The Aging of Asia: Policy Lessons, Challenges
By Alfred Chan Cheung Ming, Sheung-Tak Cheng and David Phillips

The current aging of the world’s population is unprecedented. By 2050, people aged 60 or over will outnumber those below 15.

Figure 1 (right): Percentage increase in population age 60+ between 1990 and 2005 in selected and developing countries.
The graying of our world has far-reaching consequences for social organization, economic activities, health care, housing, political policies and almost every other area of life. What have societies done to counter such impending changes and challenges?

For well over 20 years, the United Nations has engaged in visionary initiatives to understand and meet the challenges of global aging. The First World Assembly on Aging, held in 1982 in Vienna, adopted the International Plan of Action on Aging, which included 62 recommendations aimed at encouraging full social participation by all ages on the basis of an equitable distribution of resources. It provided the backdrop for later developments in the UN Program on Aging.

The Madrid International Plan of Action on Aging emerged from the Second World Assembly on Aging in 2002 and superseded the Vienna Plan. It is widely regarded as the most important UN document on aging in 20 years. In a follow-up survey, the UN Economic and Social Commission for Asia and the Pacific (ESCAP) produced a set of recommendations for countries in the region. In addition to the three priorities set out in the Madrid Plan — older persons and development; advancing health and well-being into old age; and enabling supportive environments — ESCAP added a fourth category, “implementation and follow-up.” Taken together, these recommendations are known as the Shanghai Implementation Strategy.

Many Asia-Pacific countries have undergone a dramatic demographic shift from a state of high birth and death rates to one characterized by low birth and death rates, with rising longevity. Worldwide, the number of people aged 60 or over in mid-2006 was 687,923,000, of whom 54.5% lived in Asia. Many developing countries in the region are aging more rapidly than the norm. Fueled partly by the one-child policy, China, for example, is expected to double its older population from 10 to 20 percent in just 27 years, between 2000 and 2027. Compare this with most developed European countries and the United States, where it took between 80 and 150 years to double the older population from 7 to 14 percent (see Figure 1).
Across Asia, those aged 60 or over are expected to outnumber the population below 15 before 2050 (Figure 2), but some countries are predicted also to face a population decline by 2050 (Japan, South Korea, Taiwan), a situation only seen in the European region and a few developing countries. These demographic trends pose enormous challenges. Paying close attention to China, in this essay we provide an overview of the region’s response to key policy recommendations taken under the three priority areas established under the Madrid Plan. In doing so, we describe policy initiatives to resolve some of the key issues and assess national capabilities to implement these initiatives.

THREE POLICY PRIORITIES
A national strategy on how to meet the challenges of aging is essential to ensure that the goal of having an active older population is achieved by developing coordinated national and local policies and practices in a range of welfare, health and economic sub-fields. As mentioned, the Madrid Plan identifies three priorities for international efforts. What ESCAP did in formulating the Shanghai Implementation Strategy was to adapt these priorities for Asia with reference to special considerations such as economic and political diversity, geographical barriers to service accessibility, and social and cultural diversity, including differences in language.

1. Older Persons and Development: Social Protection. An issue for most developing countries is that, unlike most Western countries, they have to deal with the challenge of aging before they have become relatively wealthy, modernized nations. In practical terms, high unemployment or low wages in these countries can render it impossible to provide a universal pension scheme. In 1998, one-fifth of the world’s population were living on less than a US dollar a day, two-thirds of whom were in South and East Asia. Many people living in poverty or extreme poverty are older persons in rural areas. Because they earn so little during their working years, they find it difficult to accumulate enough savings to live decently when old. This has meant either continuing to work or relying on family or community

Figure 2 (right): Proportion of Asian population by age group from 1950 to 2050

in the absence of comprehensive social security, or even a basic safety net, in many countries. In Asia, only 9 to 30 percent of the older population receives any pension or social security benefits.\(^2\) Due to financial constraints, some countries in the region (such as Bangladesh, India, and Korea) target their social security programs at the very poor and disabled only; there are simply no universal benefits for the elderly as a group.

