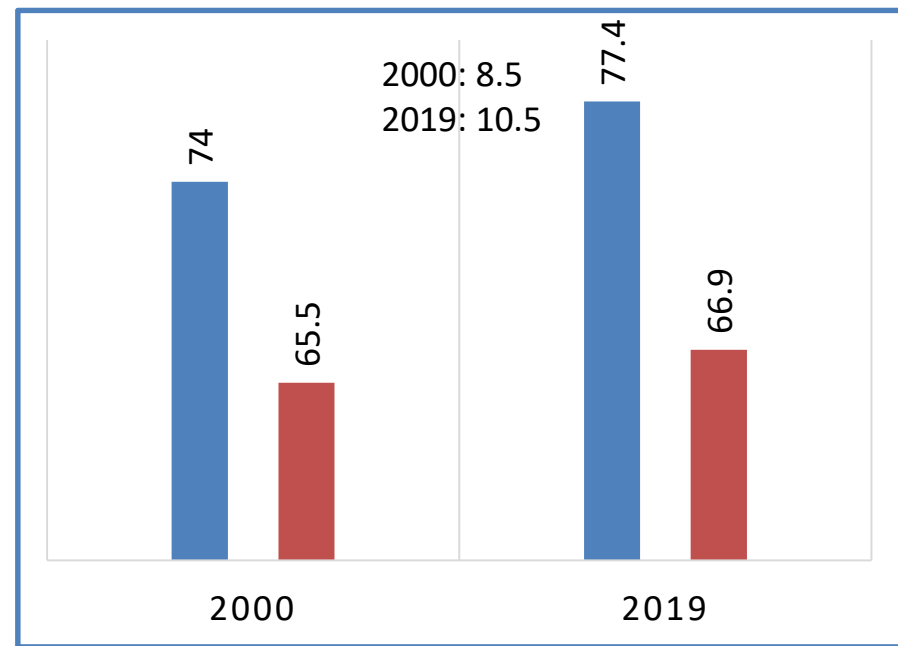


Living longer but, with illness...

Male



Female



Source: DOSM, various years; United Nation, 2022

YEAR	Mandatory Retirement Age
2001	From 55 to 56
2008	58
2012	60

- Life expectancy at Birth
- Healthy Life expectancy at Birth

What is needed: access to medical assistance and adequate social services to prevent certain illnesses connected with old age

