

Chapter 14

Comparative Analysis of Countries' Ageing Challenges & Policies



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Abstract This chapter provides a comparative summary and analysis of the key findings in this book. It reveals both similarities and differences in the way that ageing is defined, the nature of the challenges of ageing in the diverse countries included from the Asia Pacific and Indian Ocean regions, and the plethora of government and private sector strategies, policies and plans adopted in response to these challenges. It suggests that, in all included countries, more resources and efforts will need to be provided in order to effectively address the significant challenges ahead. A series of practical suggestions are included for all stakeholders involved with ageing populations to consider in their attempts to reach the targets of the UN's sustainable development goals.

Keywords Ageing · Comparative analysis · Further research · Limitations · Policy challenges · Policy implications · SDGs

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14.1 Introduction

As set out in the 1st chapter, the purpose of the book was to examine the trends in population profiles for the countries included in the volume, the challenges associated with an ageing population, and the policy responses to ageing, especially within the context of meeting the UN's Sustainable Development Goals (SDGs). In relation to the broad findings, ageing is defined in almost all countries as people over 60 years of age (65 in Australia). However, the standard retirement age vary from 60 years in countries such as China (55 for women), India, Malaysia, Nepal and Thailand, to 65 in Mauritius and Thailand; Singapore has only recently increased the official retirement age from 62 to 63 years whilst Bangladesh has reduced it from 59 to 57; and Australia has no formal mandated retirement age, primarily due to its equal opportunity legislation which discourages discrimination based on age. In addition, both Bangladesh and China have confined mandatory retirement ages only to civil servants, suggesting that the private sectors in both countries have no such proscribed age limits for managers and workers. This chapter summarises the key similarities and differences in findings with respect to SDGs and provides key recommendations.

The chapter is structured into four parts, beginning with a comparative standing of countries represented in this volume in terms of percentage of 65+ population and income. Next, key themes associated with ageing related challenges as well as potential recommendations are discussed, before ending with concluding remarks.

14.2 The State of Ageing and Development

With nearly four and half billion people, the Asia Pacific region is home to 60% of the world's population (UNFPA 2021) including two of the most populous countries—China and India. However, Taiwan has the lowest fertility rate (1.07%), not only in the region but also in world (CIA 2021) and India has the highest (2.2%) fertility rate in the region (World Bank n.d.). The region has made significant socio-economic progress in the past few decades and yet the countries that are represented in this book are at varying stages of socio-economic development (Dhakal et al. 2019). For example, the recent country rankings based on the United Nation's (UN) Human Development Index (HDI) (UNDP 2020) shows that Bangladesh (133rd) and Nepal (142nd) are ranked on the bottom of the group whereas Australia (8th) and Singapore (11th) are the leaders in terms of countries included in this book. The HDI is a yardstick of average achievement in three key facets—(i) life expectancy at birth, (ii) mean years of schooling and expected years of schooling, and (iii) gross national income per capita (UNDP 2016, p. 3). More specifically, the World Bank's (n.d. para 1) classifies countries based on the economy, such as high-income (GNI per capita of \$12,536 or more), upper middle-income economies (GNI per capita between \$4046 and \$12,535), lower middle-income economies (GNI per capita

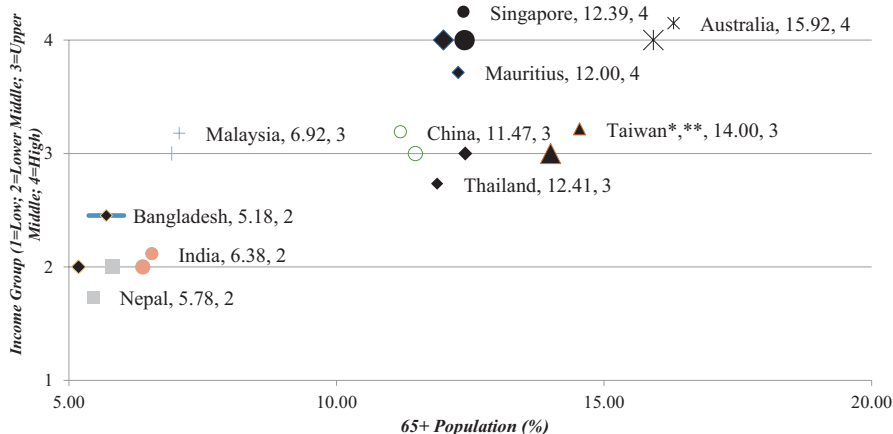


Fig. 14.1 Quadrant analysis countries income category and 65+ population based on the following sources: before the reference list - which should appear under the Figure Liao, G. (2018). Taiwan officially becomes an aged society with people over 65 years old breaking the 14% mark. URL: <https://www.taiwannews.com.tw/en/news/3402395>
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between \$1036 and \$4045), and low-income economies (with a GNI per capita, calculated using the World Bank Atlas method, of \$1035 or less). The relationship between income categories and the percentage of 65+ population is compared through a quadrant analysis (Fig. 14.1). The quadrant analysis clearly indicates a strong association between income and percentage of 65+ population. The Fig. 14.1 shows distinct clusters – one on the top right with aged societies with higher income such as Australia and Singapore and Taiwan and the other one on the bottom left with younger societies with lower income such as Bangladesh, India and Nepal. Such associations are hardly a surprise, given the declining fertility rates coupled with sustained economic growth are considered key drivers of ageing population (see Morgan 2003).