China confronts tremendous challenges in providing a safety net for its retired workers, many of whom were formerly covered by state-owned enterprises. The transition to a market economy, which has effectively bankrupted the pay-as-you-go pension funds of many state-owned enterprises, has meant that by-and-large only civil servants and urban workers in some enterprises are covered. At the end of 2002, social security covered only 14 percent of the total workforce, of which almost all were urban workers. Since formal pension coverage in rural areas where 64 percent of the population lives is almost nil, a staggering 85 million older people in these areas do not receive pensions, adequate medical care or other social welfare benefits.\(^3\) Although China has declared it a national priority to improve social protection in rural areas, it is extremely difficult to manage an effective pension system for such a large and populous country. Apart from the few developed countries in the region, others face more or less the same challenges.

An aging population also means fewer taxable workers to support an increasing number of retired persons. For instance, in 2001 in China, 29 retirees were being supported by 100 workers; this number is expected to increase to 55 retirees per 100 workers in 30 years.\(^4\)

In a number of places, such as Nepal and Hong Kong, pension benefits are primarily limited to civil servants or employees of state-owned enterprises or to senior staff of major international corporations and, in some countries, to the military. Facing this dilemma, Hong Kong started a Mandatory Provident Fund in December 2000. However, it will take many years to mature and actually benefit older people because as an individual savings scheme, it takes decades to accumulate sufficient funds.

Public-private sector partnerships are becoming important in many countries for social protection.\(^6\) The need for the private sector to provide pensions for workers is increasingly being discussed in many Asian countries. For example, China is increasing its outsourcing of social security reserves to private industry and regulating private pension schemes in an attempt to achieve more adequate retirement benefits in an increasingly prosperous society. The Hong Kong MPF, which mandates contributions from employees earning over a certain threshold is, in effect, an outsourcing to private funds and investment managers of the government’s compulsory retirement savings scheme. Clearly, supervisory and regulatory processes to safeguard such private sector involvement


become crucial issues and the protection of investments and benefits, as well as maximizing returns, must be a priority.

*Strengthening the Informal Care System.* In general, Asian countries have maintained strong family values, with many people living in extended family households — either together or close by — and members are able to draw on each other's resources to meet psychological, social, and physical needs. The lack of political support for the idea of a welfare state in Asia has often been attributed to the strong extended-family tradition in the region.

Despite that tradition, family support for the elderly is on the decline due to urbanization, the emergence of the nuclear family, and the increasing likelihood that women will become educated and join the labor force. Surveys in Chinese societies have consistently shown that both younger and older generations currently hold less traditional attitudes toward family support for older persons.

As a result, a strong safety net is needed, and the role of the informal social network becomes especially important. The family, along with other informal caring networks such as friends and neighbors, can provide essential assistance to meet the needs of older persons. It is therefore important to revitalize traditional family values in the years to come.

*Gender Equality.* Although older women are often caregivers in the extended family, they receive less support for the roles they play despite often being bound to these roles for life. For instance, among married older persons in Thailand, 71.2% of men, compared with 49.7% of women, nominated their spouse to be the main personal care provider.

Women are often disadvantaged due to a lack of education and their dependency on men for land and income. This puts them at great financial risk when their husbands pass away. Since education plays a major role in determining a person's utilization of available services, especially in rural areas, the isolation and lack of formal support places widows at increased risk for health and cognitive deterioration.

Research has shown that as men advance in age, they are less likely to maintain a broad social network and tend to rely excessively on immediate family members, especially the wife, for emotional and instrumental support. Over time, men, devoting their energies to occupational and financial achievements, come to depend on their wives to maintain relationships with friends and family and to provide emotional comfort and to take care of the household. The male role as the head of the family in a patriarchal structure also tends to keep men distant from their own children. As a result, men often suffer more psychologically than women when their spouses are incapacitated or die.

*Eliminating Age Discrimination and Promoting the Image of Older Persons.* Whereas gender discrimination affects primarily older women, age discrimination affects everyone because it promotes segregation. One obstacle to eliminating age discrimination is the negative stereotypes...
Research has shown that as men advance in age, they are less likely to maintain a broad social network and tend to rely excessively on immediate family members, especially the wife, for emotional and instrumental support. 

about older people. Unfortunately, illiteracy and low education often reinforce the myth that the elderly are non-productive, dependent and frail.

In the 2005 ESCAP regional survey, most countries said that they emphasize and promote positive images of aging, typically through public education and media campaigns. Eliminating age discrimination is an urgent task because of the length of time it takes to change deep-rooted cultural attitudes and practices. Education of the young is a fundamental, long-term strategy to eradicate age discrimination. In addition, encouraging widespread participation by older people in social, economic, and political affairs is the ideal complement to formal education in order to promote an image of productive aging. It is to this latter emphasis on participation that we now turn.