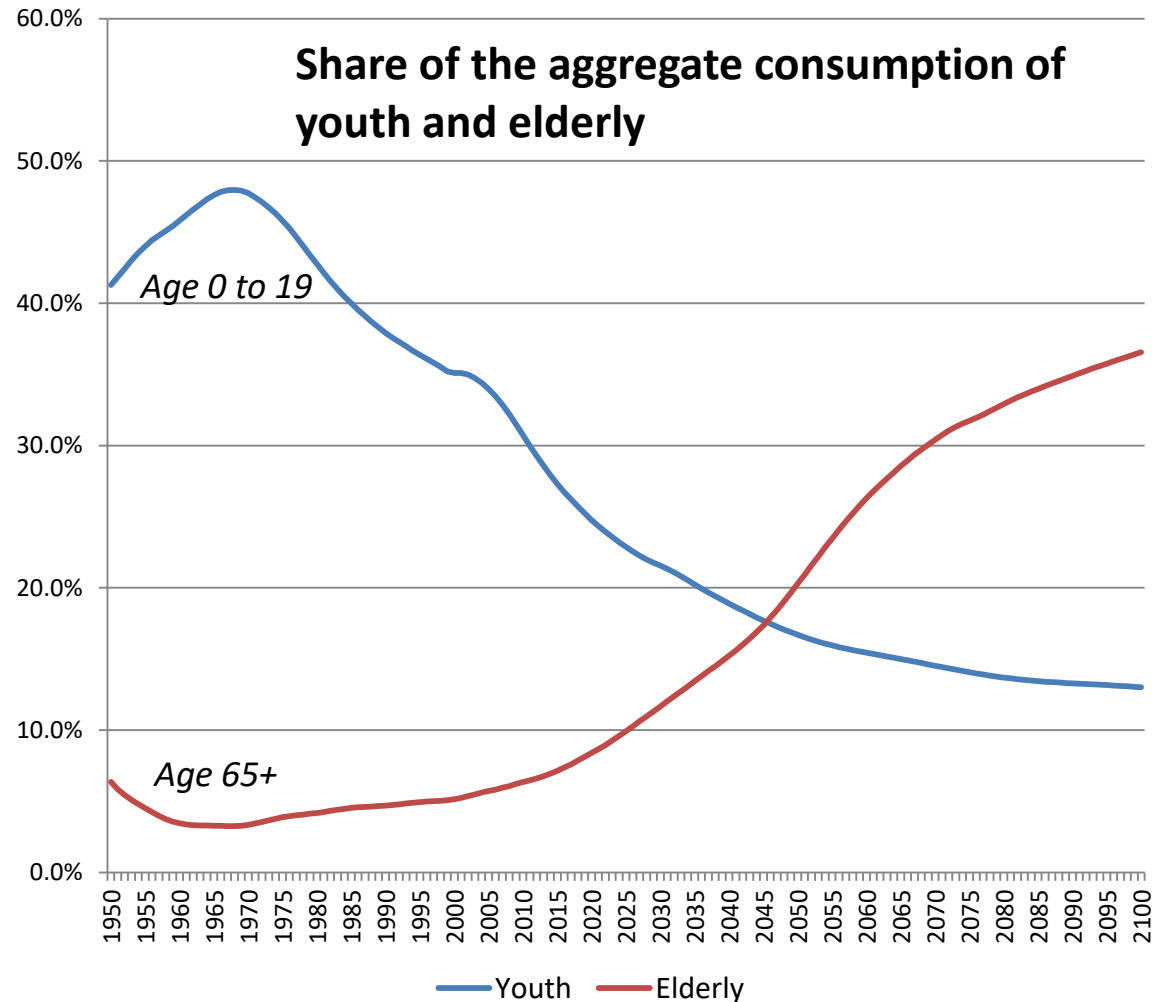
✓ High incidence of non-communicable diseases and age-related health problems

Outlook on the Aged Malaysian Economy

