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**WORLD**  
CONGRESS



19 – 22 March, 2012  
**ON HEALTHY AGEING**

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[www.healthyageingcongress.org](http://www.healthyageingcongress.org)

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Malaysian Healthy Ageing Society

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World Health  
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# **The economic implications of ageing**

**1st World Congress on Healthy Ageing 2012**

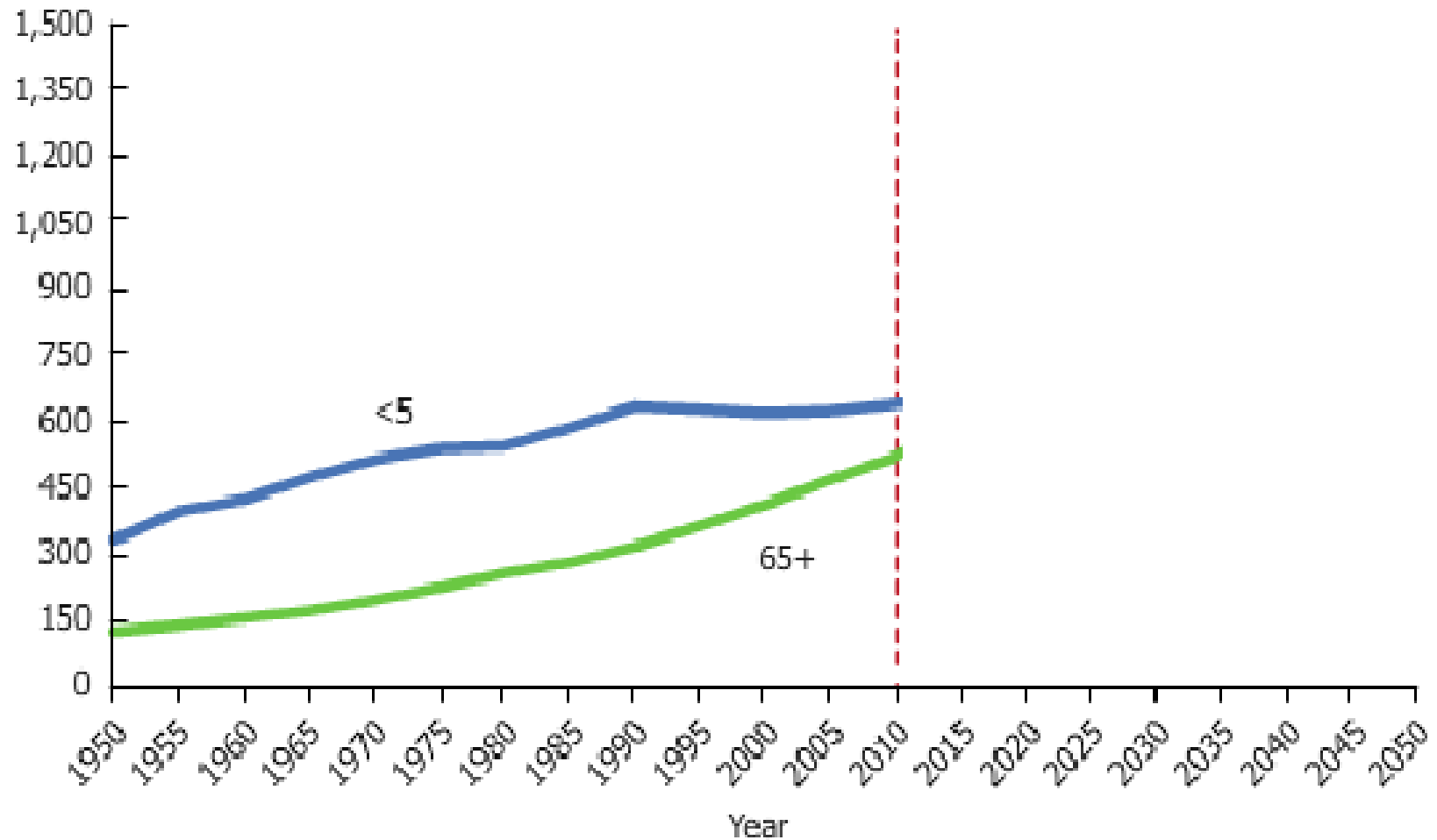
Kuala Lumpur, Malaysia

**Eduardo Klien**  
**HelpAge International**

# World Population Aging Under Age 5 and Over Age 65

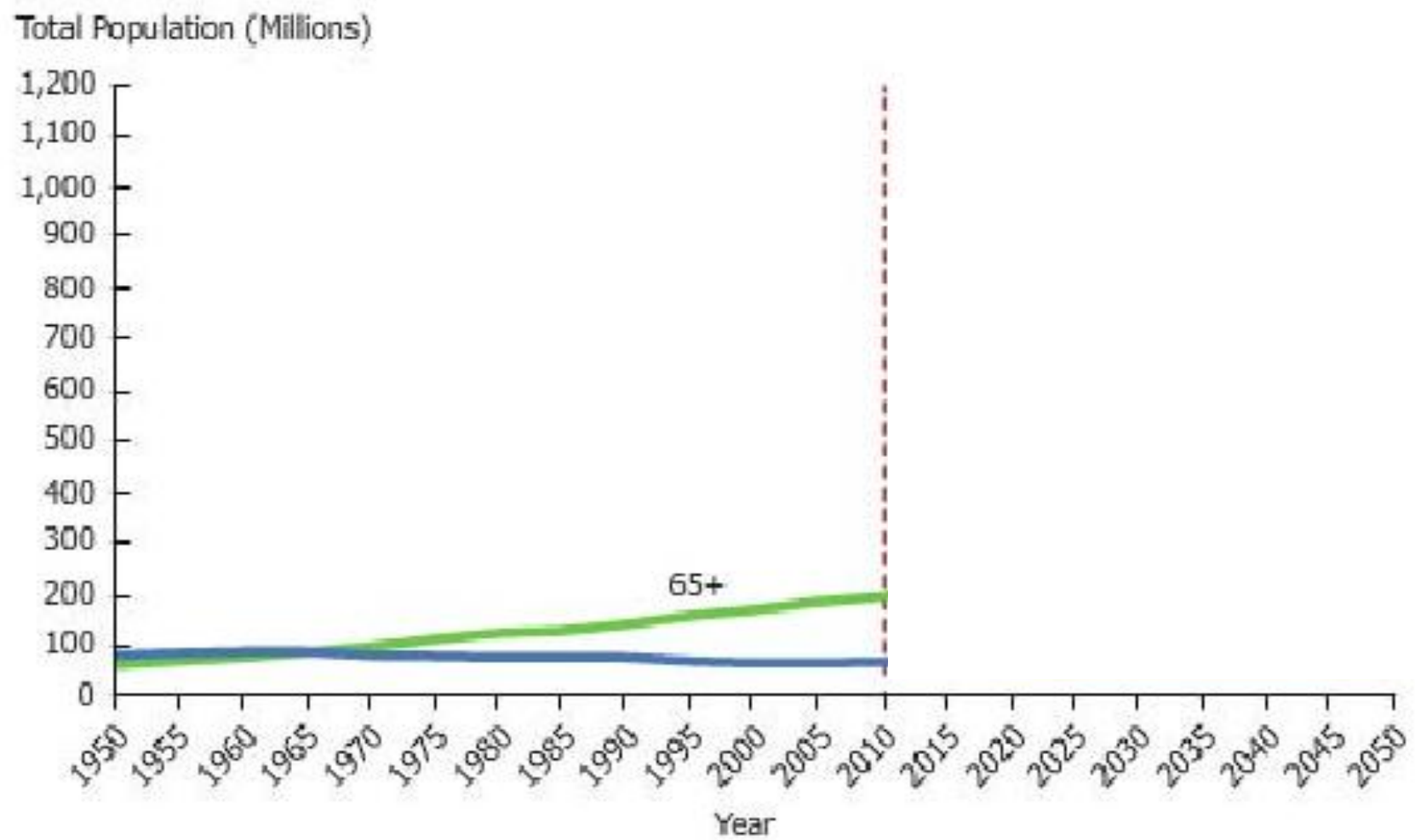
## World

Total Population (Millions)