Economic, Social and Political Participation. Economic participation by older people will become increasingly important because it not only improves the financial health of the economy and the individual, but it also provides meaningful roles and a sense of identity to elders. Moreover, wider participation in the labor force can go a long way to eliminating ageism because in modern economies, wage labor determines to a large extent one’s social value. In this respect, the concept of productive aging is important. This emphasizes that as people age they can contribute directly in terms of economic earning or income generation and also indirectly, by providing family care, freeing younger people to work or by taking on a wide range of voluntary activities.

An important issue in the employment of older workers is their skills and training in the face of changing job environments. Unfortunately, a bias against older employees makes training or retraining rare in developed countries in Asia. As a result, there is a tendency for many older persons to be relegated to unskilled or semi-skilled tasks if they wish to remain working, often due to seemingly outdated skills, or sometimes even basic literacy. Productive aging will become a future employment trend only if older professionals maintain or upgrade their skills through working or volunteering.

A growing trend for older persons is to engage in unpaid volunteer work. With the future elderly being more educated, we are likely to see an increase in the number of older people who desire to engage in volunteer work or continue to contribute in other ways to society. This will include participation in civic and political affairs. We expect to see older people in the region become more politically active and influential, as they comprise a larger segment of the population.

2. Advancing health and well-being into old age: Preventive and Primary Healthcare. It is widely recognized that preventive and primary healthcare are the best strategies for dealing with the health challenges of aging, especially in developing countries. In the long run, a commitment to health care also means extending free coverage to all generations, a goal that might be more distant for developing countries still coping with how to provide basic healthcare.

Rising costs, however, have created financial burdens for healthcare systems. For example, in China, which was once regarded as having an exemplary healthcare system for a low-income agrarian society, access to healthcare has degenerated considerably since the early 1980s at the same time as costs have soared. A system that once relied heavily on public subsidies and provided egalitarian access to basic healthcare has shifted to a market-oriented system that depends heavily on private funding and is characterized by excessive fees and exorbitant costs charged by healthcare providers. Rising out-of-pocket costs prevent many Chinese from seeking care and have resulted in wide disparities in access to healthcare. These trends have been of particular concern to older Chinese, who often have greater healthcare needs yet fewer means and who also make up a larger proportion of the rural population than do the young.

Long-term Care. Under now-widespread directives for “aging in place” and “community care,” older persons are encouraged to remain living in their homes for as long as possible, assisted by community support services when needs arise. Though almost all these programs rely on public funding, they are not cost-effective and specific enough to meet individual needs. Countries wanting to rebuild family care in order to reduce the burden on institutional systems have to incorporate a more structured approach, with higher-level skills training and support for informal caregivers.

A major challenge for Asia will be the huge number of older people, mostly women, with dementia, a condition that often requires institutionalization. Over 60% of residents in long-term care institutions suffer from dementia, and research shows that early institutionalization is also associated with mortality for persons with dementia: The earlier the institutionalization from onset, the shorter the survival time, except when the dementia has progressed to a very late stage. Nevertheless, care in the community is exceedingly demanding, an often round-the-clock task for family caregivers.

Community-based long-term care for older people in China, both informal and supported by local governments, has begun to emerge, especially in urban areas. However, the lack of a trained workforce for elderly care is a crucial factor in the development of China’s long-term care (LTC) system. While some local and other agencies are providing basic training for laid-off workers, there is a need for more in-depth training programs offering a broader range of care-
giving skills. China also recognizes the need to develop undergraduate programs in geriatric medicine and plans to establish more geriatric hospital units.32

Healthcare Financing. Financing healthcare is a major issue faced by all countries with an aging population. As people live longer, they often suffer from general poor health or disabilities over long periods, increasing the overall need for healthcare. This, in turn, puts financial pressure on pensions and health-insurance systems. The problem in the region is that population aging often comes before enough wealth can be accumulated for public assistance. Thus, many governments are only able to provide acute hospital care in cities.