14.3 The Extent of Ageing

According to the UN (2019), East and South East Asia, and Central and Southern Asia accounted for over half of the world's ageing population (65 years plus) in 2019 (p. 6). This is not surprising since China and India, the largest nations in these

regions, are also the most populous nations globally. The trend in these regions is predicted to be increased population ageing until 2050, with the UNDESA (2019) indicating that 9 of the top 10 countries in terms of their percentage of population ageing are located in East and South East Asia (p. 6). Within the context of this volume, countries that are projected to have the greatest growth in population ageing include China, Singapore, Thailand, and Taiwan. Globally, and for all countries in the volume, population ageing and its associated challenges will be present over the coming decades. However, there is a contrast between East Asia and the Pacific and West Asia. In the East and Australia, the ageing population was greater than ten percent of the population in 2019; whereas in the West, the share of the ageing population was only around 5% in India, Nepal and Bangladesh. There are exceptions to the above broad classification with Malaysia having a relatively young population profile and Mauritius having a relatively old population profile in 2019. However, all nations across the region, regardless of their development stage, will face population ageing challenges, the difference being that population ageing on a relatively large scale has already arrived in Australia, China, Mauritius, Singapore, Taiwan, and Thailand (see Fig. 14.1 above).

14.4 Key Findings

Table 14.1 summarises the key findings from this study, including the challenges posed to the different countries by these ageing challenges; stakeholder strategies, policies and plans in response to them; and how the latter relate to the UN's sustainable development goals.

14.5 Ageing Challenges

The table indicates that there is a range of challenges associated with ageing people in all studied countries related to both their working and social lives, many of them reflecting their respective stages of development, economies, labour markets and other socio-cultural characteristics. In developing countries such as Bangladesh, India, Nepal and Thailand, the challenges relate to ongoing poverty levels; the decline in the support of ageing people from their extended families; underdeveloped (or non-existent) pension, social welfare, healthcare (aggravated by the stressors associated with COVID-19) and aged care support systems; and significant inequalities between genders and/or age discrimination issues. Some countries are experiencing a combination of these challenges (for example, Bangladesh, China and India) whilst others are focused on one or more of them (Nepal, Thailand). Developed countries such as Australia, Malaysia, Mauritius, Singapore and Taiwan have more specific concerns – in particular the shrinking of their age-dependency ratios as the non-working ageing population decreases (for example, Singapore's

Table 14.1 Comparative framework of country challenges & responses to ageing populations

Characteristics	Australia	Bangladesh	China	India	Malaysia	Mauritius	Nepal	Singapore	Taiwan	Thailand
SDG(s) in focus	8;10	9	8	1-3;5;8;10;11	1;3;10;11	1; 3	3	1; 3	5; 10	8
Official definition of ageing	aged care services from 65 (50 for indigenous people)	60	60	60	60	60	60	60	65	60
Official retirement age	No mandated age, but government pensions from 67	Reduced from 59 to 57 (2011) for civil servants	55 for female, 60 for male	60	60	65	60	62-63 (2022)	65	60
Key challenges	Age dependency ratio is rising; need for flexible work to retain ageing workers caring for their elderly relations	More than 28% of aged below poverty line, reduction in extended family support; lack of integration between government departments	Building an adequate social welfare system, strengthening health care services and sustaining long-term employment	Social isolation, poverty and distress, availability, accessibility and affordability of healthcare	Lack of financial preparedness and vulnerability to unexpected set-backs, over-reliance on limited Employee Provident Fund, lack of financial literacy and planning skills.	Provide sustainable financial security of the elderly, and to shift towards a multidimensional stakeholder approach to healthy ageing policies	Aligning health systems to ageing population needs, and establish sustainable and equitable aged care industry	Rapidly ageing population and age dependency ratio will fall to 2.1 by 2030 – strain on labour market and healthcare system	Labour shortages, shrinking population, increasing inequalities and risk of public pension system insolvency	Low savings due to high debts, limited welfare from the government for ageing population

(continued)

Table 14.1 (continued)