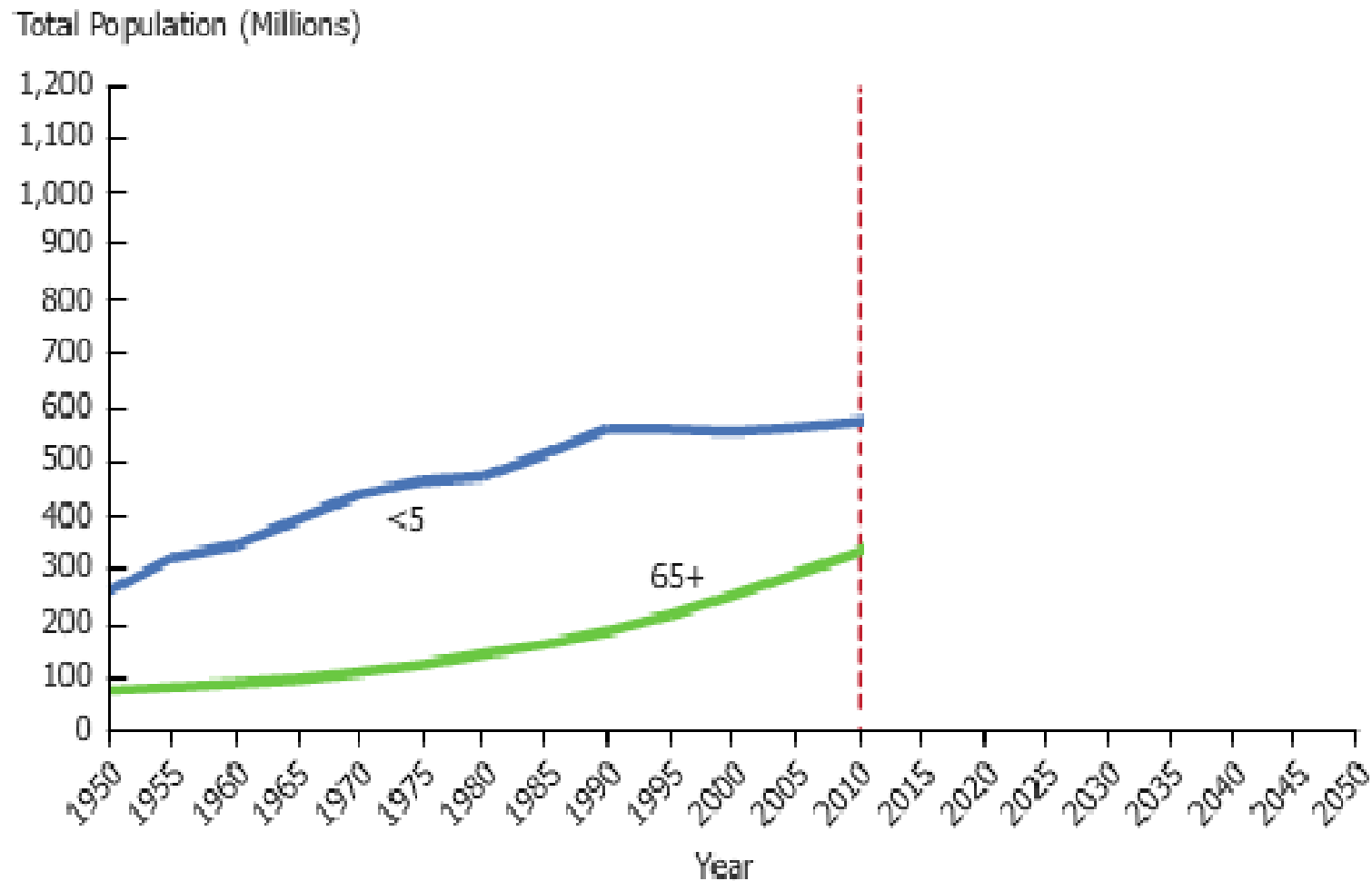
# Population Aging Under Age 5 and Over Age 65

## More Developed Countries



# Population Ageing Under Age 5 and Over Age 65

## Less Developed Countries



# Healthy ageing is the result of a combination of interacting factors:

- Absence of poverty
- Prevention and knowledge
- Lifestyles
- Community enabling environments
- Health care systems