China has a co-payment system involving central government, provincial and employer contributions, with workers contributing to an insurance scheme but also sharing the cost of treatment each time. The World Bank suggests a mixture of tax redistribution, savings and insurance for healthcare financing in the long run.33 However, what actually works still depends on the socioeconomic realities of the country.34 35

3. Ensuring and Enabling a Supportive Environment: One point made in the meetings that produced the Shanghai Implementation Strategy was that the elderly in the Asia-Pacific region are frequently relatively illiterate, politically passive and extremely obedient to authority. Thus, policies should aim at ensuring a supportive environment for frail persons who do not make demands; and enabling a supportive network allowing them to live in places of their own choice. As a result, the concepts of “aging in place” and enabling independent living have become the core basis of policy making.

Aging in place emphasizes the importance of strategies that make it possible to support older people in their homes and communities.36 At the same time, it should be a matter of choice for older people and should not be mandatory. In encouraging home-living, even with a certain degree of frailty, society must foster family-oriented care-giving, because home care is less expensive and safer than institutional nursing care. Since Asian family values remain strong in many countries, it has been observed that aging in place should become an explicit policy, as it is in Hong Kong, along with community care programs.

Governments have an important role in providing a conducive environment for aging in place. Strategies include giving direct or indirect subsidies for living at home. For example, Malaysia provides low-cost apartments or rental discounts, and reserves ground-floor units for older people.37 In principle, the total environment should become more elderly friendly, with barrier-free housing provided for those with handicaps and suitable appliances and adaptations placed in the home. At the community level, shopping outlets, recreational venues, and services, such as health and social care, should be close by and readily accessible. It is important also to ensure a safe, crime-free neighborhood.

Informal caregivers are family members, neighbors or friends who perform the tasks voluntarily. The level of care provided by these people is often viewed as basic and non-professional. However, in reality these people could be highly skilled and reliable (for example, capable of providing diabetes injections, or having the skills to care for demented parents). Using examples found in some Western countries, Australia and Singapore have begun to provide training for informal caregivers and to develop a system for recognizing their contributions, so that they can serve not only their relatives but also others when their skills are formally recog-
nized. The obvious advantage of this approach is the development of a trained workforce that compliments chronically scarce and expensive formal caregivers such as nurses, and occupational and physiotherapists.

4. Implementation: Appraising National Capacity: As with any initiative, producing policy documents and forming national bodies for program coordination will not automatically guarantee success in implementing the Madrid Plan. A government needs to allocate sufficient resources and have the political will to see that policies are effectively implemented. Given the fact that financial and human resources are major limitations, especially in developing countries, implementation of the Madrid Plan is at a rather preliminary stage in Asia.

According to the UNESCAP regional survey, four-fifths of the 20 respondent countries have established either a focal agency or a coordinating body to oversee issues related to aging. These agencies or bodies vary from more permanent government structures at the ministerial level to a single-agency or inter-agency committee on aging, or a branch/function of the social welfare department (for example, The Elderly Commission in Hong Kong, the Elderly Service Division of the Social Welfare Institute in Macao, and the National Working Committee on Aging in China). The wide range of coordinating bodies shows the different strategies used to tackle the needs of older people.

Table 1 shows examples of various national policies or plans of action and/or legislation regarding older people. Not all countries with a lead agency have come up with national policies or plans of action but it is encouraging to see that many countries are gearing up their efforts. For instance, the Directorate of Social Services in the Ministry of Social Welfare of Bangladesh indicated in the survey questionnaire that a national policy on aging would be drafted “very soon.” This is evidence that most countries in the region have recognized aging as a development issue and are taking measures to address it.

In terms of assessing policy objectives, well over half of the countries have a monitoring mechanism in place. For example, the National People’s Congress of China has organized nationwide monitoring and supervision of the implementation of its law every five years. However, in spite of the impressive efforts by many countries, implementation often falls short of policy targets. The political structure in many developing countries, such as the Philippines and China, has meant that effective implementation often relies on the successful diffusion of central policies to local authorities, many of which are village or neighborhood committees. It is therefore not uncommon to see that most government initiatives cannot go beyond city zones. Although some countries have made efforts to mainstream their policies, a general lack of services in villages is often evident due to scarce resources, ineffective coordination by officials who do not understand the policy directives at the district level, political instability, or even corruption. More research is necessary to understand the roots of the problem in individual countries and to improve implementation. ESCAP can play a role in promoting cooperation, experience-sharing, and the dissemination of best practices in the region, as well as in the exchange of expertise and resources so that countries can learn from each other’s mistakes.

