International Conference

Population Changes and Policy Response in East Asia

YouTube Broadcast

November 4, 2021(Thu.), 13:00~17:00 (KST)

KIHASA
한국보건사회연구원
KOREA INSTITUTE FOR HEALTH AND SOCIAL AFFAIRS

International Conference

Population Changes and Policy Response in East Asia

YouTube Broadcast

November 4, 2021(Thu.), 13:00~17:00 (KST)

KIHASA
한국보건사회연구원
KOREA INSTITUTE FOR HEALTH AND SOCIAL AFFAIRS

International Conference

Population Changes and Policy Response in East Asia

Program

13:00~13:10	**Opening Ceremony**
Opening Remarks	**Tae-Soo Lee** I President, KIHASA
13:10~14:40	**Session 1**
Moderator	**Doo-Sub Kim** I Professor, Hanyang University
Presentation 1	Population change in Singapore and aging policy initiatives **Thang Leng Leng** I Professor, National University of Singapore
Presentation 2	Income Protection in Older Age in Hong-Kong **Stuart Gietel-Basten** I Professor, The Hong Kong University of Science and Technology
Presentation 3	Policy Responses to Rapid Population Aging in Thailand **Pramote Prasartkul** I Institute for Population and Social Research, Mahidol University **Napaphat Satchanawakul** I Institute for Population and Social Research, Mahidol University
Discussion	**Terence H. Hull** I Emeritus Professor, The Australian National University
14:40~15:00	**Break**
15:00~16:30	**Session 2**
Moderator	**Doo-Sub Kim** I Professor, Hanyang University
Presentation 1	Population Aging and Social Security Cost in Japan **Toru Suzuki** I Former Guest Professor, Seoul National University
Presentation 2	Social and Health Policies in Response to the Rapid Demographic Change in Taiwan **James Cherng-Tay Hsueh** I Professor, National Taiwan University
Presentation 3	The Changing Population of Korea : Challenges for Welfare Policies **Yoon-Jeong Shin** I Research Fellow, KIHASA
Discussion	**Sang-Hyop Lee** I Professor, University of Hwaii at Manoaand East-West Center
16:30~17:00	**Conclusion**

International Conference

Population Changes and Policy Response in East Asia

Contents

International Conference

Population Changes and Policy Response in East Asia

Session 1

International Conference

Population Changes and Policy Response in East Asia

Moderator

Doo-Sub Kim

Professor, Hanyang University

Biography

Doo-Sub Kim is an Emeritus Professor of Sociology at Hanyang University and the Founding Director of the Center for SSK Multicultural Research. He served as President of both the Asian Population Association and the Population Association of Korea. He is a member of the IPUMS International Advisory Board and the International Advisory Committee for the Asian Demographic Research Institute at Shanghai University. Over the past three decades, he has served on the National Statistics Committee, the Korea Social Science Data Archive, and the Advisory Committee for Social Policy at the Office of the President of Korea. Educated at Seoul National University (BA and MA) and Brown University (Ph.D.), he has received a number of major awards including the Order of Service Merit (2004) and the Order of Civil Merit (2018) from the President of Korea.

His main research areas are fertility, demographic transition, cross-border marriage and research methodology. He has published 49 books/monographs and some 170 journal articles and book chapters. His recent publication includes Foreign Residents in Korea 2020 (2021), International Marriage of Koreans and Adaptation of Foreign Spouses (2015), Diversity of Foreign Spouses and Stability of International Marriages (2013), Cross-Border Marriage: Global Trends and Diversity (2012), The Population of North Korea and Population Census (2011), Qualitative Researching (2010), Cross-Border Marriage: Process and Dynamics (2008), The 'IMF Economic Crisis' and Changes in Korean Fertility (2007), and The Population of Korea (2004).

Presentation 1

Population change in Singapore and aging policy initiatives

Thang Leng Leng
Professor, National University of Singapore

Biography

Dr **THANG Leng Leng** is socio-cultural anthropologist graduated from University of Illinos at Urbana-Champaign She has research interest in ageing, intergenerational approaches and relationships, family and migration with a focus on Asia, especially Japan and Singapore. She publishes widely in her areas of expertise. One of her most recent publications is a co-edited book titled "Intergenerational Contact Zones: Place-based Strategies for Promoting Social Inclusion and Belonging (2020, Routledge, with Kaplan, Sanchez and Hoffman). She is co editor-in-chief of the Journal of Intergenerational Relationships (Taylor and Francis, USA) and President of Singapore Gerontological Society. She is active in community services, serving as President of the board of Fei Yue Family Service in Singapore, among others. She is Associate Professor at the Department of Japanese Studies, also co-Director of the Next Age Institute, Faculty of Arts and Social Sciences, National University of Singapore. She co-leads the Purposeful Longevity workstream of the newly launched Health District long term project in Singapore which is the first district-level living-lab pilot in Queenstown to promote a model of health and active community for all aged.

International Conference on Population Changes and Policy Responses in East Asia, 2 November 2021 (KIHASA)

Population Change in Singapore and Aging Policy Initiatives

Leng Leng THANG, National University of Singapore
lengthang@nus.edu.sg

OUTLINE

- **Background**
  - -Population aging in Singapore
  - -Policy approach to aging
- **A focus on long term care**
  - - LTC service provision
  - - informal caregiving
- **Conclusion**

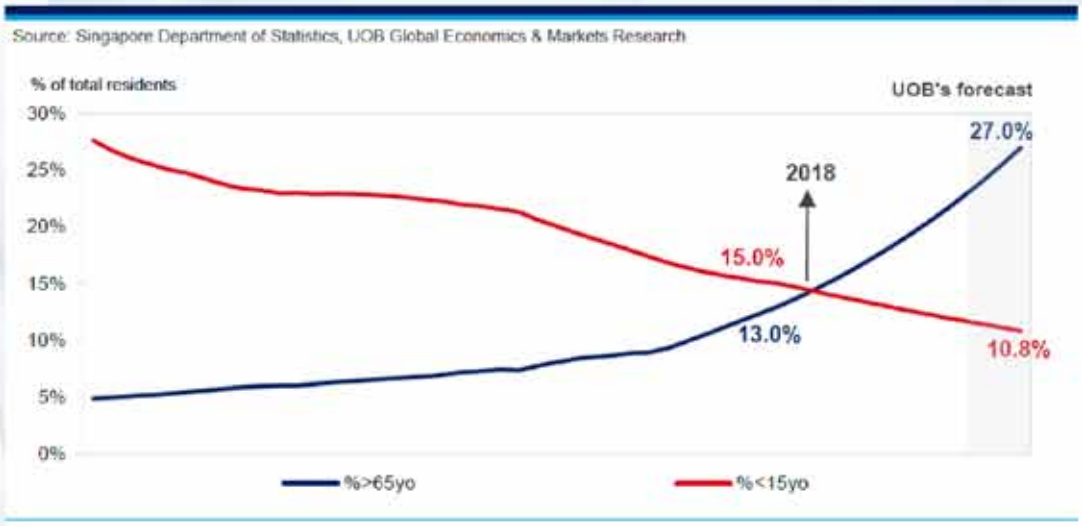
Background

KEY DEMOGRAPHIC INDICATORS, 1970 – 2020

Population	1970	1980	1990	2000	2010	2019	2020
Total Population[1,2,3] ('000)	2,074.5	2,413.9	3,047.1	4,027.9	5,076.7	5,703.6	5,685.8
Resident Population[2,3] ('000)	2,013.6	2,282.1	2,735.9	3,273.4	3,771.7	4,026.2	4,044.2
Singapore Citizens ('000)	1,874.8	2,194.3	2,623.7	2,985.9	3,230.7	3,500.9	3,523.2
Permanent Residents ('000)	138.8	87.8	112.1	287.5	541.0	525.3	521.0
Population Density[4] (Per sq km)	3,538	3,907	4,814	5,900	7,146	7,866	7,810
Sex Ratio[5] (Males per 1,000 females)	1,049	1,032	1,027	998	974	957	957
Median Age[5] (Years)	19.5	24.4	29.8	34.0	37.4	41.1	41.5
Old-Age Support Ratio[5] (Per person aged 65 years & over)							
Persons aged 15 – 64 years	17.0	13.8	11.8	9.9	8.2	4.9	4.6
Persons aged 20 – 64 years	13.5	11.3	10.5	9.0	7.4	4.5	4.3

Source: https://www.singstat.gov.sg/-/media/files/publications/population/population2020.pdf

Percentage of Resident Population >65 and <15 years



Adopted from: Macro notes, UOB Global Economic and Market Research, 6 Dec, 2017

Life expectancy at birth and at age 65

	1980	1990	2000	2010	2020
Life expectancy at birth for residents	72.1	75.3	78	81.7	83.9
Male	69.8	73.1	76	79.2	81.5
Female	74.7	77.6	80	84	86.1
Life expectancy at age 65 for residents	14	15.7	16.9	19.8	21.5
Male	12.6	14.5	15.6	18	19.6
Female	15.4	16.9	18.1	21.4	23.2

Source: Department of Statistics, Singapore

Changes in population for residents aged 65 and above (%)

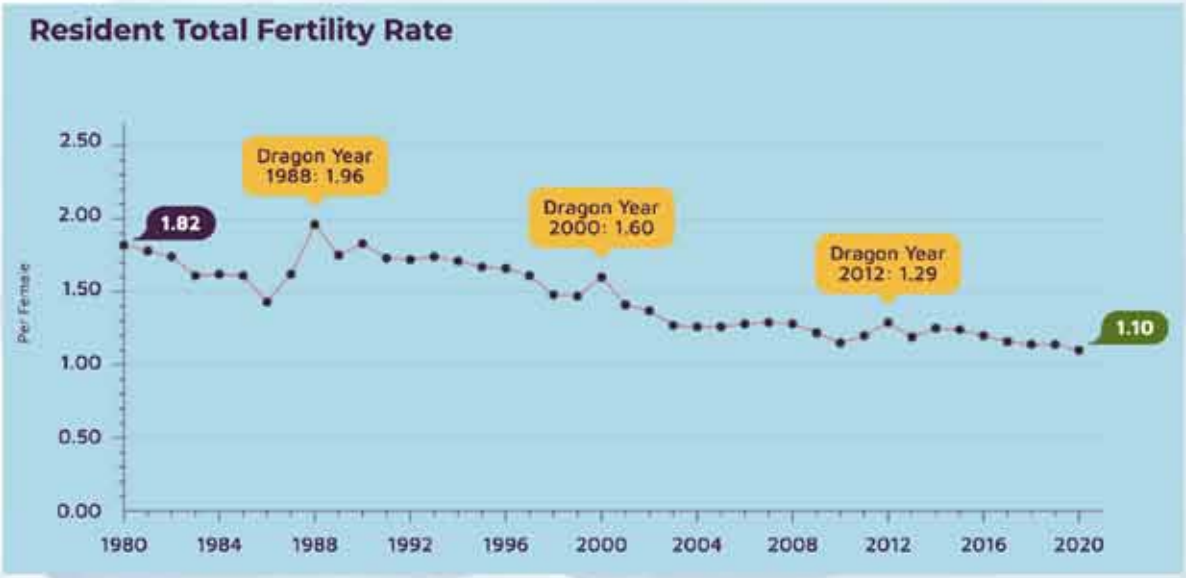
	1980	1990	2000	2010	2020
65 and above (%)	4.9	6	7.2	9	15.2
80 and above (%)	0.5	1.0	1.2	1.8	3.1
90 and above (%)			0.2	0.3	0.5

Source: Department of Statistics, Singapore

Composition of population age 65 and above (2020 census)