# Economic implications of ageing in three key policy areas

**1. Income security in old age**

**2. Access to health**

**3. Care**

# Economic “burden”

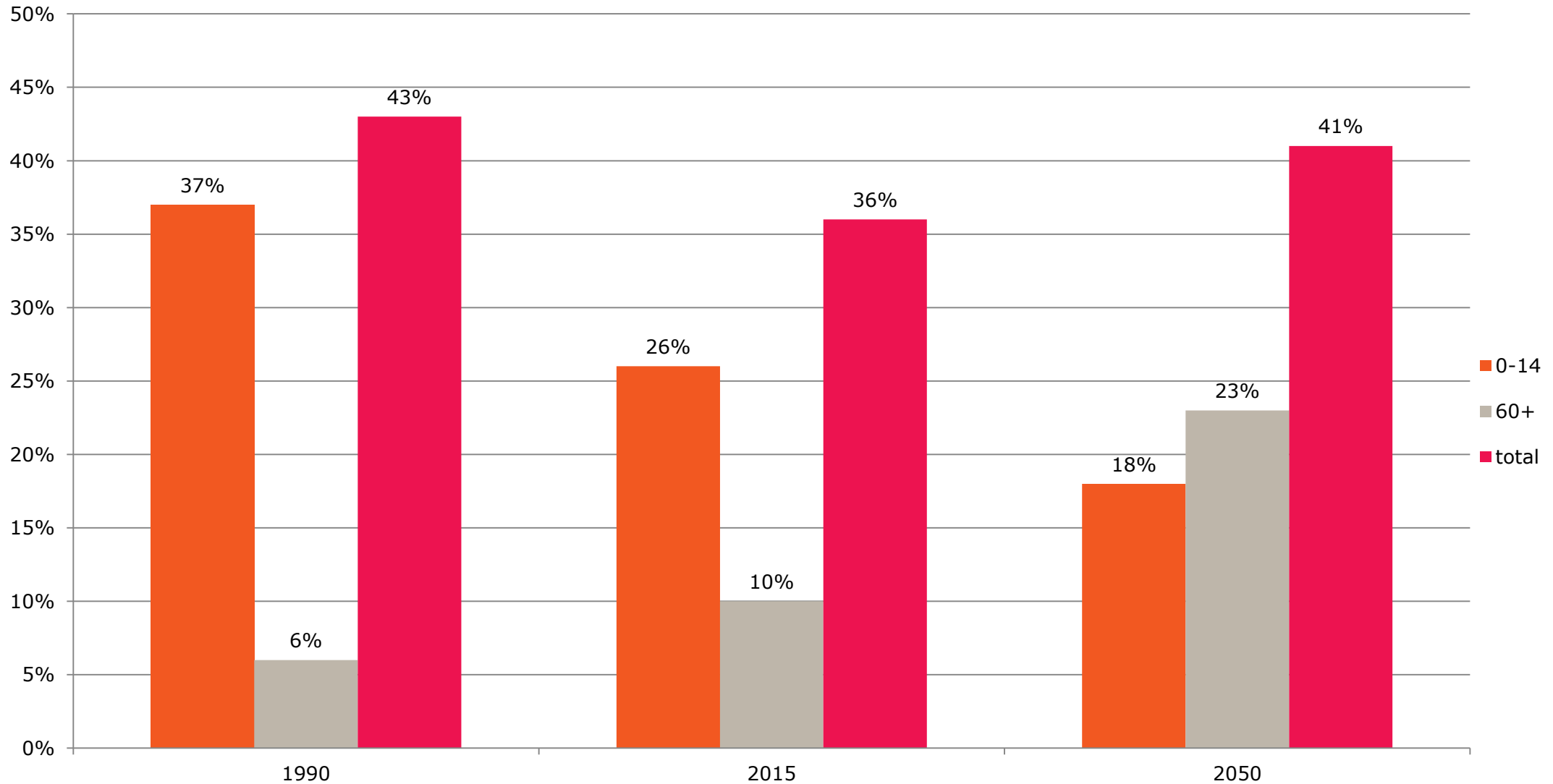
**Will there be a rising “burden” of dependency in the region?**

Yes, but:

- Changes in dependency ratios will in some cases create opportunity: *demographic dividend*
- In Asia roughly 4 out of 5 older people do **NOT** have any form of pensions
- Large proportion of older people are part of the workforce



# Dependency ratio in ASEAN



# **Income security in old age**

## **Two areas:**

- **Pensions**
- **Livelihoods**

# Retirement and pension

## **a) Contributory pension**

In Developing Asia only 21% receive contributory pension. Issues:

- Expansion to informal sectors
- Age of entry (retirement age)

## **b) Non-contributory pension (social pension)**

Different ways of targeting (Universal, means tested)