Though the ultimate spirit of the Madrid Plan is to build a society for all ages, at all levels, the heavy emphasis on hierarchy and social order in many Asian countries means that broad-scale participation from the bottom-up is the excep-
Table 1 (above): National policies/plans of action on aging in selected countries

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<tr>
<th>Type</th>
<th>Policy framework</th>
<th>Country</th>
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<tr>
<td>National policy on aging</td>
<td>Article 29, the Constitution of I.R. Iran Article 192 part A section of the Executive Bylaw of the 3rd Development Plan 1999-2003</td>
<td>Iran*</td>
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<tr>
<td>National policy on aging</td>
<td>Senior Citizen Policy and Working Policy (2002); 10th Five Year Development Plan 2003-07; National Plan of Action on Older People (2005)</td>
<td>Nepal*</td>
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<tr>
<td>National policy on aging</td>
<td>National Policy for Older Persons (1995); National Plan of Action for Older Persons (1998); Vision 2020</td>
<td>Malaysia*</td>
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<tr>
<td>National legislation on aging (law, ordinance, presidential act, etc.)</td>
<td>Basic Law on Measures for the Aging Society (Law No. 128.1995); General Principles Concerning Measures for the Aged Society (2001)</td>
<td>Japan*</td>
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<td>National legislation on aging (law, ordinance, presidential act, etc.)</td>
<td>Republic Act No. 7432 &amp; Republic Act No. 9257; also Philippines Plan of Action for Senior Citizens</td>
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<tr>
<td>National legislation on aging (law, ordinance, presidential act, etc.)</td>
<td>Older Persons Act B.E. 2546 (2003); also 2nd National Plan for Older Persons 2002-2021</td>
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<td>National legislation on aging (law, ordinance, presidential act, etc.)</td>
<td>Protection of Rights of Elders Act No. 09 (2000)</td>
<td>Sri Lanka*</td>
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<td>National legislation on aging (law, ordinance, presidential act, etc.)</td>
<td>The Charter of Nuroniy Foundation; Law on State Pension Maintenance of Citizens</td>
<td>Uzbekistan*</td>
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<td>National legislation on aging (law, ordinance, presidential act, etc.)</td>
<td>Law on elderly social protection (1995); also National programme “Elderly Health and Social Protection” (1998, revised 2004)</td>
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<td>National legislation on aging (law, ordinance, presidential act, etc.)</td>
<td>Law on Protecting the Rights of the Elderly (1996); also 10th National Five Year Development Plan on Aging 2001-2005</td>
<td>China*</td>
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<td>National legislation on aging (law, ordinance, presidential act, etc.)</td>
<td>Chief Executive Policy Address has placed “Care for Elders” as a Strategic Policy Objective since 1997</td>
<td>Hong Kong*</td>
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<td>National plan of action</td>
<td>State Plan (2004-2007), P.L. 14-139</td>
<td>Guam*</td>
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<td>National plan of action</td>
<td>National plans of action on aging, health and education</td>
<td>Myanmar*</td>
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<td>National plan of action</td>
<td>National Plan of Action on Aging 2003-08</td>
<td>Indonesia</td>
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<td>National plan of action</td>
<td>Mid- to Long-term Development Directions for Elderly Health and Welfare in Preparation for an Aged Society in the 21st Century; National Long-term Care Service Plan for Older Persons</td>
<td>South Korea</td>
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Unintentional, if well-meaning, ageism must be avoided as we plan for the challenges of greater longevity.

Aging brings challenges as well as opportunities, but in order ensure a positive outcome, resources and attention are needed from governments, NGOs and international organizations. But most important are the attitudes of people. One of the most pernicious areas requiring attention in the future is what some have called a “moral panic.” This is the fear of aging, which sometimes leads to the virtual “demonizing” of the elderly. Aroused by many politicians and fuelled by economists and some in the media, this fear focuses on the “unsustainable costs of the graying hordes of large numbers of older persons.” A sad but not uncommon example was seen on September 6, 2006 when Hong Kong’s Chief Executive addressed a major conference in Hong Kong on the family and fueled fears that over the next 30 years or so the government would not be able to support the rising numbers of older Hong Kongers. This attitude is all too prevalent and does not recognize that with adequate planning and investment in good health and social services, the future older generations in the Asia-Pacific region will hopefully be healthier, wealthier and more self-sufficient than they are today. Unintentional, if well-meaning, ageism must be avoided as we plan for the challenges of greater longevity. It is not too late.

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