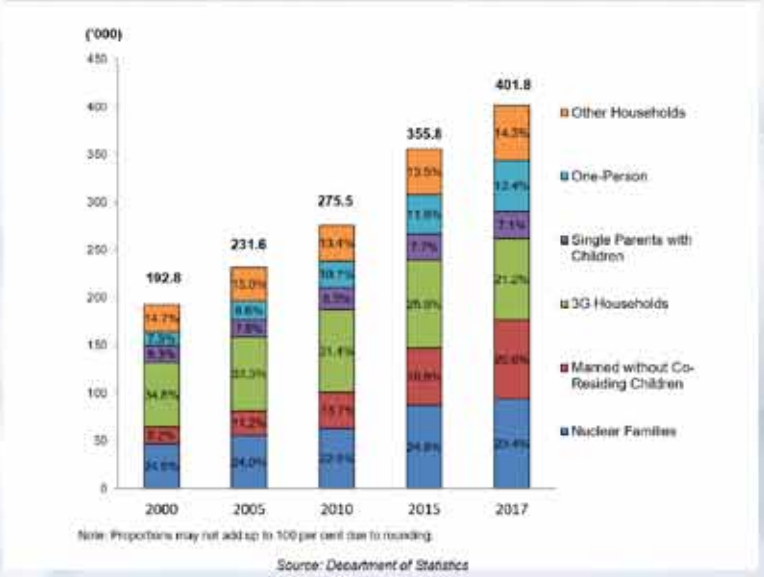
	CHINESE	MALAY	INDIAN	OTHERS
Total population	74.3	13.5	9.0	3.2
65+ (15.2%)	83.7	9.1	5.9	1.3
Male	40.7	4.5	3.0	0.6
Female	43.0	4.6	2.9	0.7

Source: Department of Statistics, Singapore



Source: https://www.singstat.gov.sg/modules/infographics/total-fertility-rate

Resident households (age 65 and above)



One person and couple-only Households: increased from 16.7%-34% (2000-2017)

Adopted from MSF, Aging Families in Singapore, 2000-2017

Dementia in Singapore

- Affecting 10% of age 60 and above*
- 75-84 years old: 4.3 times higher than 60-74 years old

  85 years and above: 18.4 times higher

Project number of people with dementia**

2015:45000
2030: 103000
2050: 241000

*Well-being of the Singapore Elderly (WiSE) study, Institute of Mental Health Singapore
https://www.imh.com.sg/uploadedFiles/Newsroom/News_Releases/23Mar15_WiSE%20Study%20Results.pdf

**Projected number of dementia in Singapore
https://www.statista.com/statistics/738352/singapore-projected-number-of-people-with-dementia/

Policy approach to aging

Long term strategic approach

Whole-of-government approach to challenges of population ageing

Major national level committees on aging:

1982: National Committee on the Problems of the Aged

1988: Advisory Council on the Aged

1998: Inter-Ministerial Committee on the Ageing Population (IMC)

2005: Committee on Ageing Issues (CAI)

2007: Ministerial Committee on Ageing (MCA)

ACTION PLAN FOR SUCCESSFUL AGING (2015)

S$3b budget to build a National for All Ages
More than 70 initiatives in 12 areas

This is what a successfully ageing Singapore will be like:

OPPORTUNITIES
FOR ALL AGES

Singapore will be a place where everyone, including seniors, can continually learn, grow and achieve their fullest potential.

KAMPONG
FOR ALL AGES

Singapore will be a caring and inclusive society that respects and embraces seniors as an integral part of our cohesive community.

CITY
FOR ALL AGES

Singapore will be distinctive globally not just for its economic success, but also as a model for successful ageing.

Advancing a positive gerontology approach

Aging as Problem → **Successful Aging (1999 IMC)**

Successful Aging Framework (2006 CAI)

3 pillars:

Security (financial security, employability)

Health (affordable, holistic healthcare and eldercare)

Participation (promote active aging)

Many Helping Hands approach

"The starting point, however, must be individual responsibility to plan and prepare for old age. The family is the first line of care. The community is the second line of support to enable families in their care-giving role. The role of the State is to provide a framework that enables the individual, the family and the community to play their part." (IMC Report, 1999)

Family as the first line of support

"family caregivers form the backbone of the long-term care services in any country..... However, unlike many countries where the role of families is often assumed and implied, the Singapore government has explicitly upheld the ideal of familial support of their elderly relatives, especially in the provision of long-term care services" (Rozario and Rosetti, 2012, p. 646).

The vision of "Aging-in-place"

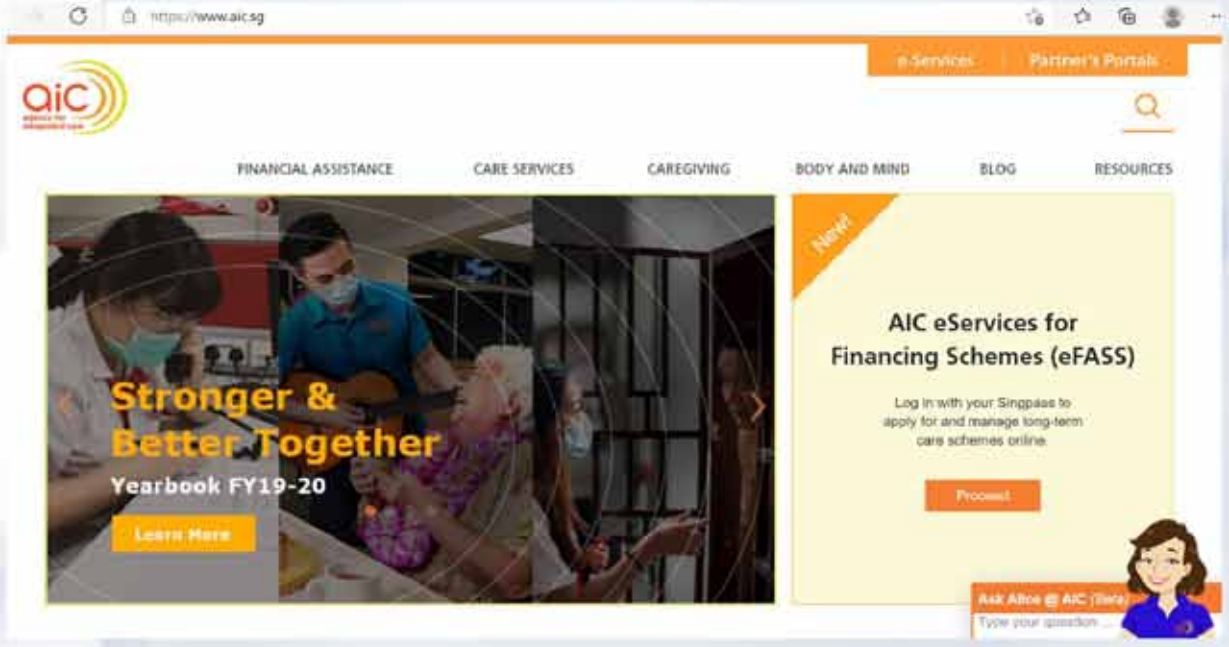
- To promote 'growing old in the home, community and environment that one is familiar with, with minimal change or disruption to one's lives and activities" (IMC, 1999: 6).

- Two-pronged approach to achieving the vision:

- Building an inclusive environment
- Providing good eldercare

Credit: David Hong

Agency of Integrated Care



Long term care services

Home Care Services • For older adults who still can be cared of at home with some formal care support	**Home Medical** **Home Nursing** **Home Therapy/ Rehabilitation** **Hospice Home Care** **Medical Escort and Transport** **Home Personal Care** **Meals-On Wheel** **Interim Caregiver Service**
Centre- based Care Services • For older adults who still can be cared of in the community but require care and supervision in the day when family support is not readily available	Senior Activity Centre Community Rehabilitation Senior Day Care Dementia Day Care Psychiatric Day Care Community Nursing Centre-based Respite Care Integrated Home & Day Care (IHDC) Senior Care Centres Active Ageing Hub Eldercare Centre

Source: Agency for Integrated Care. (n.d-e). Homepage. https://www.aic.sg/.

Stay-in Care Services • For older adults who are not able to be cared for at home or in the community due to high care needs or limited family support	**Nursing Home** **(1999-47 (4703 beds)** **(2020-77 (16221 beds)** **Sheltered & Group Home** **Nursing Home Respite Care**
Palliative Care Services • For older adults who require terminal or end-of-life care	Home Palliative Care Day Hospice Care Inpatient Palliative Care
Social Care & Support	Centre-based or home-based counselling Community Befriending Cluster Support Community Case Management

Source: Ho, E. and Huang, S. (2018). Care Where you Are: Enabling Singaporeans to age well in the community. Singapore: Lien foundation,p. 29
http://www.lienfoundation.org/sites/default/files/Care%20Where%20You%20Are%20FINAL.pdf

New care models: Integrated care programs

- Singapore Program for Integrated Care of the Elderly (SPICE)- *center-based alternative for frail elderly to delay nursing home admission*
- Care Close to Home Program (C2H) – *for vulnerably elderly with low or no caregiver support*

New assisted living apartment (public housing) (launched Feb 2021)

Source: hdb.gov.sg

Each level of the block will come with a furnished communal space for residents to mingle and relax. This is an artist's impression of the communal space. Actual provisions may differ. (Credit: HDB)

Informal Caregiver support

- **Increasing attention on issues faced by caregivers of older persons requiring long term care in Singapore**

-- In 2018, 168,300 female residents (aged 40-59) out of labor force (2.3m), 20% had to care for family members, other than children (MOM survey)(ST 16 Feb 2019).

Caregiver Support Action Plan by Ministry of Health (2019)

Workplace support	- Work-Life Grant (WLG) to encourage flexible work arrangements - MOM is exploring increases to the WLG budget Tripartite Standard (TS) on Flexible Work Arrangements; TS on Unpaid Leave for Unexpected Care Needs - Adapt and Grow initiative to provide employment facilitation and support for jobseekers
Care Navigation	- 4 more AICare Links in the community for information and referral, up from existing 8 - Singapore Silver pages (www.silverpages.sg) and Singapore Silver Line (1800-650-6060) for one-stop information and resources - Digital platforms to facilitate access to services/healthcare items and end-of-life planning
Financial Support	- Seniors' Mobility and Enabling Fund to defray costs of assistive device and home healthcare items - Caregivers Training Grant ($200/yr) to equip caregivers with skills - Foreign Domestic Worker (FDW) concessionary levy rate of $60/mth - Home Caregiving Grant ($200/mth) to defray caregiving expense (replaces current FDW Grant of $120/mth) - Expand use of MediSave to pay for sibling's healthcare expenses
Caregiver Empowerment and Training	- Evolve community outreach teams to support caregivers' socio-economic needs - More peer support networks in Dementia-Friendly Communities and community support for caregivers - Standardised Caregiver Training Courses based on seniors' mobility condition, and early training for FDWs
Caregiver Respite Services	- Respite services at senior care centres and nursing homes - Pre-enrolment pilot for respite services to shorten activation time - Night respite pilot for caregivers of clients with dementia - Home-based respite for caregivers of end-of-life cancer patients

Source: Ministry of Health, Singapore

Manpower challenges

- Increase demand for foreign domestic workers as caregivers at home (expected to increase from 252,600 (2020) → 300,000 (2030))*
- Est. 130% in LTC manpower needs by 2030**
- 70% foreign workers in LTC settings**

Australia (32%), Japan (less than 10%), Hong Kong and Korea (5% and less)

*National Population and Talent Division (2012)
**Lien Foundation. (2018). Long Term Care Manpower Study

Conclusion: *Aging future and innovation*

- Family –policy innovations in work, housing types, care options, transport and so on
- Integration: innovative hubs, co-locations, co-services and flexibility
- Technology: technological solutions with smart nation initiatives to reduce social isolation, promote neighborliness, support everyday living of the frail, enhance mobility

THANK YOU

St Joseph's Home opens childcare centre, intergenerational playground in nursing home (Aug 2017)

https://www.channelnewsasia.com/news/singapore/st-joseph-s-home-opens-childcare-centre-intergenerational-9163172

Presentation 2

Income Protection in Older Age in Hong-Kong

Stuart Gietel-Basten
Professor, The Hong Kong University of Science and Technology

Biography

Stuart Gietel-Basten is a Professor of Social Science and Public Policy. He is the Director of the university's Center for Aging Science; and is Associate Dean (Research) of the School of Humanities and Social Sciences. Prior to joining HKUST in 2017, he was an Associate Professor of Social Policy at the University of Oxford. He received his PhD in historical demography from the University of Cambridge in 2008.