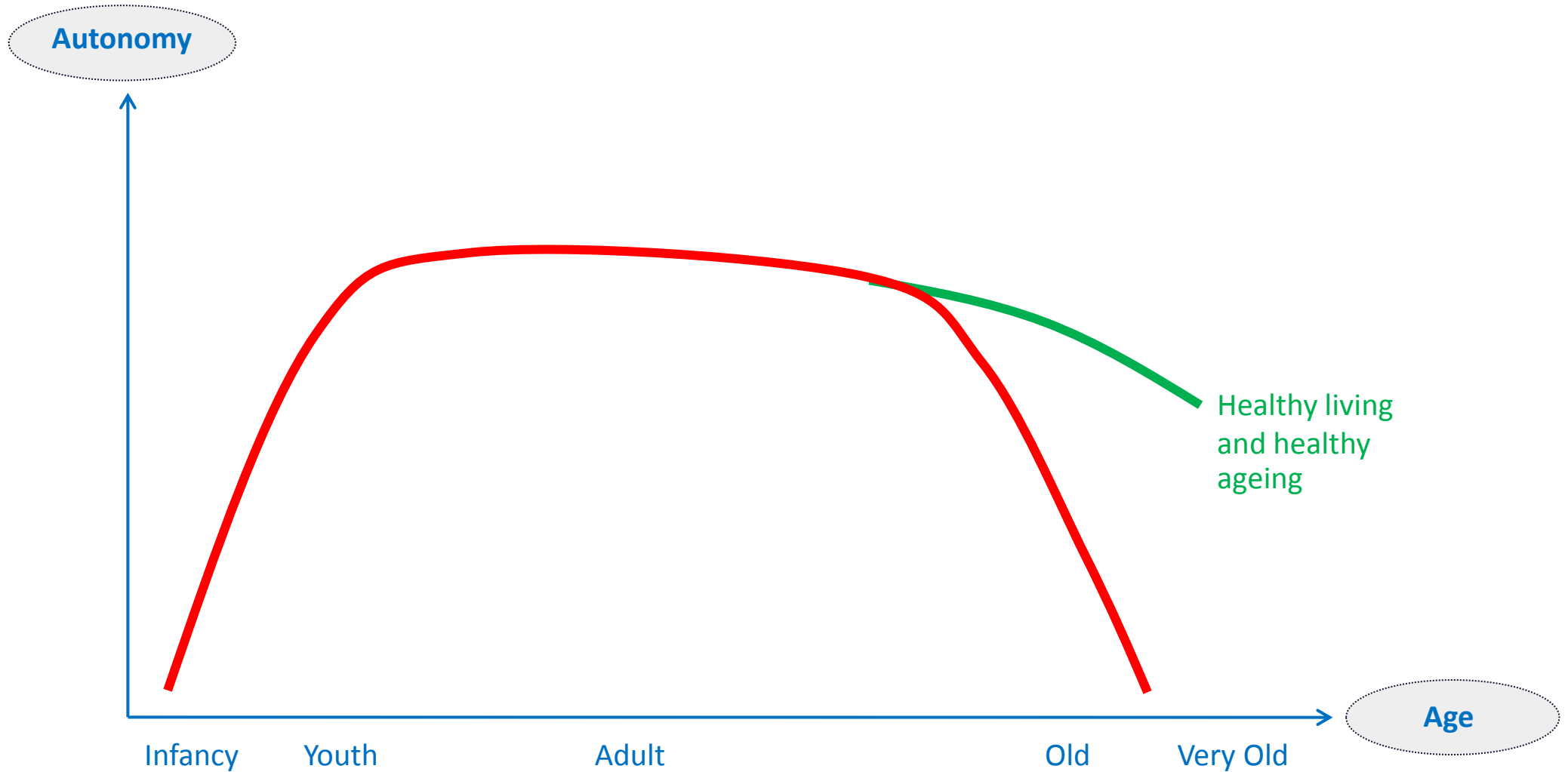
# Older people at work

- **In Vietnam by age 70 58% of men and 43% of women remain economically active, still working 35 hours and 32 hours a week respectively.**
- **A research in India shows that 1 out of three men over the age of 80 are still working (*I. Rajan*)**
- **Unaccounted work of grandparents as primary carers of children. *In China over 56 million children are partially or totally cared by Grandparents)***