❑ New challenge:

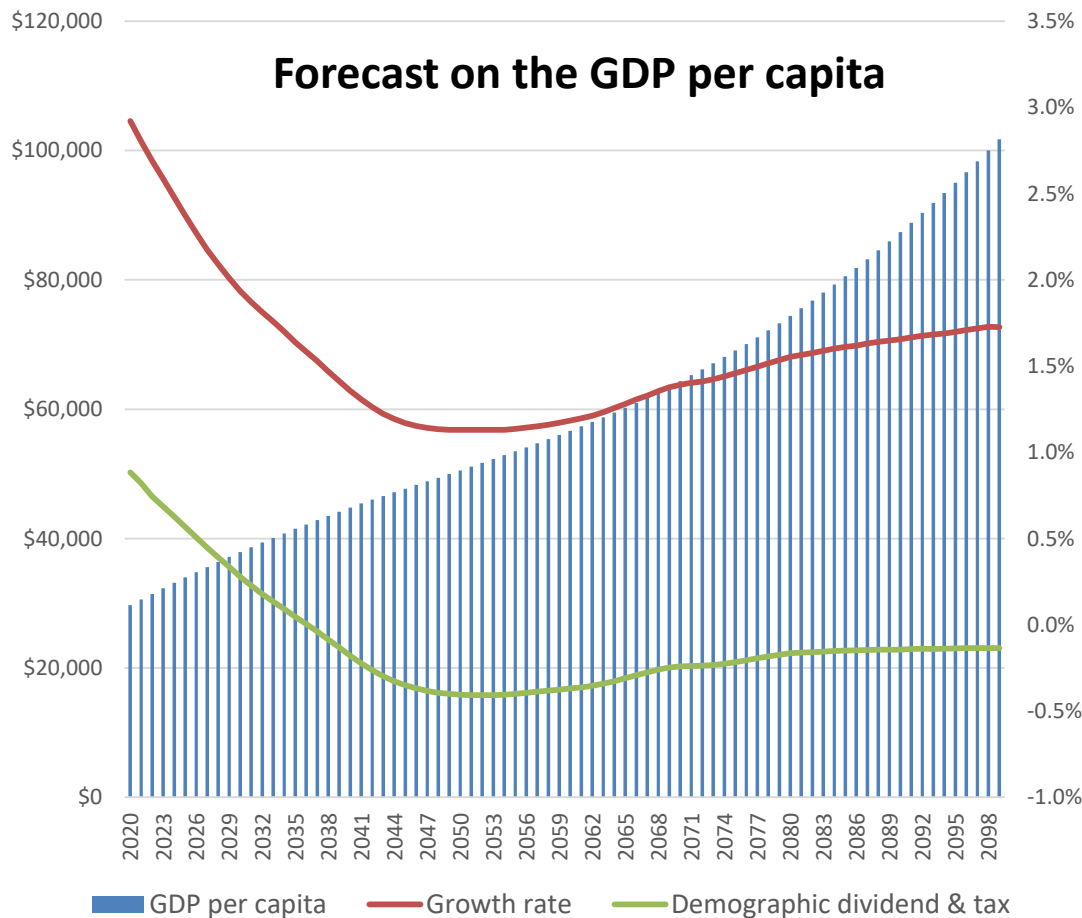
The shift in age structure of the population and the growing proportion of the population are experiencing NCDs