Stuart's research covers the interplay between changing population dynamics and public/social policy. His research is especially focussed on (a) fertility transition; (b) conceptual approaches to ageing; (c) population policy. He is the co-ordinator of the GGS-Asia project, which seeks to run the Generations and Gender Survey in Asian settings – including Hong Kong.

In addition to a number of articles in leading journals in demography and related disciplines, he has written two books on population – Why Demography Matters (with Danny Dorling, Polity Press 2018) and The "Population Problem" in Pacific Asia (Oxford University Press 2019) – and co-edited a third – Family Demography in Asia (with Minja-Kim Choe and John Casterline, Elgar 2019).

Income protection in older age in Hong Kong

Stuart Gietel-Basten

KIHASA International Conference
Population Changes and Policy Responses in East Asia

November 2nd 2021

香港科大
HKUST

Presentation vs paper

Paper: in-depth evidence about criteria, conditions, numbers, rates etc

Useful reference materials

Here: Principles and outlines

Implications for beyond Hong Kong

香港科大
HKUST

Pillar	Target Groups			Main criteria			
	Lifetime poor	Informal sector	Formal sector	Characteristics	Participation	Funding/Collateral	**Hong Kong**
0	**X**	x	x	"Basic" or "social pension," at least social assistance (universal or means tested)	Universal or residual	Budget or general revenues	OAA, OALA, GS, FS, CSSA, DA
1			X	Public pension plan, publicly managed (defined Mandated Contributions, benefit or notional defined contribution)	Mandated	Contributions, perhaps with some financial reserves	None
2			X	Occupational or personal pension plans (fully Mandated Financial assets funded defined benefit or fully funded defined contribution)	Mandated	Financial assets	MPF
3	x	X	X	Occupational or personal pension plans (partially or fully funded defined benefit or funded defined contribution)	Voluntary	Financial assets	Voluntary savings plans; Reverse mortgages
4	x	X	X	Access to informal support (family), other formal social programs (health care), and other individual nonfinancial assets financial and nonfinancial assets (homeownership)	Voluntary	Financial and nonfinancial assets	Family's support and other non-financial aids; other *ad hoc* services; public housing

香港科大 HKUST

Pillar	Target Groups			Main criteria			
	Lifetime poor	Informal sector	Formal sector	Characteristics	Participation	Funding/Collateral	**Hong Kong**
0	**X**	x	x	"Basic" or "social pension," at least social assistance (universal or means tested)	Universal or residual	Budget or general revenues	OAA, OALA, GS, FS, CSSA, DA

Universal OAA: ~EUR163 per month (~EUR5 per day, 'Fruit money')

Means-tested (e.g. OALA): ~EUR422 per month

Guangdong/Fujian Scheme - portable allowance (but give up PH)

Asset thresholds

香港科大 HKUST

Pillar 1

No publicly funded pension system

香港科大 HKUST

Pillar 2: MPF

Table 4: Scale of MPF contributions for regular, monthly paid employees

Monthly relevant income	Employer contribution	Employee contribution
<HKD7,100	Relevant income X 5%	Not required
HKD7,100-HKD30,000	Relevant income X 5%	Relevant income X 5%
>HKD30,000	HKD1,500	HKD1,500

Source: (MPFSA 2021)

High expense ratio (average 1.45%)

Variable return on investment (0.7% to 5.7%)

香港科大 HKUST

Pillar 3

Voluntary savings plans - large financial sector

Reverse mortgages

55+, consolidated under HKMC

Floating or fixed-rate

3,200 such households with RM

香港科大 HKUST

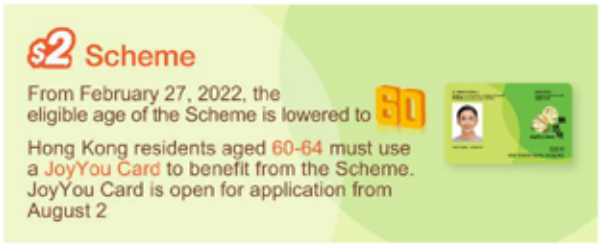
Pillar 4

Healthcare: UHC (limited chronic, LTC)

Public housing: 45% live in PH; some new schemes for older persons

Various public programs

Family support; MDWs



香港科大 HKUST

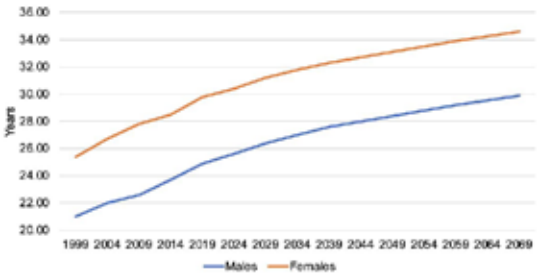
Demographic system and prospects

2020 - TFR: 0.868 (HKCSD 2021); LE at birth: M=82.9; F: 88.0 (HKCHP 2021)

Forecast TFR: HKCSD flatline (~1.0); UN model gradual increase

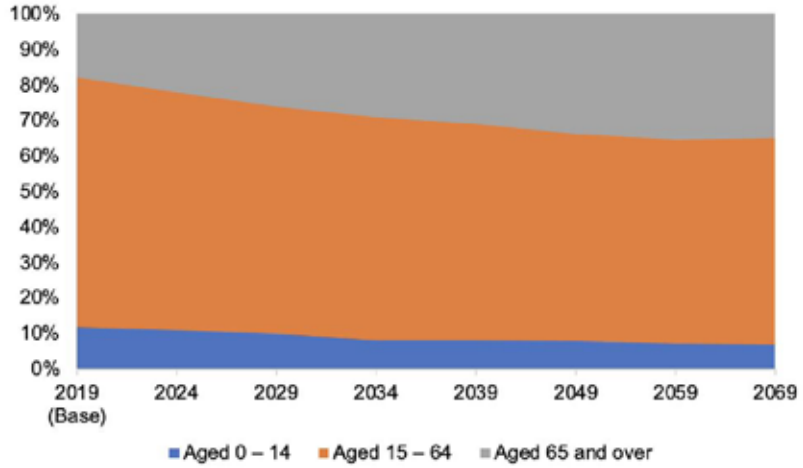
Life expectancy -

Constant increase - e.g. at 60 (HKCSD)



香港科大 HKUST

Forecast population change (HKCSD 2021)



香港科大 HKUST

Future prospects in relation to rapid ageing

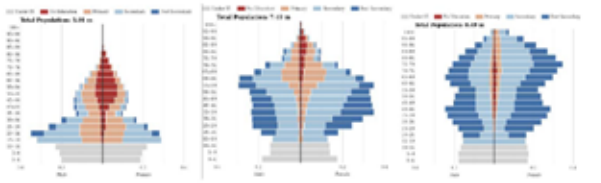
Public financing - probably 'ok'

Relatively 'cheap' systems; resilient to population ageing

'Demographic metabolism'

Figure 8: Population pyramids (with educational attainment) for Hong Kong

(a) 1980 (b) 2020 (c) 2060



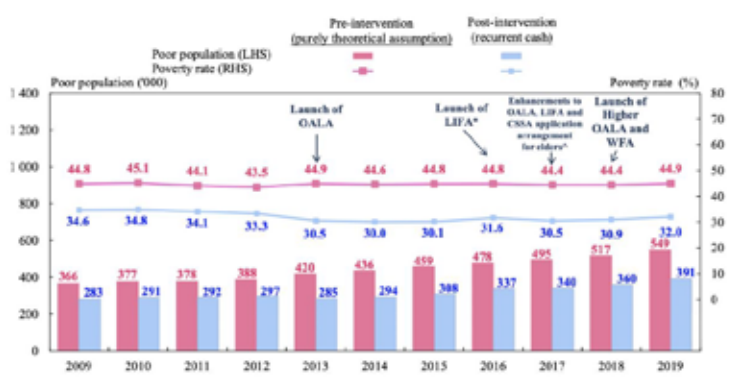
Source: Reproduced from (WiC 2015)

香港科大 HKUST

Beyond public financing: what is the 'point'?

Poverty alleviation

Figure 3: Poor population and poverty rate of the population aged 65+, 2009-2019



Source: General Household Survey, Census and Statistics Department. (Reproduced from (HKSARG 2020)

香港科大 HKUST

Hong Kong / Hong Kong economy

One in three elderly Hongkongers living in poverty despite slight overall drop in number of poor

Total number of poor has dropped, Carrie Lam reveals, but growing ranks of retirees mean more will rely on handouts from government

Jennifer Ngo

Measured as 50% median income

Hard to judge based only on income measures

香港科大
HKUST

"Cardboard grannies" - Working to death? Active ageing? Refusing to take handout?

香港科大
HKUST

Prospects for a universal pension

Hong Kong

A universal pension is 'not the Hong Kong spirit', retirement forum told

An 'elderly town' on mainland China is another option put forward at ev
Secretary Carrie Lam

- 2020-21 financial year: Estimated deficit of $257.6 billion
- 2021-22 financial year: Estimated deficit of $101.6 billion, equivalent to 3.6% of GDP, mainly due to counter-cyclical fiscal measures and continued increase in recurrent expenditure
- 2022-23 to 2025-26 financial years: Deficit for four consecutive years is expected, mainly due to rises in government expenditure outpacing increases in government revenue (especially recurrent expenditure)

Ad hoc future.

香港科大 HKUST

Future demographic issues: migration

Retirement to GBA (inc. Guangdong and Fujian Schemes)

'Catch-up' in costs; Cohort effect - fewer born in Mainland

Sole reliance on MDWs

Future of recent emigration wave

Demographic change; financing; care roles

香港科大 HKUST

Future demographic issues: families

Further modernization of the family

Impact on care; intergenerational residence

Childlessness

One of highest in the world. 1969 cohort ~ 34% @ age 50

香港科大 HKUST

Conclusion: HK and a 'different story' of ageing

Low levels of provision; relatively sustainable for public financing

Appears effective at poverty alleviation (according to some measures)

But still many left behind

Demographic metabolism

But some demographic storm clouds on the horizon

香港科大 HKUST

Presentation 3

Policy Responses to Rapid Population Aging in Thailand

Pramote Prasartkul
Institute for Population and Social Research, Mahidol University

Biography

Pramote Prasartkul is Professor Emeritus and Senior Advisor at the Institute for Population and Social Research, Mahidol University, Thailand. As a demographer, he works extensively on demographic changes with focus on population and development, population ageing and social science research. He has published widely on demographic transition in Thailand and has been an associate fellow of the Royal Society of Thailand. Apart from his executive positions both inside and outside the academia, Pramote was the Director of the Institute for Population and Social Research and Vice President for Administration of Mahidol University. He holds a doctorate in Sociology from Cornell University, USA.