Characteristics	Australia	Bangladesh	China	India	Malaysia	Mauritius	Nepal	Singapore	Taiwan	Thailand
Government response/initiatives	Paid leave, indexed minimum wage and various employment conditions, including discrimination and carer's leave; also, age pension, compulsory superannuation and unemployment benefit	Government guarantees a minimum income for the aged	Established a sustainable population development policy, reforming medical and pension insurance	Pension schemes, healthcare programs and education schemes	EPF – mandatory for private sector and non-pensionable public sector employees. Retirement Advisory Service – free impartial advice	Decent social protection net	Specific social assistance programs – social pension scheme for low income elderly, old age allowance for over 70s – 60 for disadvantaged groups	Investing in targeted social welfare for older citizens, providing incentives for employers to retain and retrain workers over 55, raising retirement age	SDGs draft bill and reform policies	National Plan on the Elderly (2002–2022)
For-profit and not-for-profit response/initiatives	Residential aged care and community/home care services	Housing, nursing and healthcare services and facilities; Third tier of pension managed by private sector is voluntary	Promoting active ageing, establishing volunteer teams, developing social enterprises;	N/A	N/A	NGOs provide some public services, with part funding from private organisations	N/A	N/A	Some firms are adopting measures to provide support for employee and tackle inequalities	N/A

Way forward	More public policies for ageing and caring; extend employment conditions to contingent workers; specific eldercare leave; New organisational policies – purchased leave, job-sharing, compressed work weeks and phased retirement; eliminate age discrimination in hiring, firing and rehire	Enhance old-age allowance; better services administration; devise strategies to include their economic contributions; improve both hard and soft health and well-being infrastructure	Actively support aged care in the family, new path of ‘smart aged care’, explore ‘asset pension’ for elderly, create liveable environment and improve social security system for sustainable economic growth	Proper implementation & effective control of existing initiatives	Ensure age-appropriate financial education at all levels and undertake elderly specific empowerment programs	Curb excessive short-term policies and planning. Need for greater collaboration between government, corporate and other sectors in implementing a Silver Economy Strategy.	Ensure real universal healthcare, non-government actors to undertake research for evidence-based policy reforms and communication. Collaborative roadmap for establishing modern aged care industry demand and supply	Porous social welfare system needs fixing, establish old age pension, out-of-pocket healthcare financing – allocate more resources to most vulnerable and bolster protection from age discrimination	Government pension scheme reform, more comprehensive support mechanism for women to balance work and care duties, businesses to review management practices to retain talent and safeguard equality	Retirement age extended to 63 – may need to lower. Life after retirement to focus on social contributions. All generations need good work, good health and enough savings for post-retirement life
Main contribution(s)	Precarious employment provides no access to usual employment conditions; gender disparity leads to women having less superannuation than men; unique survey of older workers	Identifies and assesses adequacy of relevant government documents; describes current status of ageing services provided by government and NGOs	Enhances social awareness of ageing and sense of urgency to respond to the ageing challenges. Evaluation of policy developments in relation to SDG 8	Extent, growth, trends and policy challenges of an ageing population	Contributes to the current policy debate and presents practical implications for all stakeholders	Highlights demographic shift and risk of income insecurity, and proposes possible avenues for action	Demonstrates WHO’s global strategy on Ageing & Health is useful framework for evaluating policy developments against SDG 3 in developing countries	Draws attention to complex policy choices – reduce reliance on migrant labour to increase productivity, Identifies gaps in social welfare protection	Contributes to the literature by providing indications on how population ageing may affect progress towards SDGs 5 & 10 – Taiwan is not a UN member	

ratio is projected to reduce to only 2.1 working age person for each retiree), increasing labour shortages (notably in Taiwan), and the need for more flexible working arrangements as older employees are ‘sandwiched’ between their work and elder-care responsibilities.

Apart from these economic, labour market and social concerns, an over-riding theme is the inadequacy of pension, healthcare and social welfare infrastructures, systems, administrative processes and the integration between associated government departments, in almost all of the countries studied in this book. Whilst the severity of these challenges inevitably differs between countries according to their economic development stage, the proportions of their ageing population, the respective government strategies and policies and the nature of private sector financial and support systems (and the degree of collaboration between these two crucial stakeholders), it appears that all countries are ill-prepared to effectively address the inherent contemporary and future challenges in these areas. As examples, Bangladesh suffers from a significant lack of integration between the government authorities responsible for providing aged care services; both China and India demonstrate weaknesses in their healthcare and pension schemes, as do Nepal, Mauritius, Taiwan and Thailand. Taiwan, in particular, seems to be at breaking point in relation to the capacity of its economy to support its government pension system as it moves rapidly to a ‘super-ageing’ society. Whilst experiencing similar difficulties, the authors of the Malaysian chapter identify financial illiteracy as a significant problem, as many older people are ill-equipped to manage their retirement funding and are over-reliant on the government’s Employee Provident Fund, suggesting that financial literacy skills and support mechanisms need to be developed to enhance them for the sustainability of the country’s future economic growth. Other challenges raised in the country chapters are also important, including aged people’s social isolation, an absence of opportunities for retirees to participate in social and welfare activities, inequalities in the support provided for retirement living, a dearth of private sector aged care facilities, and a lack of appreciation of the value and potential contributions of older people to societies and economies.