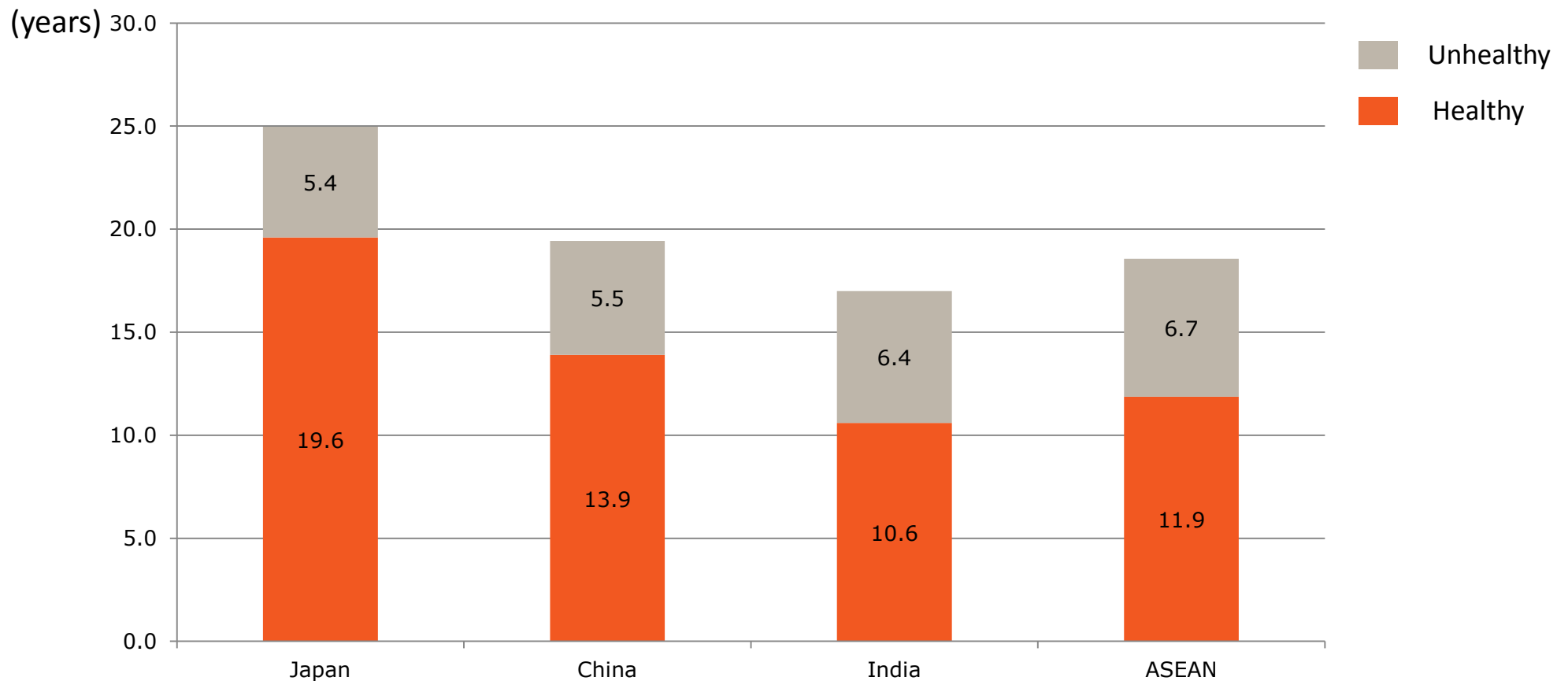
***China Labour Bulletin***

## **2. Healthcare for older people**

# Life Cycle and Independent Living



# Life expectancy after 60



Source: UN DESA (Department of Economic and Social Affairs, Population Division) Population Ageing and development Wallchart 2009.

Downloaded on 18th May 2010 from <http://www.un.org/esa/population/publications/ageing/ageing2009chart.xls>

Compiled by HelpAge

## **Challenges on Health systems**

- **Largely due to ageing, there is now prevalence of non-communicable diseases. Health systems not prepared**
- **Non-communicable diseases (e.g. stroke, cardiovascular disease and cancers) significantly affect quality of life**
- **Mental illnesses may increase in the Asia/Pacific region from 13.7 million people in 2005 to 64.6 million by 2050**