Napaphat Satchanawakul
Institute for Population and Social Research, Mahidol University

Biography

Napaphat Satchanawakul is Lecturer at the Institute for Population and Social Research, Mahidol University, Thailand. He conducts comparative policy research at the intersection of politics, governance, and social welfare, focusing on the design and implementation of social policy in Asia. Napaphat is particularly interested to understand the consequences of demographic changes for the distribution of social welfare. His recent work examines the impact of COVID-19 lockdown measures on the lives and access to services of low-income older persons in Thailand. Napaphat

also works extensively on various issues, such as a no-fault compensation system, universal coverage for emergency patients, mental health and psychosocial support services, and social protection in ASEAN countries. Napaphat has also served as a consultant for various multilateral and government agencies, including the United Nations ESCAP. Napaphat received a doctorate in Public Policy from King's College London, UK.

Mahidol University
Institute for Population and Social Research

KIHASA
Korea Institute for Health and Social Affairs

International Conference Population Changes and Policy Responses in East Asia

POLICY RESPONSES TO RAPID POPULATION AGEING IN THAILAND

Professor Pramote Prasartkul & Dr Napaphat Satchanawakul
Institute for Population and Social Research,
Mahidol University, Thailand

2 November 2021

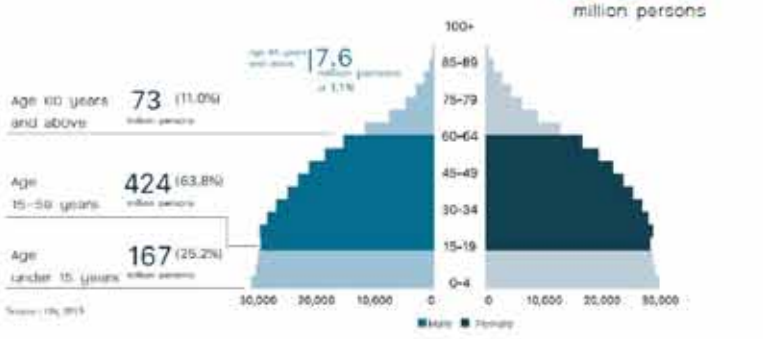
Mahidol University
Institute for Population and Social Research

Outline

- Situation of population ageing in Thailand
- Institutional arrangements
- Policy responses to population ageing
  - Income security and pension policy
  - Health and long-term care policy
  - Social services policy
- Future challenges

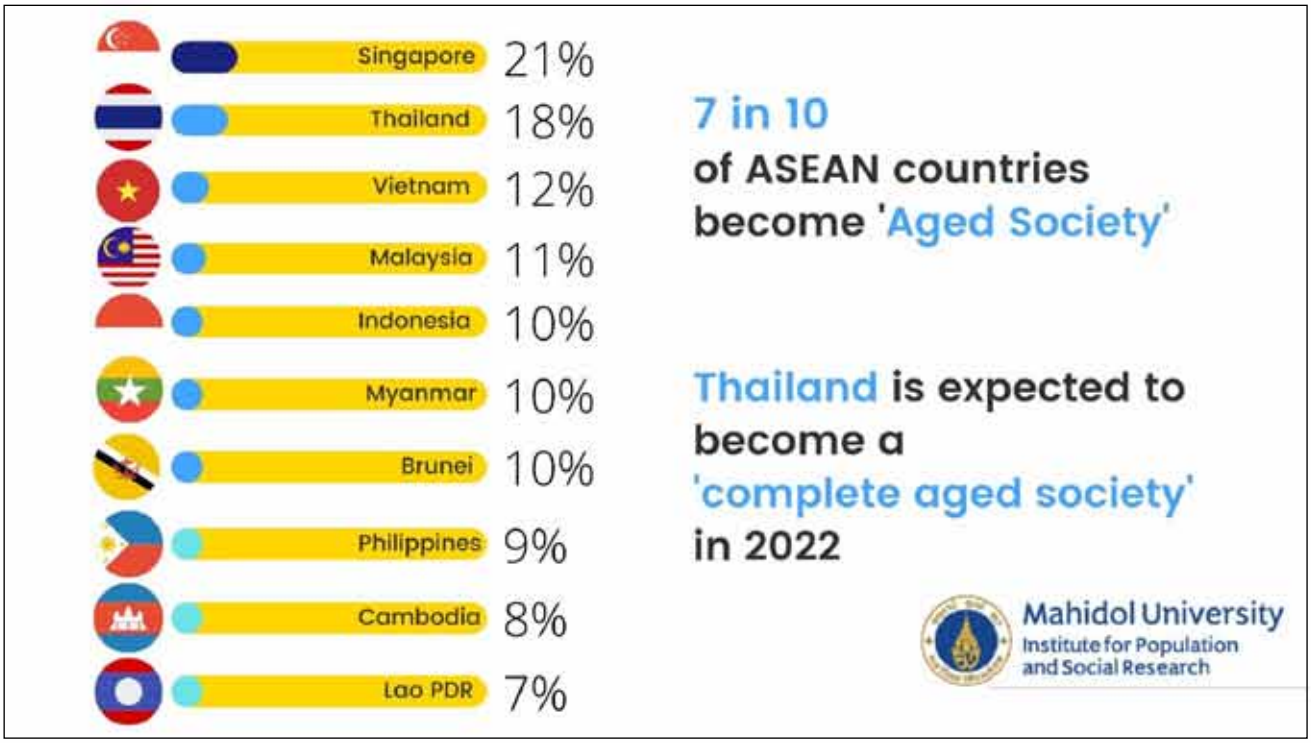
Situation of the Thai Older Persons

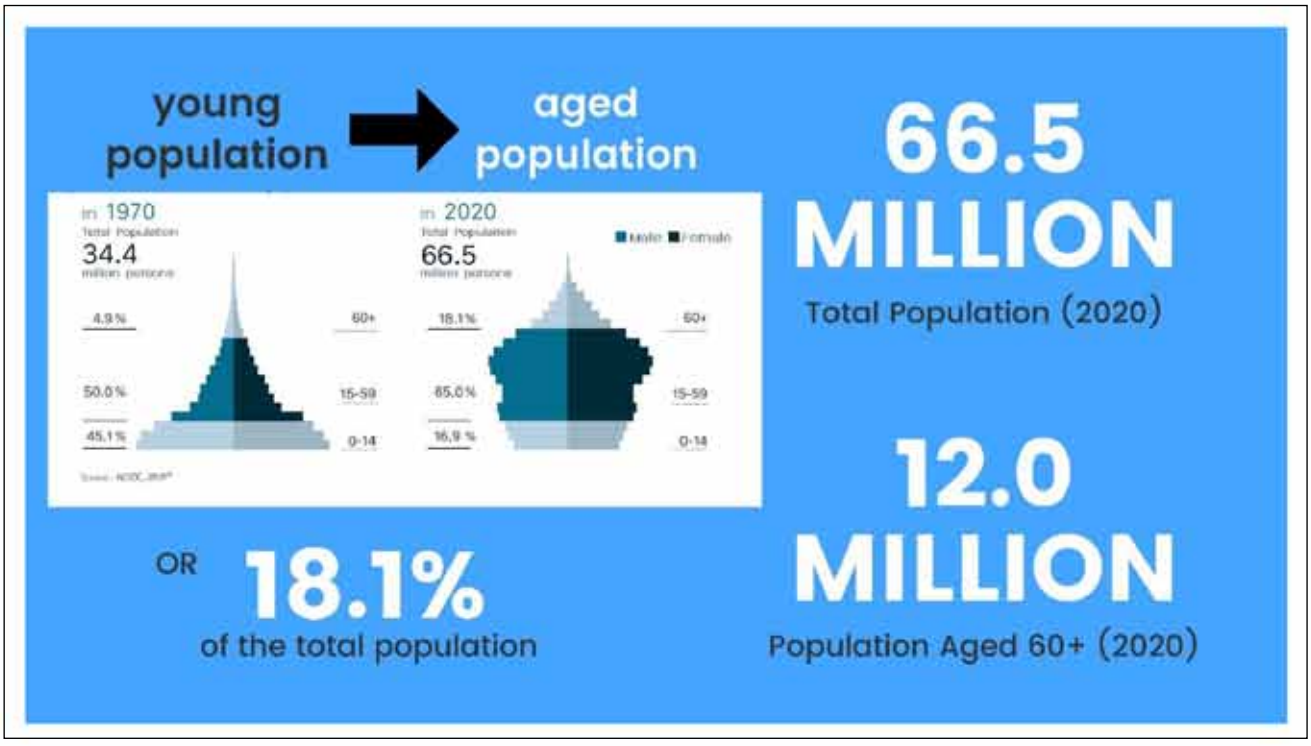
Population Ageing in ASEAN



Policy Responses to Rapid Population Ageing in Thailand

Mahidol University
Institute for Population and Social Research


Singapore 21%
Thailand 18%
Vietnam 12%
Malaysia 11%
Indonesia 10%
Myanmar 10%
Brunei 10%
Philippines 9%
Cambodia 8%
Lao PDR 7%
7 in 10
of ASEAN countries
become 'Aged Society'
Thailand is expected to
become a
'complete aged society'
in 2022
Mahidol University
Institute for Population
and Social Research


young
population
aged
population
in 1970
34.4
in 2020
66.5
66.5
MILLION
Total Population (2020)
OR
18.1%
of the total population
12.0
MILLION
Population Aged 60+ (2020)

Thailand's NESDC has projected that

In 2022 — Thailand will become a 'complete aged society'
when the population aged 60+ is more than 20% of the total population

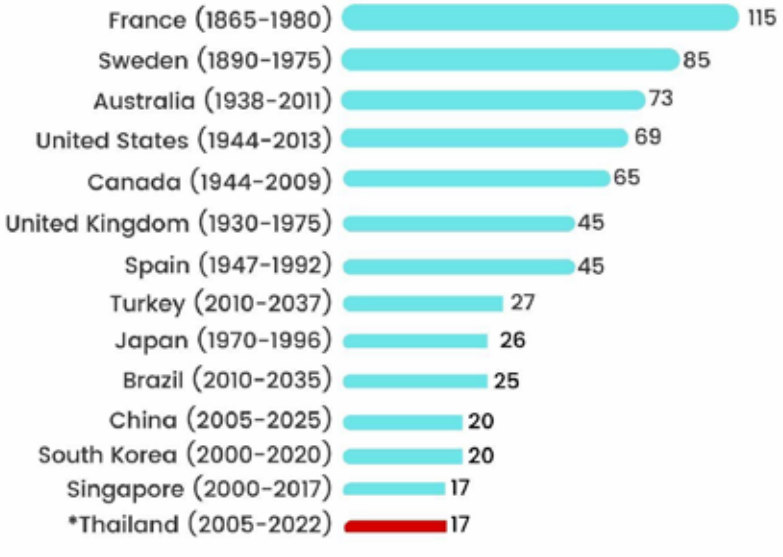
In 2031 — Thailand will become a 'super-aged society'
when the population aged 60+ is more than 28% of the total population
(or the population aged 65+ is more than 20% of the population)

Policy Responses to Rapid Population Ageing in Thailand

Mahidol University
Institute for Population and Social Research

A rapid population ageing in Thailand

Number of years for the share of the population aged 65+ to increase from 7 to 14 per cent