❑ The increasing trend – perhaps due to increasing health expenditure and demand for wealth



Authors' calculation. Projected years based on 2021 UN projected population and NTA 2016 consumption age profile

Outlook on the Aged Malaysian Economy



The outlook:

- Demographic changes in Malaysia are associated with slower growth
- And perhaps an increasing burden of care (Walker, 2002)

Policy Intervention:

- Gains from longevity can be maximized and costs of a greying society can be minimized by focusing on health and productive ageing – i.e. allowing older persons to remain active and productive (Barret & McGoldrick, 2013; WHO, 2002),

Authors' calculation. Projected years based on 2021 UN projected population and NTA 2016 consumption age profile

Active Ageing

The “continuing participation in social, economic, cultural, spiritual, and civic affairs, and not just the ability to be physically active or to participate in the labour force”

[WHO Active Ageing Policy Framework, 2002]

(1)The goal: to optimize opportunities for health, security, participation, and lifelong learning to enhance the quality of life as one ages. Positive narrative focused on healthy and active ageing.

(2)The AAI domain: measure potential of older persons for active and healthy ageing
(a) employment; (b) participation in society; (c) independent, healthy and secure living ; (d) capacity and environment for active ageing.

The contribution of older persons:

Beyond physical activities and continuing employment, older persons provide care and household management (Barret & McGoldrick, 2013; WHO, 2002)

Elderly as economically active population, 2021

Age Grp	Population	Labor Force		Employed Person	
15–19	2,685.90	829.40	0.31	717.60	0.27
20–24	2,879.00	2,094.40	0.73	1,877.00	0.65
25–29	2,915.10	2,789.20	0.96	2,628.10	0.90
30–34	2,841.60	2,336.70	0.82	2,266.10	0.80
35–39	2,740.50	2,156.70	0.79	2,111.80	0.77
40–44	2,185.90	1,710.10	0.78	1,683.20	0.77
45–49	1,898.00	1,410.50	0.74	1,381.50	0.73
50–54	1,731.90	1,162.40	0.67	1,137.60	0.66
55–59	1,539.00	845.60	0.55	829.20	0.54
60–64	1,269.20	462.10	0.36	432.10	0.34
Jumlah Total	22686.1	15,797.2		15,064.2	

Person ('000) & percentage share (%) by Age Group, Malaysia, 2021

Why seniors should remain in the labor market?