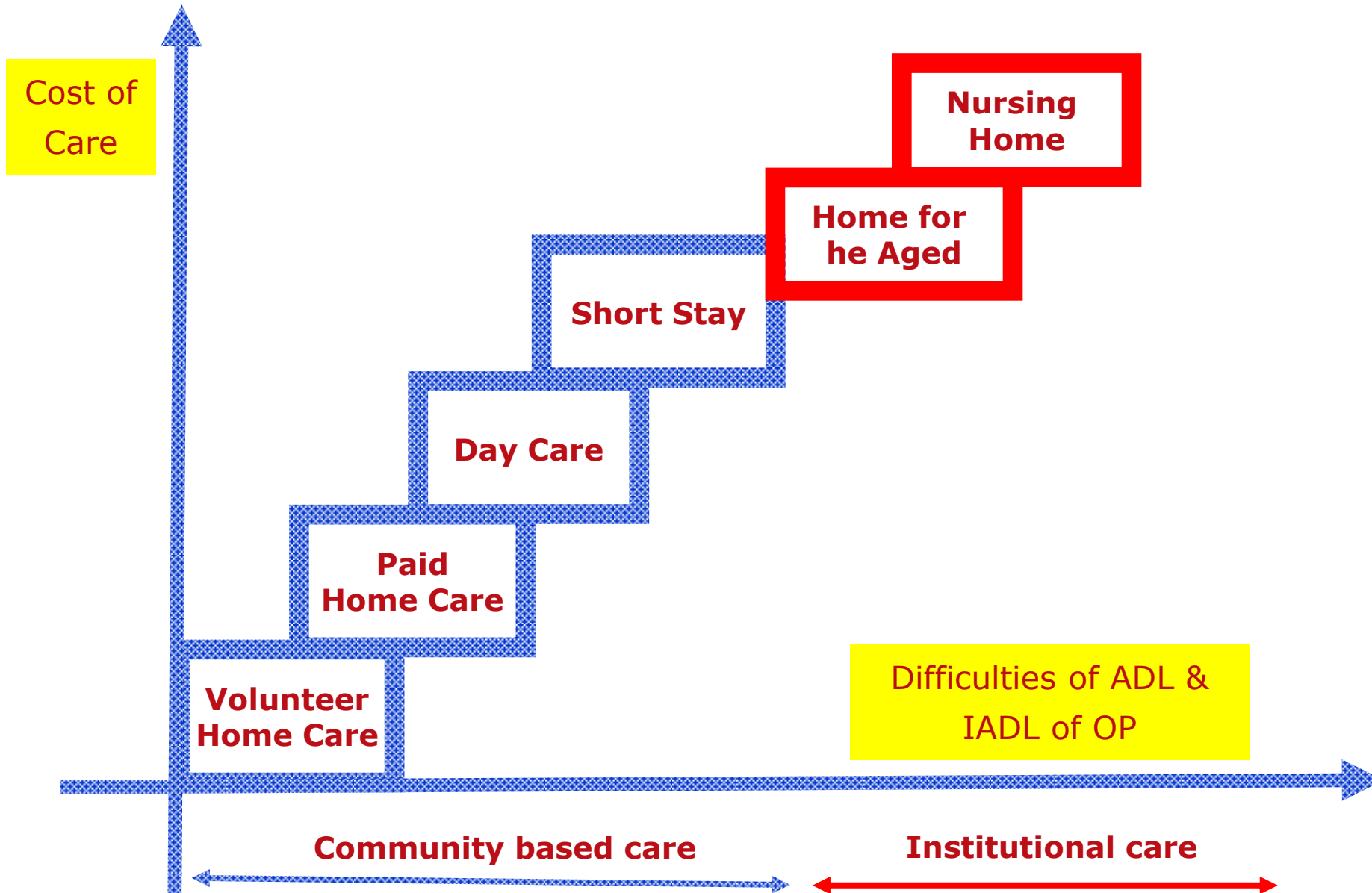


## **Cost of NCDs**

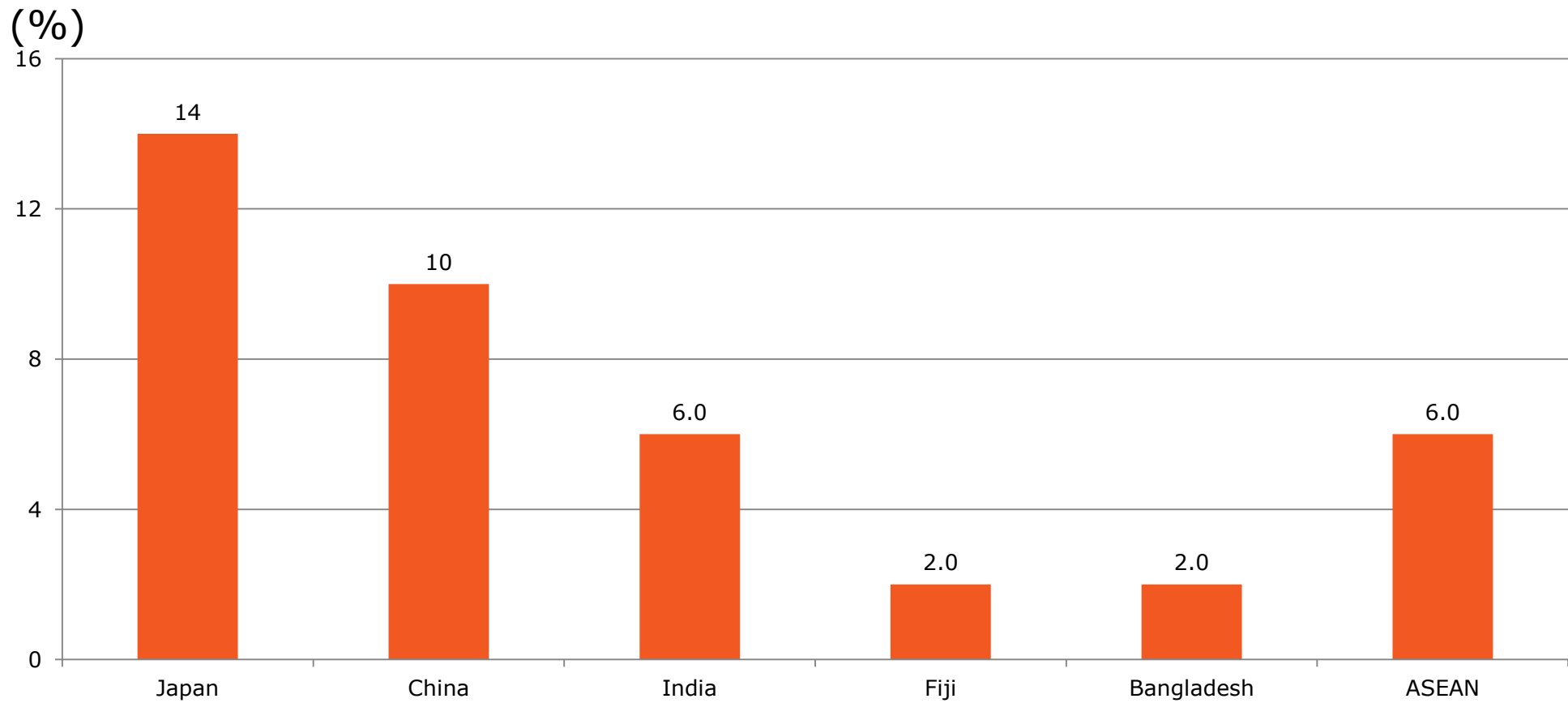
- **75% of the deaths in the region are attributable to NCD compared to 14% of deaths from communicable diseases.**
  - **26,500 people die from NCDs daily in the WPR – 7 out of every 10 deaths in the Region are due to NCDs**
  - **Close to 1/2 of deaths occur in people under 70 years of age–productive years**
- **NCDs represent 92% of the burden of disease (DALYs) in high income countries and 63% in middle and low income countries.**
- **An additional 2% reduction every year over the next years would mean 10 million lives saved in the Western Pacific**
- **A World Bank study (2000) found the cost of treating NCD was between 39% and 58% of total health care expenditure in 3 Pacific countries**
- **Lost productivity due to NCDs between 2005 and 2015 will cost China over US\$ 550 billion**