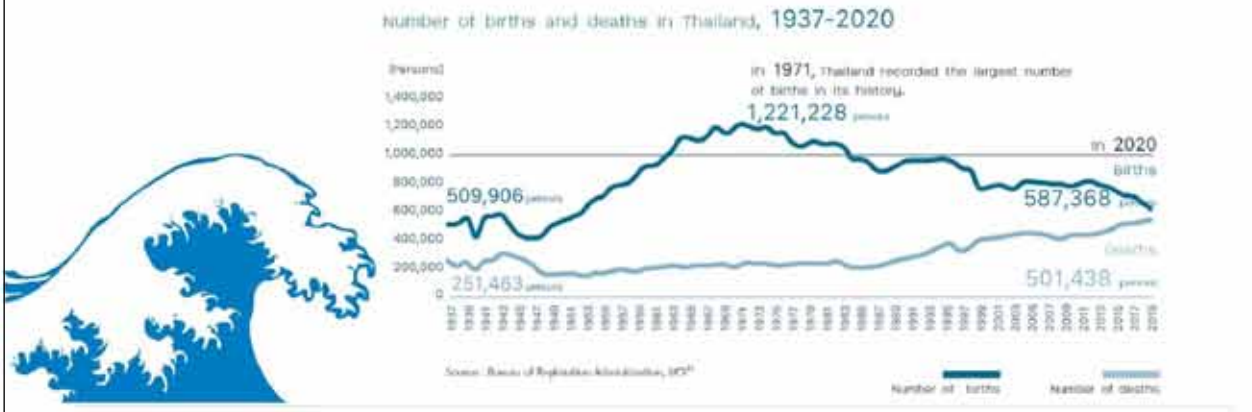


Mahidol University
Institute for Population and Social Research

Policy Responses to Rapid Population Ageing in Thailand

Source: UN (2019) - World Population Prospects 2019
(*)NESDC (2019)

A Million-Birth Cohort (born 1963-1983) is becoming older persons

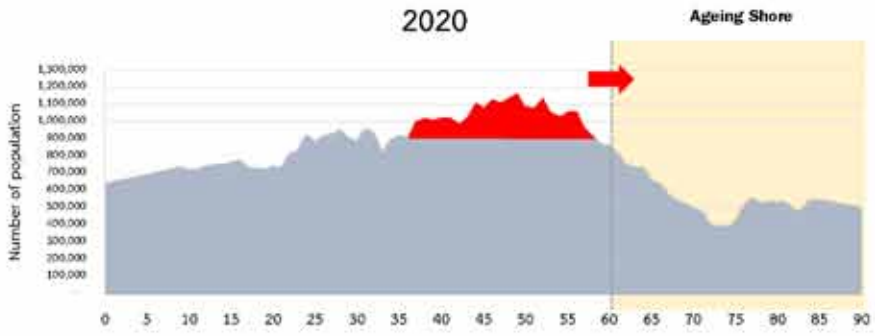


Policy Responses to Rapid Population Ageing in Thailand

Mahidol University
Institute for Population and Social Research

Population Tsunami

(a million-birth cohort, born 1963-1983)

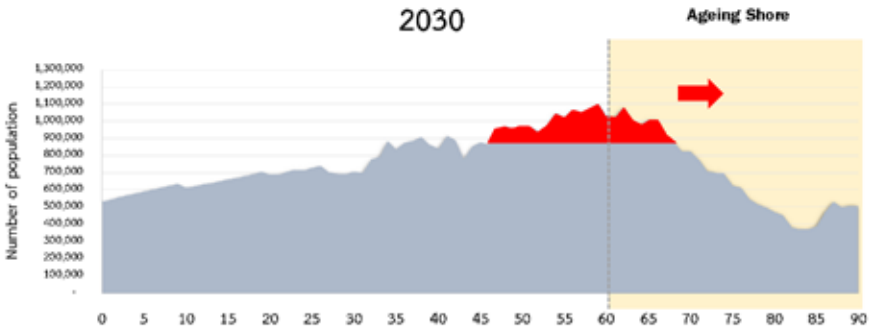


In 2020, a million-birth cohort was 37-57 years old.

Mahidol University
Institute for Population and Social Research

Population Tsunami

(a million-birth cohort, born 1963-1983)

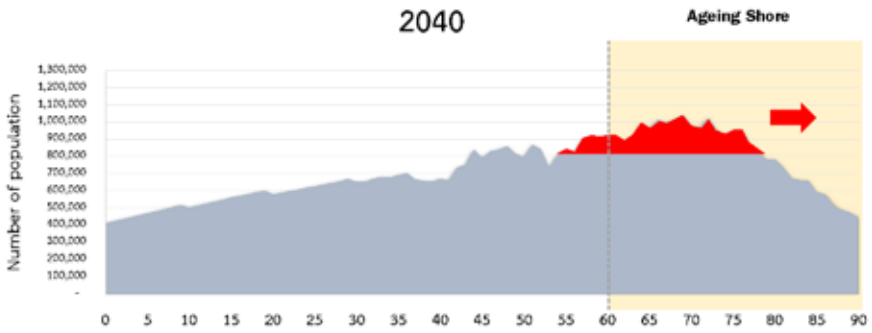


In 2030, a million-birth cohort will age 47-67 years old.

Mahidol University
Institute for Population and Social Research

Population Tsunami

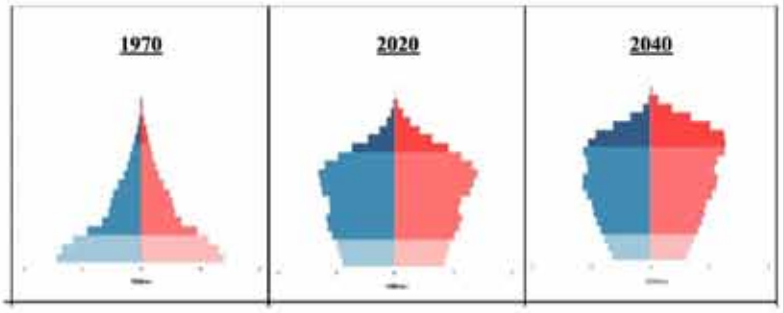
(a million-birth cohort, born 1963-1983)



In 2040, a million-birth cohort will age 57-77 years old.

Mahidol University
Institute for Population and Social Research

In the next 20 years (2040)



Population (60+)
is projected to increase from
12 million to 21 million

Oldest-old (80+)
is projected to increase from 1.4 million to 3.4 million

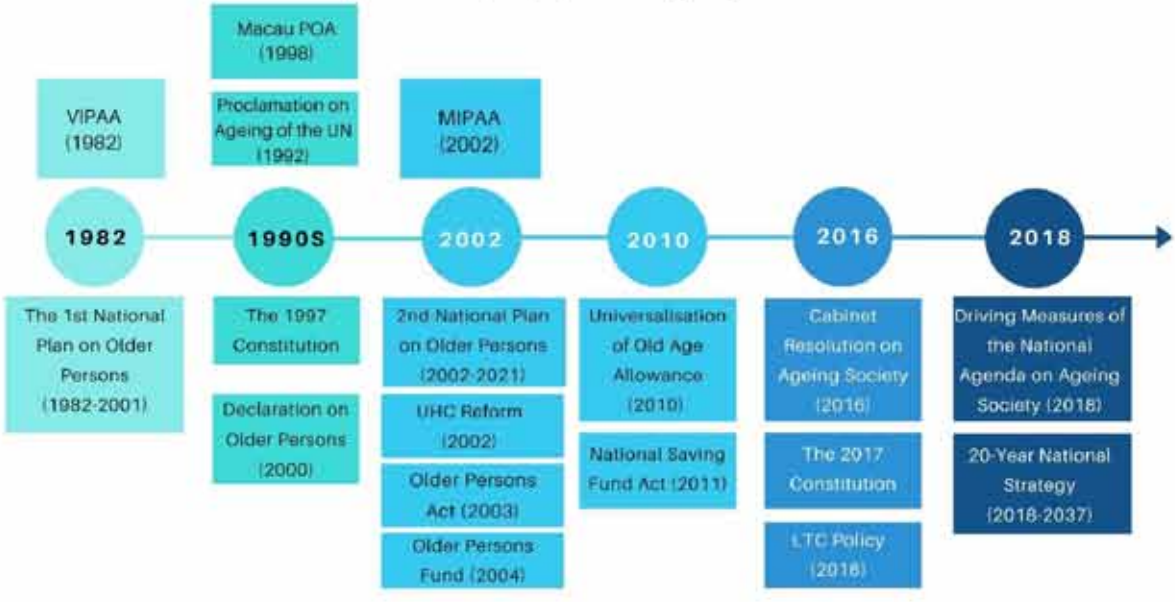
Policy Responses to Rapid Population Ageing in Thailand

Source: National Statistical Office (1970) and NESDC (2019)

POLICY DEVELOPMENT

in response to rapid population ageing in Thailand

Mahidol University
Institute for Population and Social Research



Policy Responses to Rapid Population Ageing in Thailand

Mahidol University
Institute for Population and Social Research

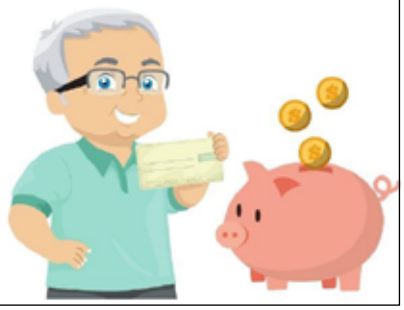
Income Security and Pension Policy

1 Mixed System

The mixed system between the occupational-based pension system and Old Age Allowance System (OAA)
- for the formal sector
- for the informal sector

2 Fragmented System

Administered by various governmental organisations and no agency responsible for the entire system of all public pension schemes



Policy Responses to Rapid Population Ageing in Thailand

Unequal Income Security for Thai Older Persons

Source: TGRI (2021)

Old Age Allowance[11] 9,663,169 persons	Budget 76,280 million baht
Older persons with Retired Civil ServantPension[12] 803,293 persons	Budget 267,012 million baht
Older persons with Old-age Pension under Social Security Fund 598,550 persons	Budget 20,203 million baht

State Welfare Card Programme (since 2016)

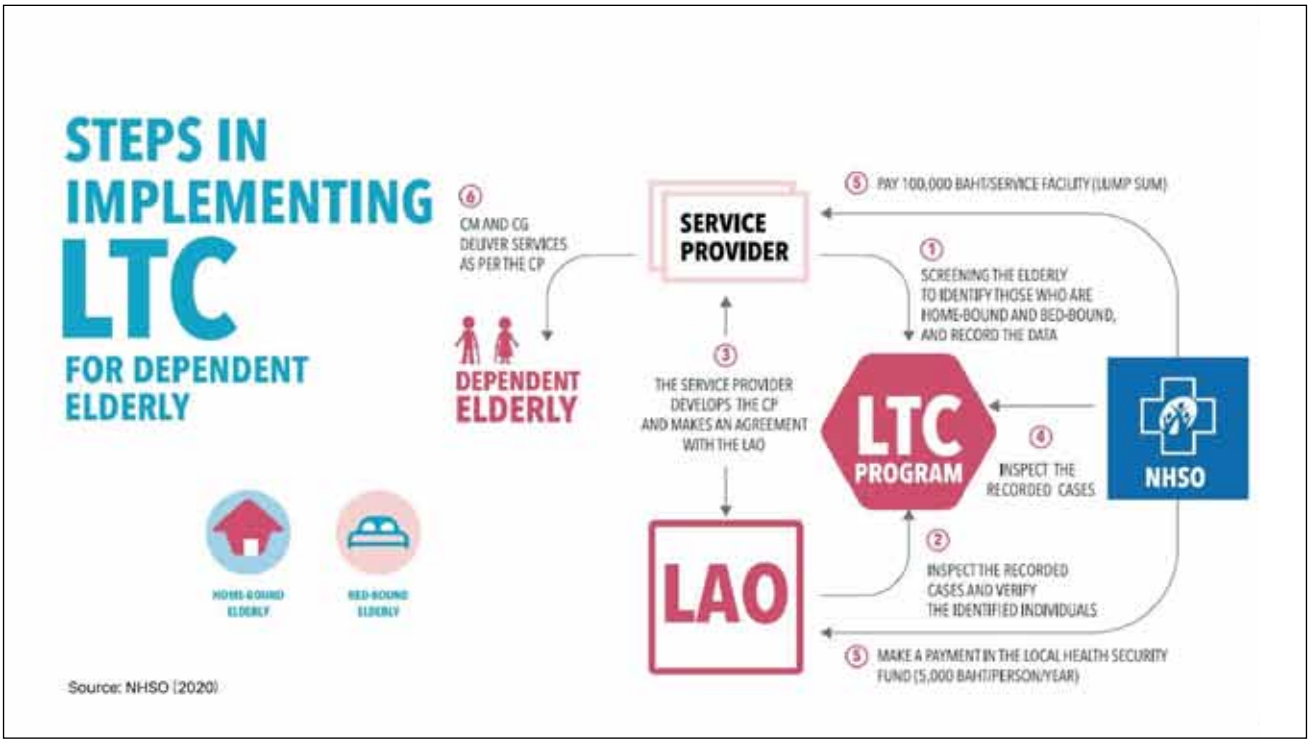
More than 1 in 3
of Thai older persons are low-income
(4.7 million)