8 DECENT WORK AND ECONOMIC GROWTH



- *Inline with SDG 8:*

- **Soften the impact of pop ageing;**

To contribute to financing services to older persons

- **Poverty alleviation strategy:**

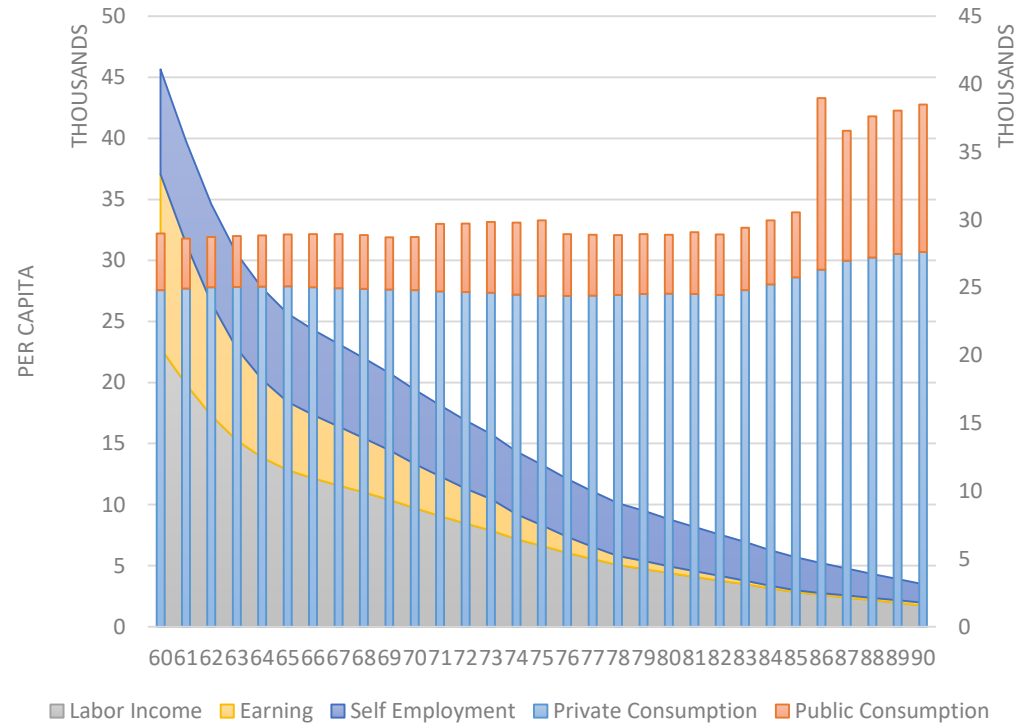
To increase the surplus of working group – i.e. self financing old age deficit, which serves as an aged poverty alleviation strategy

- **Psychological benefit:**

To reduce the impact of social isolation in older people

Some Malaysian elderly continue to work to finance part of their consumption

Elderly: Per capita Income and Consumption Profile, Malaysia 2016



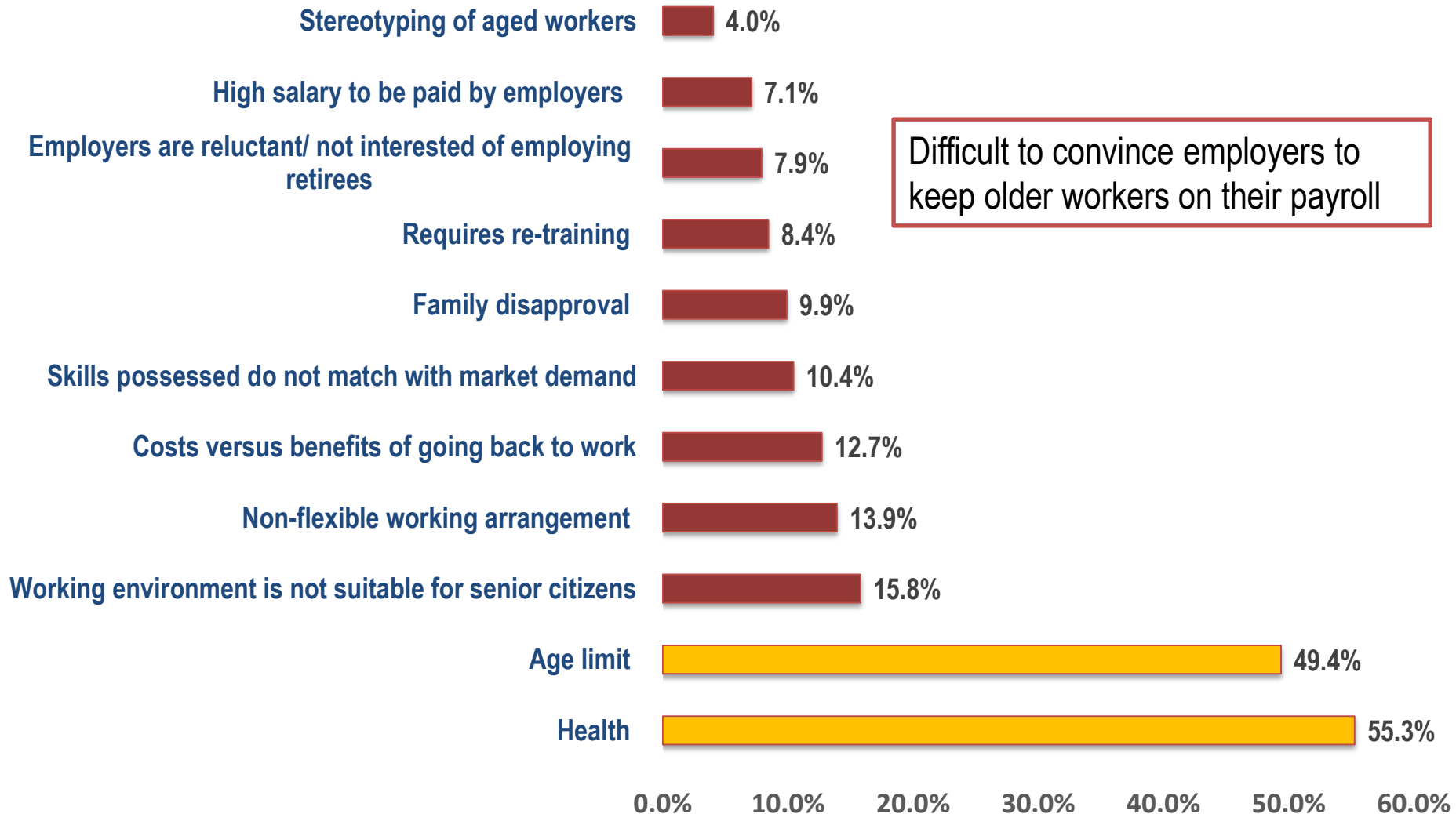
Source: Author's own calculation based on HIES 2016

