

## **Regional Consultative Meeting on Promoting Active Ageing in Southeast Asia**

**Jakarta, 13 June 2024**

### **Summary and Recommendations**

#### **Attendees**

Representatives of the ASEAN Senior Officials Meeting on Social Welfare and Development (SOMSWD) and representatives of Timor-Leste, the ASEAN Secretariat (Poverty, Eradication & Gender Division), 8 experts from the region, ERIA (the Economic Research Institute for ASEAN and East Asia) and OECD (Organization for Economic Co-operation and Development).

#### **Objectives**

To identify policy recommendations to deal with population ageing and promote active ageing in ASEAN Member States (AMS). These issues include macroeconomic trends, labour markets, healthcare, social policies, and pensions. The meeting aimed to empirically examine Working Life Expectancy (WLE) and the economic impact of increased WLE in AMS and discuss the potential benefits of “Active Ageing” policies. These include measures to substantially improve social protection and reduce labour market informality and enhance access to good-quality health care, in order to improve health, raise labour force participation, limit ageing-related expenditures and reduce care needs.

#### **Highlights**

##### **1) Overview**

The OECD research examined health-related work capacity, gender inequality, and social protection in AMS, highlighting key findings based on 2022 data. It discovered that maximum work capacity is higher in AMS for the remaining life expectancy in labour market participation, with an astonishing 94% of unused work potential attributed to females. This gender inequality is caused by the gender differences in family roles, for example custom pressures that females should take responsibility for caring for the family. The study also pointed out the low projected employment rates in countries like Brunei, Malaysia, Myanmar, and Thailand due to pension policies and retirement ages, which force many people to work under difficult conditions in older age. Additionally, it highlighted challenges with social protection for older adults and pension systems, where first-tier benefits are often low, unclaimed, or non-existent, factors impacting on sustainability. The OECD emphasised the need for improved pension policies to address these issues and ensure more sustainable systems in the future.

Research conducted by ERIA highlighted the potential benefits of extending WLE to improve the quality of life for the ageing population in Southeast Asia. ERIA's findings underscore the economic gains from increasing WLE, indicating that implementing active ageing policies can extend working life and increase the proportion of the working-age population. By analysing longitudinal data from

several AMS, it was found that males tend to work longer on average at age 60 compared to females. Economic analysis showed that increased WLE could have a positive impact on income per capita from 2020 to 2040 in selected ASEAN countries.

## 2) Situation and Common Challenges in AMS and Timor-Leste

With the diverse demographic situation in AMS, many countries have untapped work capacity among older persons, particularly females. A critical challenge is the role of families, especially females, as primary caregivers, which often limits their participation in the labour market. Despite their potential to contribute economically, many remain underemployed or unemployed. Recognizing this issue, some AMS have expanded childcare and long-term care services for older adults to help alleviate the burden on family members and enable their greater workforce participation.

On the other hand, the coverage rates of pensions are low in most AMS. Balancing social protection benefits with budget constraints and work incentives is a delicate task. Ensuring that benefit levels are adequate without disincentivizing work requires careful policy design. Moreover, inconsistent data collection standards across the region hinder the development of comprehensive and effective policy recommendations. Improving data collection practices is important for elaborating policies that accurately address the needs and challenges faced by the populations in AMS and Timor-Leste.

## 3) Key Messages and Recommendations for further steps

Comments from AMS:

- Promoting awareness of healthy ageing and updating pension systems using improved local data collection and transparency play critical roles.
- Regional cooperation and policy development are central to creating effective action plans toward healthy longevity across AMS. Future collaboration between ASEAN, SOMSWD, ERIA, and OECD is necessary to address gaps in data that are used as evidence.
- Recommendations for regional conferences on elder care and the care economy highlight the importance of shared learning and collaboration. Comprehensive policies for older persons are needed across AMS, with a particular emphasis on pension systems, social assistance, disability, gender equality, and aged care.
- Addressing retirement age concerns and human resources is also key for some AMS to ensure the well-being of their ageing populations.

The following are recommended:

- To conduct a regional situational analysis through systematic evaluations, such as baseline surveys or gap analyses, which would be a fundamental step in strengthening the evidence base to secure political commitment and thus drive further ASEAN activities.

- To propose and organise regular ASEAN workshops following this regional consultative meeting to address the challenges identified and advocate for increased awareness and information sharing.
- To leverage technology tools such as online collaboration platforms, webinars, and virtual meetings to facilitate collaboration and engagement with stakeholders, including public, private, and international non-governmental organisations (INGOs), to optimise the development of guidelines for harmonised data management systems with common standards for data collection, documentation, and presentation.

To move forward with the above key messages, ERIA and OECD will continue to communicate with SOMSWD and other partners.