Policy Responses to Rapid Population Ageing in Thailand

Health and Long-Term Care Policy under the UHC

UCS (81%)	Univeral Coverage Scheme
CSMBS (17%)	Civil Servant Medical Benefit Scheme
SSS (2%)	Social Security Scheme and others

Mahidol University
Institute for Population and Social Research


STEPS IN IMPLEMENTING LTC FOR DEPENDENT ELDERLY
SERVICE PROVIDER
DEPENDENT ELDERLY
LTC PROGRAM
NHSO
LAO
THE SERVICE PROVIDER DEVELOPS THE CP AND MAKES AN AGREEMENT WITH THE LAO
SCREENING THE ELDERLY TO IDENTIFY THOSE WHO ARE HOME-BOUND AND BED-BOUND, AND RECORD THE DATA
INSPECT THE RECORDED CASES
INSPECT THE RECORDED CASES AND VERIFY THE IDENTIFIED INDIVIDUALS
MAKE A PAYMENT IN THE LOCAL HEALTH SECURITY FUND (5,000 BAHT/PERSON/YEAR)
PAY 100,000 BAHT/SERVICE FACILITY (LUMP SUM)
CM AND CG DELIVER SERVICES AS PER THE CP
Source: NHSO (2020)


Policy Responses to Rapid Population Ageing in Thailand
Social Services Policy
Housing
Residential services
Home modifications
Age-friendly environments
Life-long learning and recreational activities
Community-based Development Centre for Older Persons (1,589 centres)
Clubs for Older Persons (29,276 clubs)
Schools for Older Persons (2,049 schools)
Recreation and concessions for older persons
Personal social services
Volunteer caregivers in the community
• Village Health Volunteers (1,027,036)
• MSDHS Volunteers (with expertise in eldercare) (24,293)
• Caregivers (86,829)
• Care Managers (13,615)
• MOI Local Eldercare Volunteers (13,190)

Future Challenges: Towards the preparation for old age

P	Ageing in Place	Strengthen the community-based integrated care system and its services
D	De-centralisation	Strengthen the role of local governments and private sector (both for-profit and non-profit organisations)
F	Future Older Persons	Better to prepare ourselves today to become aged successfully by reforming the pension schemes
E	Equal Ageing	Rights-based approach Social protection, esp. for older women

Policy Responses to Rapid Population Ageing in Thailand

Mahidol University
Institute for Population and Social Research

Discussion

Terence H. Hull

Emeritus Professor, The Australian National University

Biography

Terence H. Hull is an Emeritus Professor in the School of Demography at the Australian National University, where he retired from active service in 2012. His training includes BA (U. Miami) and MA (U Hawaii) in Economics, and a Certificate of Population Studies (East West Center) before undertaking PhD research in Demography at the ANU. Over a four-decade career based at the ANU he ran training programs, research projects and consultancies across Asia. With his wife, Valerie J. Hull he worked on secondment at Gadjah Mada University across the 1970s under the mentorships of Professor J.C. Caldwell and Professor Masri Singarimbun. With funding from the UNFPA he set up and managed collaborative research training programs in China, Vietnam, Indonesia, and Cambodia. Terry's research interests span population estimates, family planning programs, sexuality studies, qualitative field work, and political demography. He has served as President of both the Asian Population Association and the Australian Population Association. He is a member of the International Union for the Scientific Study of Population and the Population Association of America. Over the past two decades he has served on the International Steering Committee of the Asia-Pacific Conference on Sexual and Reproductive Rights and Health. In 2019 he was made a Fellow of the Australian Academy of Social Sciences.

Australian National University

International Conference on Population Changes and Policy Responses in East Asia

Discussant's Comments
(15 minutes)
Tuesday 2 November 2021

Emeritus Professor Terence H. Hull
School of Demography
Research School of Social Sciences

ANU School of Demography

Australian National University

Three excellent papers on aging

- Leng-Leng Thang. *Population change in Singapore and aging policy initiatives: Elder-care, intergenerational support and bonding, and active aging*. (15958 words)
- Stuart Gietel-Basten. *Income protection in older age in Hong Kong. (7267 words)*
- Pramote Prasartkul and Napaphat Satchanawakul. *Policy Responses in Rapid Population Ageing in Thailand. (11230 words)*

Two city-states, Three unique cultural settings,
Shared challenge of rapid ag[e]ing.

2

Contrasts: Singapore v. Hong Kong

- Stresses; contrasting dynamics of pace of aging
  - Singapore 15% over 65, Hong Kong 12%. Contrasting migration
- Strains; Families under pressure v. Empty families
- Speculations; "cardboard grannies" v. cyber grannies

Highly contrasting social support mechanisms in terms of expectations and practice.

Very different migration patterns and migration impacts on population characteristics.

3

Thailand

- Current population over 65 years is 12%
- Low fertility and low in-migration means doubling of this percentage in two decades [24% in 2040]
- Political instability contrasts with steady long-term development of institutions for old age support and care.
- While not explicit in either paper, Singapore and Thailand have multi-ethnic societies that presumably contribute to the shape of old-age support systems.

4

Beyond projections

Over the past four decades international statistical agencies have struggled to promote more nuanced understandings of projections

- Shaking of the tyranny of medium variants
- Educating about the difference between projections and forecasts
- Expanding understandings of assumptions
- Innovating with probabilistic methodologies

- Yet look at the dependence we have on dependency rates

5

Learning from each other

- Singapore's experience stresses the **family** as a key element of old age support. Reminder of debates over Asian Family Values in the 1980s.
- Hong Kong's concentration on issues of **poverty** and institutions of productivity; public pension schemes.
- Thailand's juggling of state organized **institutions** promising care but struggling to guarantee funding.
- All three looking toward **community/volunteer** services for aspects of care.

6

Pending questions

- Reading these three papers makes me wonder:
  - How reliable are national statistical figures for current levels of population by age, sex and residence?
  - What are the trends in childlessness? What do they portend for women's labor force participation (LFP)?
  - As in the case of Hong Kong, the LFP of older residents is likely to rise. What will this imply for the nature of **services provided by older people** in the economy?
  - If age dependency rises to high levels, what implications will there be for **all levels** of education systems?

7

Scenarios and Narratives

- Perhaps Demographers should look more closely at the toolkits used by climate scientists and business schools.
- Scenarios based on speculative stories may be more convincing in discussions with policymakers and planners.
  - Not Science Fiction, rather **Science Faction**.
  - Narrate different futures over a medium terms
  - Critically assess the drivers of change.

8

Australian National University

Conclusion

At the level of city states the dynamics of migration are likely to be strong drivers

The policies for an aging population are likely to be centered on reproduction, education and finance

Climate change is likely to change everything we assume about population trends

9

International Conference

Population Changes and
Policy Response in **East Asia**

Session 2

International Conference

Population Changes and Policy Response in East Asia

Moderator

Doo-Sub Kim

Professor, Hanyang University

Biography

Doo-Sub Kim is an Emeritus Professor of Sociology at Hanyang University and the Founding Director of the Center for SSK Multicultural Research. He served as President of both the Asian Population Association and the Population Association of Korea. He is a member of the IPUMS International Advisory Board and the International Advisory Committee for the Asian Demographic Research Institute at Shanghai University. Over the past three decades, he has served on the National Statistics Committee, the Korea Social Science Data Archive, and the Advisory Committee for Social Policy at the Office of the President of Korea. Educated at Seoul National University (BA and MA) and Brown University (Ph.D.), he has received a number of major awards including the Order of Service Merit (2004) and the Order of Civil Merit (2018) from the President of Korea.

His main research areas are fertility, demographic transition, cross-border marriage and research methodology. He has published 49 books/monographs and some 170 journal articles and book chapters. His recent publication includes Foreign Residents in Korea 2020 (2021), International Marriage of Koreans and Adaptation of Foreign Spouses (2015), Diversity of Foreign Spouses and Stability of International Marriages (2013), Cross-Border Marriage: Global Trends and Diversity (2012), The Population of North Korea and Population Census (2011), Qualitative Researching (2010), Cross-Border Marriage: Process and Dynamics (2008), The 'IMF Economic Crisis' and Changes in Korean Fertility (2007), and The Population of Korea (2004).

Presentation 1

Population Aging and Social Security Cost in Japan

Toru Suzuki
Former Guest Professor, Seoul National University

Biography

SUZUKI TORU was the Deputy Director-General of the National Institute of Population and Social Security Research, Tokyo, Japan, in 2018–20. He retired from the institute in March 2020 and stayed at the Graduate School of Public Health, Seoul National University, Korea, until April 2021 as a guest professor.

He received Ph.D. in demography from the University of California at Berkley in 1999. He worked at the National Institute of Population and Social Security Research for 30 years. As the director of the Department of Population Structure Research, he was the principal investigator of several regional population projections and household projections. He also led national sample surveys on family and household changes.

His main research areas are household demography and comparative study of Eastern Asian population. He led a series of research projects supported by Health Labour Science Research Grants (Ministry of Health, Labour and Welfare) on Eastern Asian population. He published *Low Fertility and Population Aging in Japan and Eastern Asia* (2014) and *Eastern Asian Population History and Contemporary Population Isssues* (2019) as the outputs of the granted studies.