- Labor income finance less than 20% of elderly consumption
- About 56% of older persons work to support their livelihood [ILMIA, 2019]

Reasons for Working After Retirement

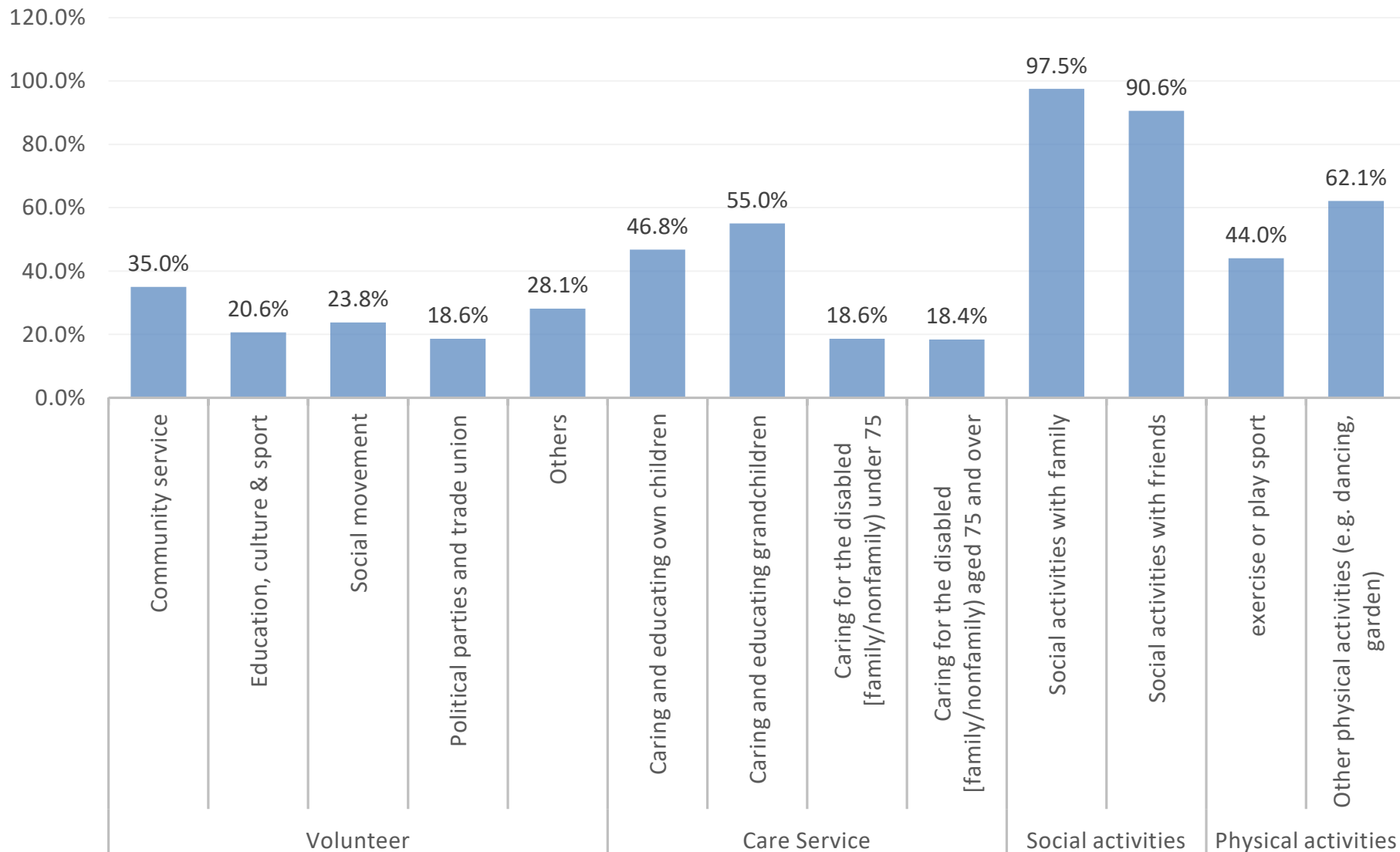
Reasons for working	Sex		Education attainment		Length of retirement		
	Male	Female	Secondary	Tertiary	< 3years	4-10 years	11> years
I need money to support my living	40.4%	28.6%	49.2%	20.2%	26.1%	41.3%	39.1%
I need extra money for leisure activities such as vacation	7.5%	7.9%	7.7%	7.4%	8.7%	7.9%	7.0%
To keep my life organized	28.0%	25.4%	29.2%	24.5%	37.0%	25.4%	24.3%
To maintain my social network	14.3%	12.7%	12.3%	16.0%	13.0%	11.1%	15.7%
I prefer to do meaningful work	32.3%	44.4%	30.0%	43.6%	45.7%	22.2%	39.1%
I enjoy working/ running a business	34.8%	39.7%	38.5%	33.0%	43.5%	39.7%	31.3%
To learn new things	4.3%	7.9%	3.8%	7.4%	2.2%	9.5%	4.3%
I want to keep busy	31.1%	15.9%	32.3%	19.1%	41.3%	19.0%	25.2%
I want to utilize my skills	29.8%	31.7%	23.8%	39.4%	30.4%	28.6%	31.3%
To continue contributing to society	28.0%	41.3%	25.4%	40.4%	45.7%	23.8%	30.4%