14.6 Stakeholder Strategies, Policies and Plans

The chapters analyse the strategies and policies which governments and private sector organisations in their countries have designed and implemented to address these challenges (see Table 14.1). As might be expected, the strategies adopted in the ten countries vary according to the growth stages of their economies, budgets, recognition of the need for such strategies and the degree of collaboration between governments, private and non-profit agencies. Not surprisingly, the most developed countries (Australia, Singapore and Taiwan) have the most sophisticated systems, including mandated and universal employment conditions that apply to all workers including older employees; some form of pension and/or superannuation or provident schemes; and healthcare systems which are universal, affordable and generally

accessible to all. Singapore has especially targeted its social welfare system towards older citizens and provides employers with financial incentives to retain or retrain workers over 55 years, and has simultaneously increased the retirement age from 62 to 63 years. Although not a member of the UN, the Taiwanese government is attempting to implement programs which complement the sustainable development goals, despite its over-stretched pension scheme. However, as the country authors point out, there are also important gaps in these systems.

In the less developed smaller nations (Bangladesh, Malaysia, Mauritius, Nepal and Thailand), there are some of these systems but not all, and their quality is at times questionable. As examples, Bangladesh provides a minimum income for older people; Malaysia's Employment Provident Fund is limited in its funding but the government provides a retirement advisory service to assist retirees' financial management; Mauritius's Decent Social Protection Net has drawbacks; Nepal has implemented a social pension scheme for citizens over 70 years, with a provision for its application at 60 years for disabled groups; and Thailand has a National Plan for the Elderly (2002–2022) which has been revised over these two decades. The two largest developing countries in the study – China & India – have engaged in a sustainable population development policy and is reforming its medical and pension insurance schemes, on the one hand; and further developing its pension, healthcare and education programs, on the other. It might however be expected that these welcome developments have been adversely affected by the present COVID-19 crisis.

The roles of private sector and not-for-profit organisations in the support of and funding for the ageing population is quite patchy between the countries in this study. In Australia, for example, many residential aged care facilities are managed by private, for-profit agencies with some funding and regulation provided by the government. Home and community care services are run by non-profit, government and private providers. In Bangladesh, housing, nursing and healthcare services are sometimes provided by religious or non-profit agencies; and in China, the government encourages community or village organisations to conduct active ageing support services, arrange voluntary care teams, and the development of social enterprises. Finally, In Mauritius non-government-organisations provide some public aged services with partial funding from the private sector. Overall, however, almost all country authors note the lack of collaboration between government departments, private and non-profit organisations in the funding and provision of aged care services, and urge the development of more integrated and comprehensive long-term collaboration between these stakeholders in order to effectively address the myriad of ageing challenges faced by all of them.

14.7 The SDGs and the Way Forward?

Of necessity, each country's experience of the challenges of an ageing population differ according to the nature of the government, non-profit and private sector strategies which have been so far developed as well as their awareness and responsiveness

to the emerging issues. However, there are common principles and themes which permeate all of the countries' experiences. The country authors recommend a range of remedial strategies, policies and programs for governments and private sector organisations to implement in order to complement their existing approaches and thus to address the UN sustainable development goals to which many of them have committed. Many authors recommended the revision and expansion of government pension schemes and universal healthcare systems; long-term planning in collaboration between all of the relevant stakeholders; formally recognising the economic contributions of older workers and facilitating their involvement in both their work and social lives; providing incentives for active ageing opportunities, such as China's 'smart aged care' and 'asset pension'; implementing age-specific financial planning education at all levels, so that all employees are better equipped for their post-retirement period, as illustrated in Malaysia; eliminating age discrimination in the workplace and society, not only for equity reasons but also to take advantage of the experience and skills of older workers; and where possible, supporting phased retirement through the extension of normal employment conditions to part-time, casual and contingent workers, as explained in the Australian chapter.

14.8 Limitations and Further Research

The book provides a snapshot of the ageing challenges and policy responses within the region. Since the research occurred at the time of the COVID-19 crisis the potential for original research was limited. There are notable exceptions to the countries included, notably Japan and Korea, both of whom have a very large aged cohort. The coverage of challenges and policies is not exhaustive across the countries covered. Further research could consider in depth key specific issues within the region such as approaches to encouraging and supporting an ageing workforce; strategies for improving the health of an ageing population; and strategies for active ageing and ageing with dignity.

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