Population Aging and Social Security Costs in Japan

SUZUKI, Toru

1

The Most Aged Country or Area: 1950–2070

Country or Area	Period
Channel Islands	1950—1965
Austria	1970
Sweden	1975—1995
Italy	2000—2005
Japan	2010—2045
Korea	2050—2070

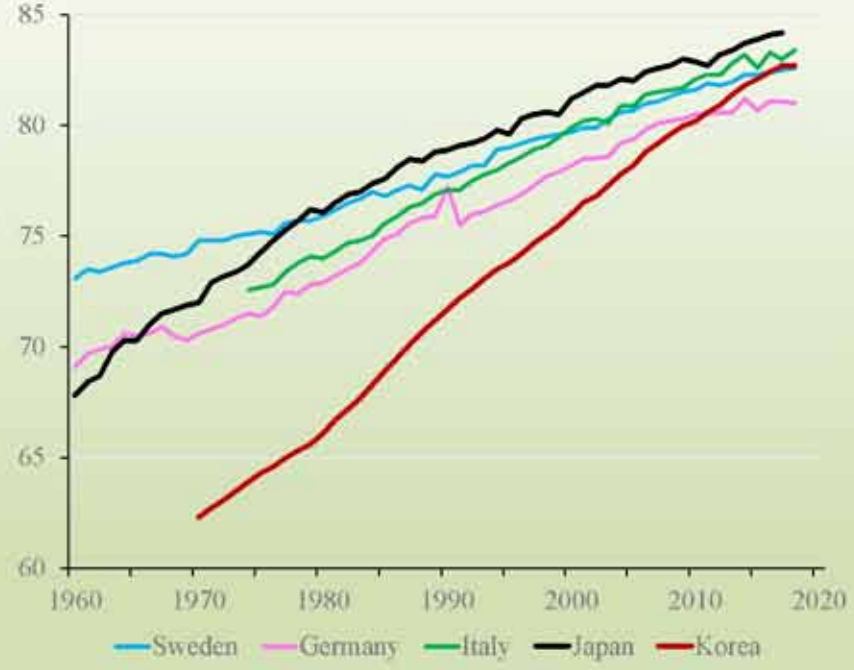
United Nations Population Division, *World Population Prospects, 2019 Revision.*

2

Total Fertility Rate: 1950–2020

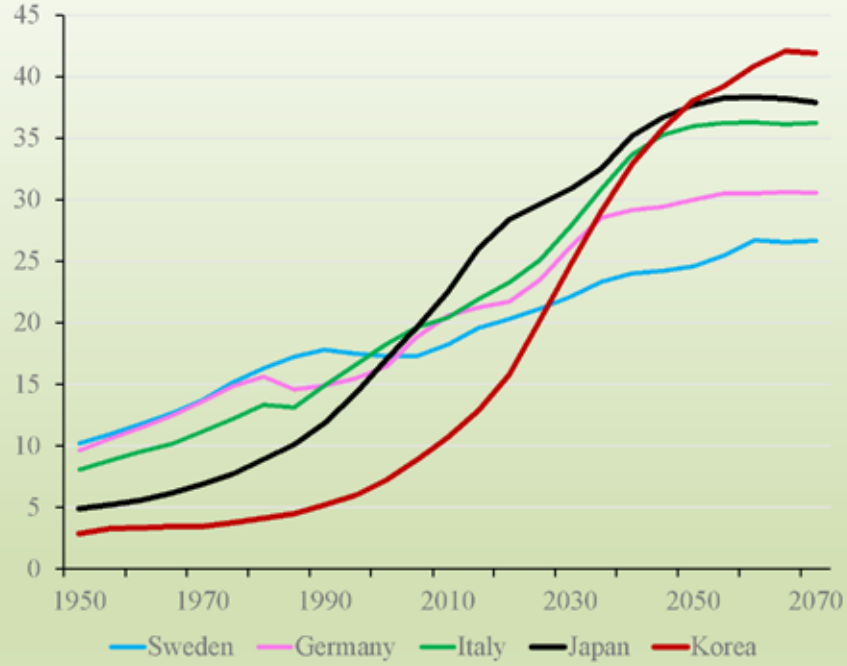
OECD Family Database.

Life Expectancy at Birth: 1950–2020



OECD Family Database.

Percentage of Elderly Aged 65+: 1950–2070



United Nations Population Division, *World Population Prospects, 2019 Revision*.

5

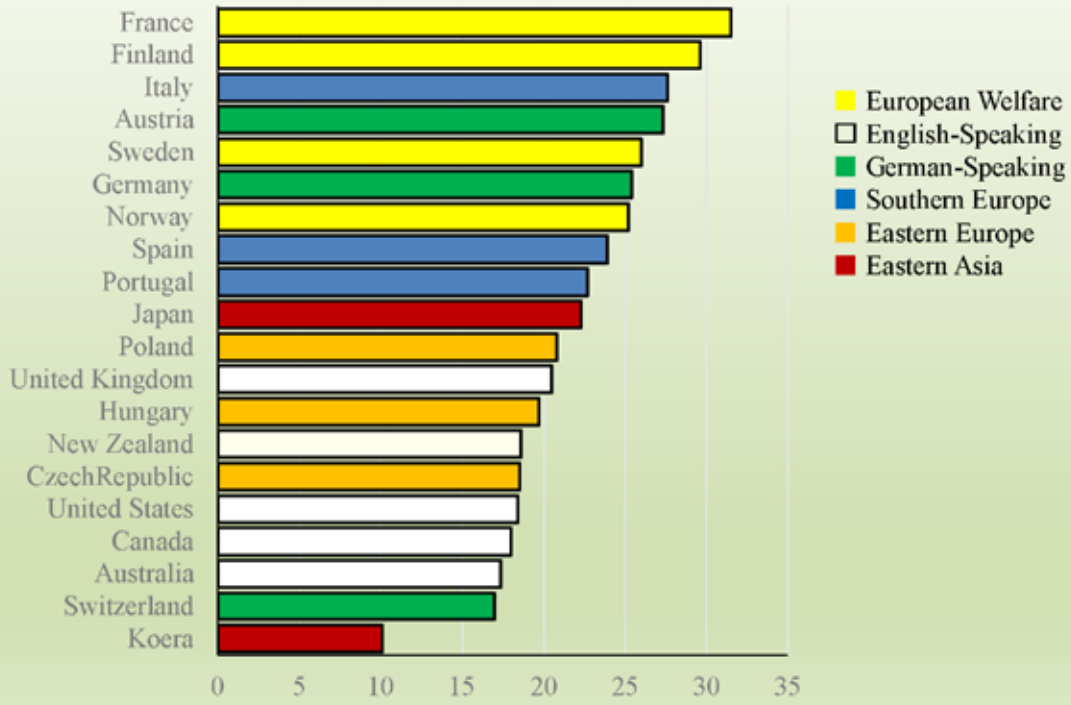
Percentage of Elderly Aged 65+: 2020–2070

Year	United Nations			Official Projections		
	Japan	Korea	Taiwan	Japan	Korea	Taiwan
2020	**28.4**	15.8	15.8	**28.9**	15.7	16.0
2025	**29.6**	20.2	19.6	**30.0**	20.3	19.9
2030	**30.9**	24.7	23.4	**31.2**	25.0	23.9
2035	**32.5**	29.0	26.5	**32.8**	29.5	27.3
2040	**35.2**	32.9	29.1	**35.3**	33.9	30.1
2045	**36.7**	35.8	32.4	36.8	**37.0**	33.7
2050	37.7	**38.1**	35.0	37.7	**39.8**	36.5
2055	38.3	**39.2**	36.2	38.0	**41.4**	38.0
2060	38.3	**40.9**	37.5	38.1	**43.9**	39.7
2065	38.2	**42.1**	38.3	38.4	**46.1**	41.2

United Nations Population Division, *World Population Prospects, 2019 Revision*,
国立社会保障・人口問題研究所（2017）『日本の将来推計人口 平成29年推計』,
통계청(2016)『장래인구추계:2015~2065년』,
國家發展委員會（2018）『中華民國人口推估（2018至2065年）』

6

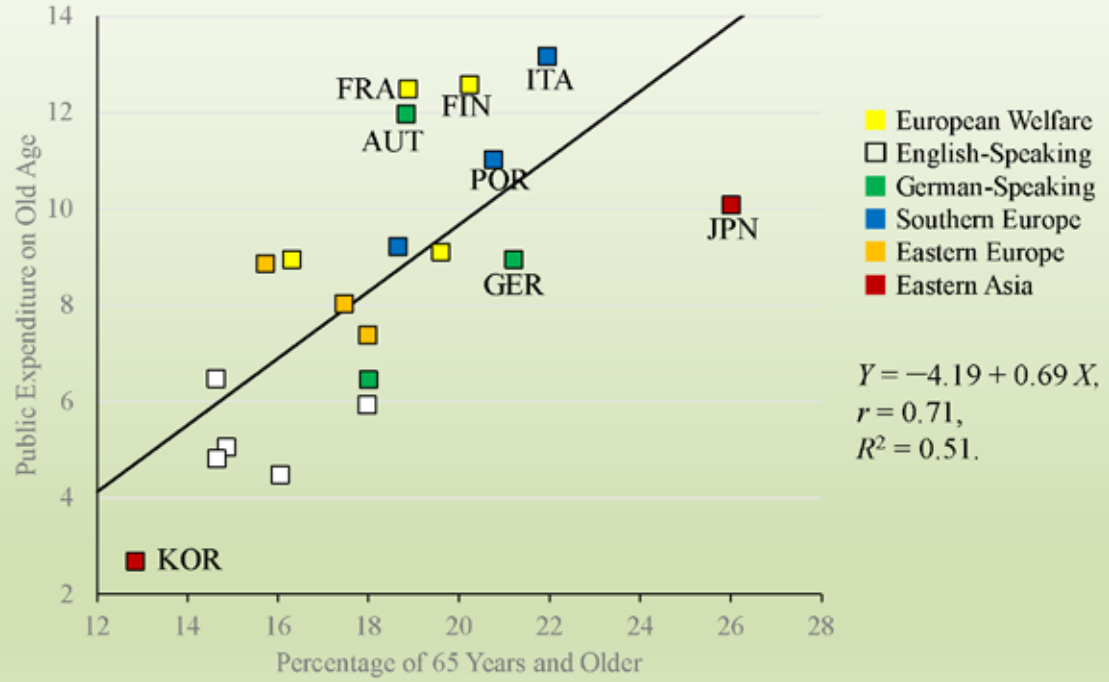
Total Social Cost (% of GDP): 2017



OECD Social Expenditure Database.

7

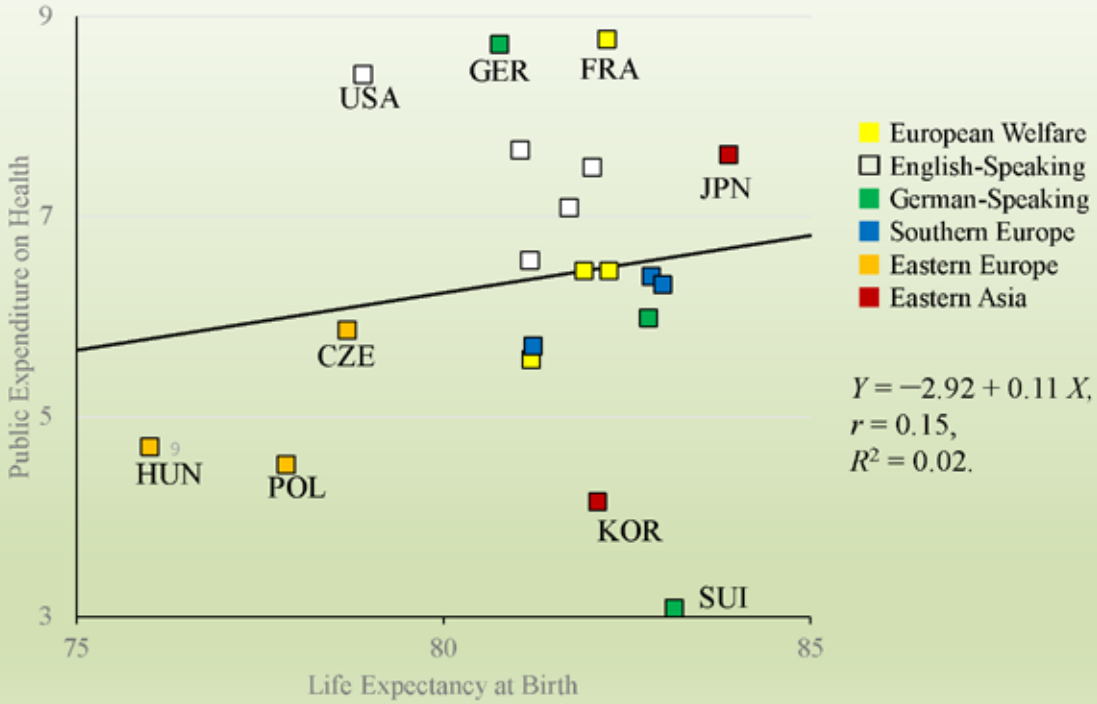
Population Aging and Old Age Expenditure



United Nations Population Division, *World Population Prospects, 2019 Revision*,
OECD Social Expenditure Database.