Barriers to Employment



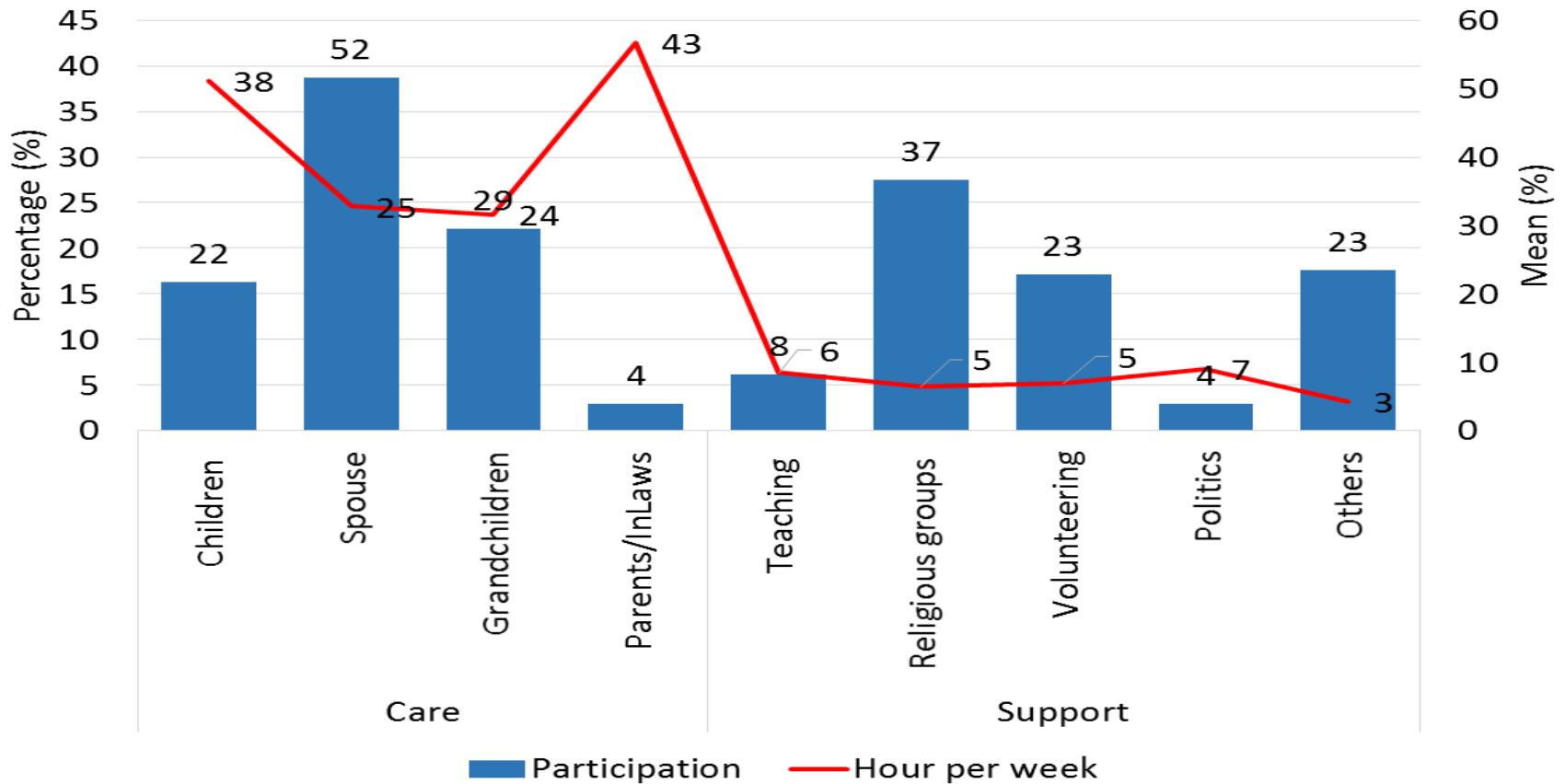
Source: Retirement Preparedness and productive ageing, 2017