## **2. Care and support**

# Continuum of Care



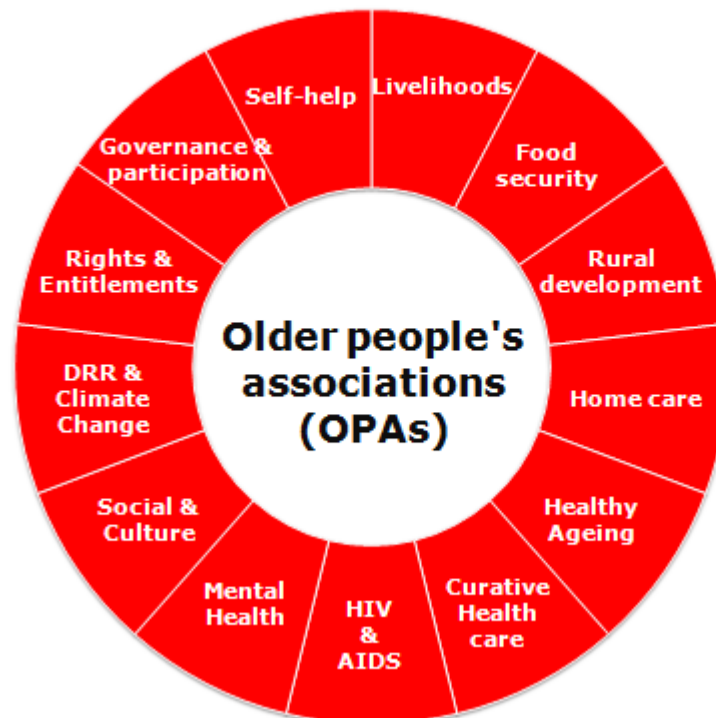
# Older People living alone



# Ageing in place

- Shanghai is proposing a 90-7-3 policy
- Some countries — e.g. Singapore and Hong Kong — with quasi-public housing provision, aim to enable families to live with/near older relatives
  - allocation of housing units (apartments) nearby for children and older parents
  - more rapid allocation of public housing when older relatives are included.

OPAs are multifunctional organisations



# What can healthy ageing do for general economic growth?

- Effective reduction of dependency ratios
- Improved general productivity
- Delay long-term care needs
- Have more “harmonious” societies

# Conclusions

- We are in the midst of a huge demographic shift that is compressed in time and comprehensive in scope
- There is a window of opportunity to prepare for these new conditions and this requires decisive social and economic policies
- Three priority areas are: income security in old age, new paradigms on health and adaptive policies on care



**Thank you**