Older Persons Involvement in Active Ageing Activities



Source: Active Ageing Index, 2022

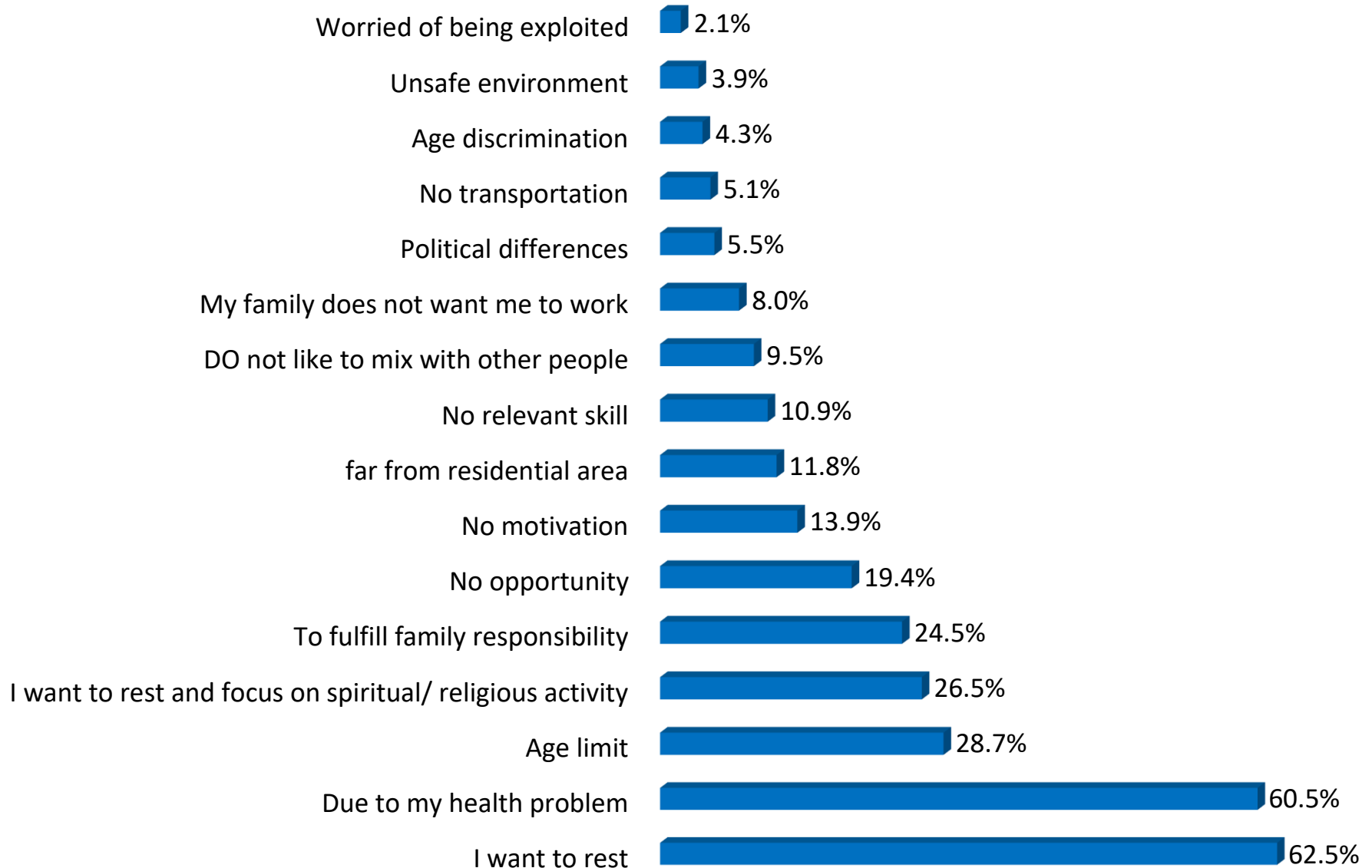
Care Activities and Community Engagement among Public Sector Retirees



Care and support provided for family members and mean time spent per week

Source: Retirement Preparedness and productive ageing, 2017

Barriers to Community Participation



Conclusion and Way Forward

- ❑ Malaysia is ageing and projected to be economically affected by changes in the demographic structure
- ❑ Currently, the size of labour force is still large, but the size of older persons is getting larger
- ❑ Priority of public policies generally remain on developing human capital, providing productive employment and better job for the population, but need to pay more attention to the ageing trend.
- ❑ Active ageing promotes the idea that individuals can continue to be valuable members of society, regardless of their age, and help to challenge negative stereotypes about ageing, by staying active and productive.

Conclusion and Way Forward

- ❑ If the earlier life stages are taken care off, ageing journey would be inclusive and meaningful
- ❑ Ageing journey [consequently, opportunities and challenges] is mostly determined by one's lifestyle. So policy intervention should adopt of life span approach to ageing with specific target for different population segment.

1. *Children and youth*

- Developing human capital [**Focus:** the first 1000 days of life; education and life skills; health and nutrition] ➡ Policy on education, healthcare, food and nutrition

2. *Working age*

- Employability [**Focus:** skills, competency, future proof worker – technology adaptation, productivity] ➡ Increase GDP through increase productivity
Economic policy, employment creation, Labor market intervention
- Prepare ageing readiness for young workers [**Focus:** preventive Saving and Investment

3. *Older persons:*

- Ensure older people to remain well, employed, engaged and thereby increasing healthy life expectancy and reduce the demand for long-term care services.



TERIMA KASIH/*THANK YOU*

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WITH KNOWLEDGE WE SERVE

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