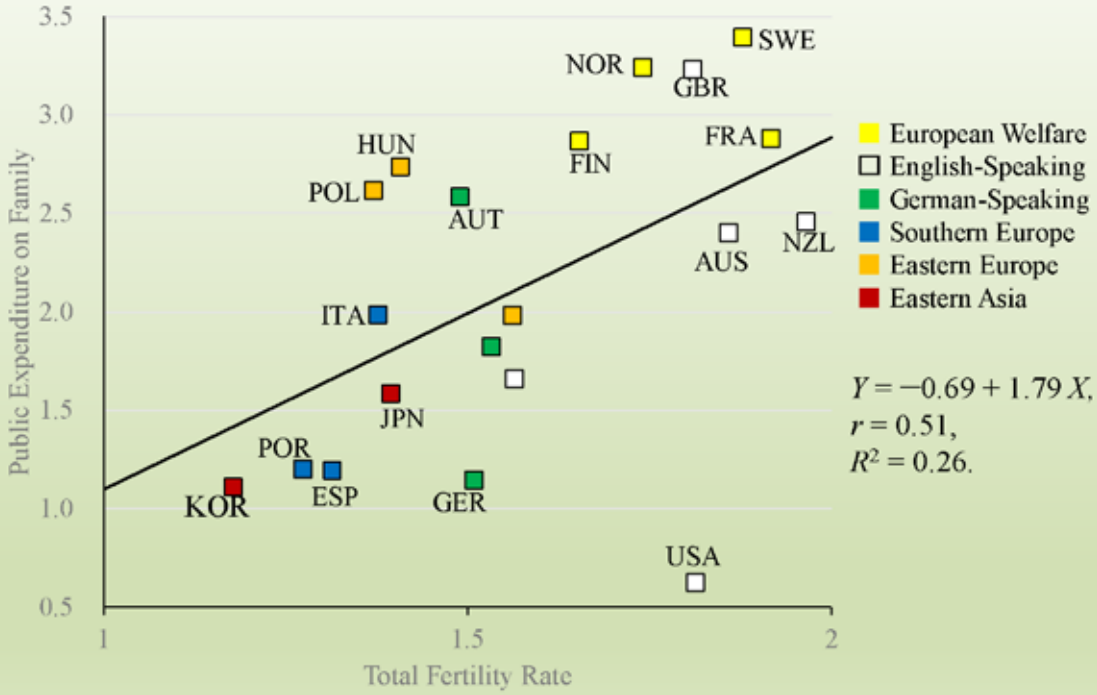
8

Life Expectancy and Health Expenditure



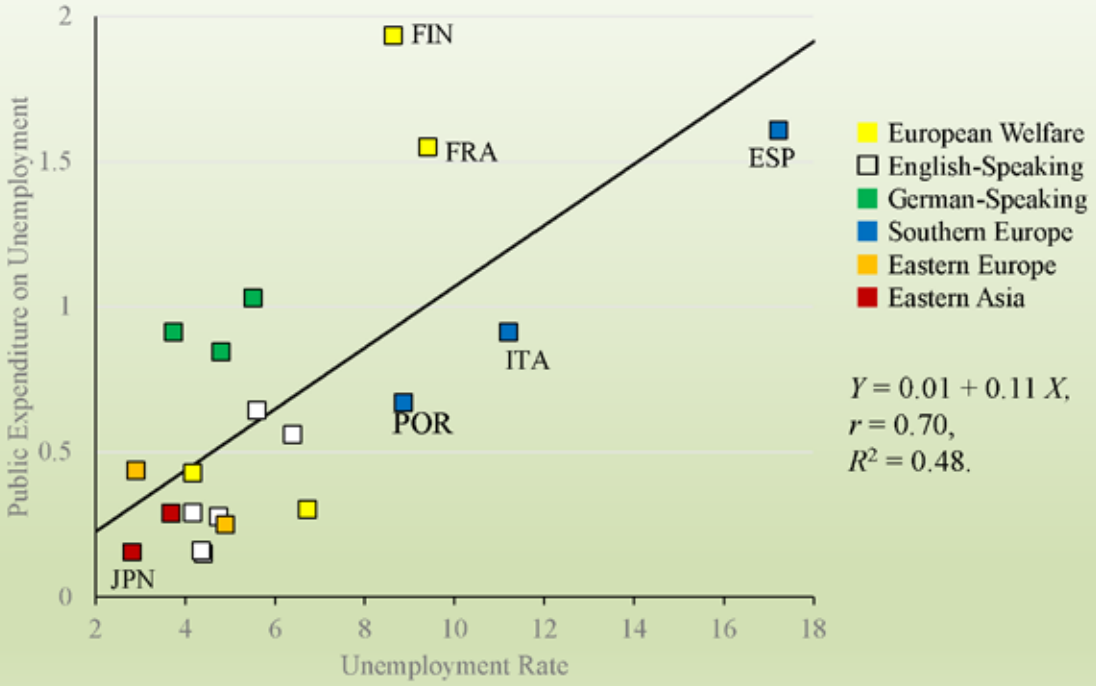
United Nations Population Division, *World Population Prospects, 2019 Revision*,
OECD Social Expenditure Database.

Fertility and Family Expenditure



OECD Family Database,
OECD Social Expenditure Database.

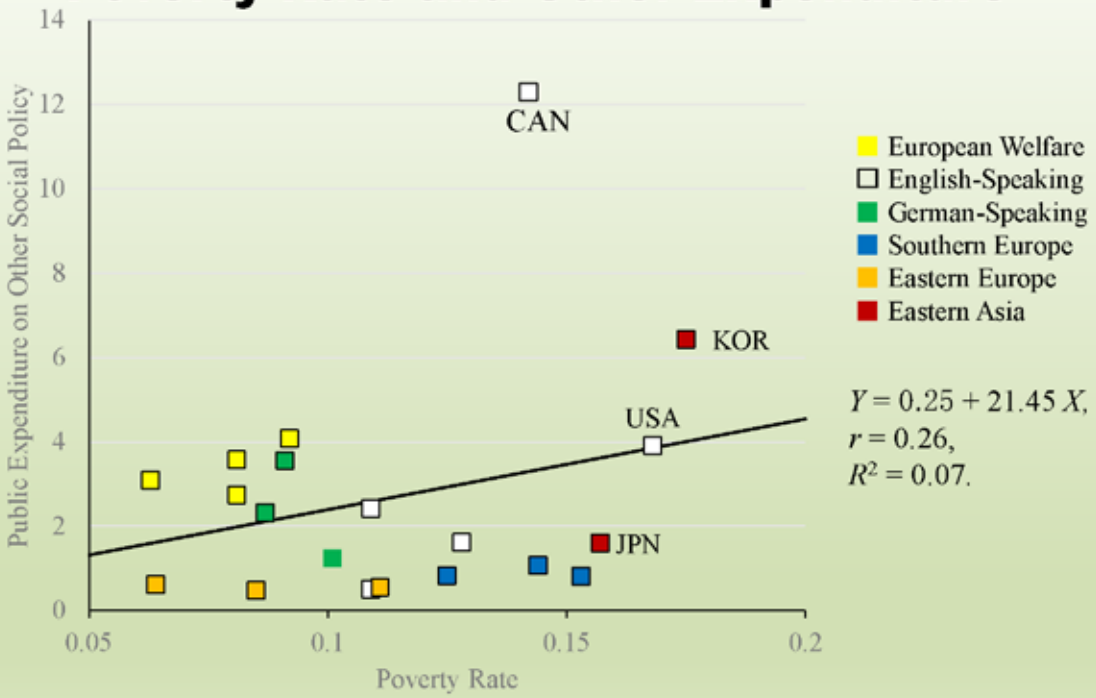
Unemployment Rate and Expenditure



OECD Unemployment Rate,
OECD Social Expenditure Database.

11

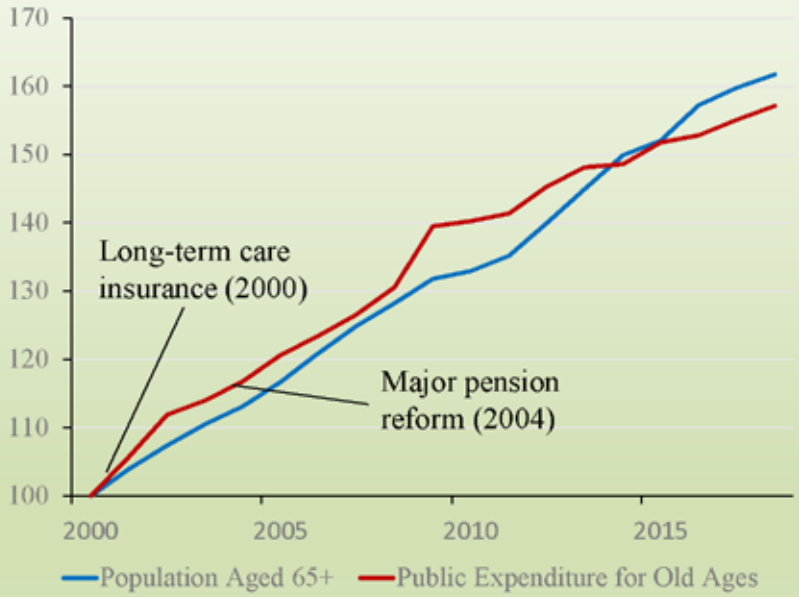
Poverty Rate and Other Expenditure



United Nations Population Division, *World Population Prospects, 2019 Revision*,
OECD Social Expenditure Database.

12

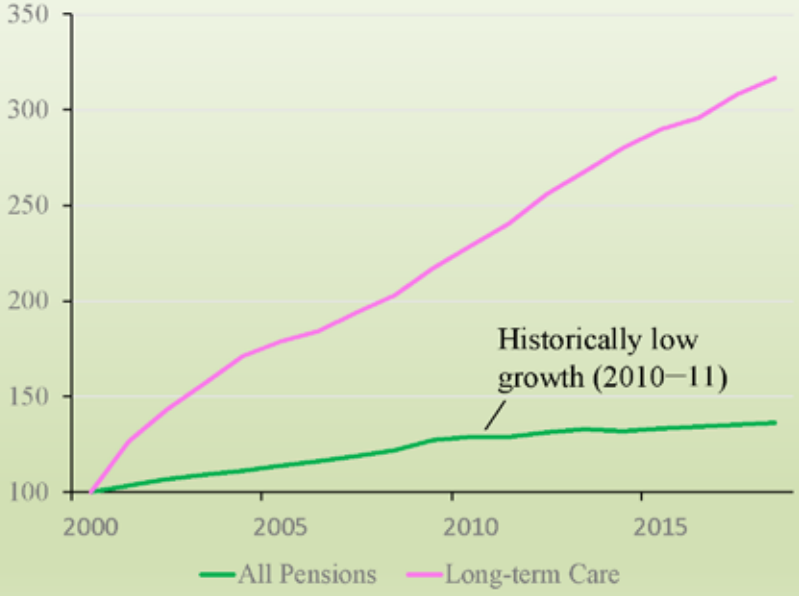
Population Aging and Old Age Expenditure in Japan (Year 2000 = 100)



国立社会保障・人口問題研究所(2021)『人口統計資料集 2021年版』,
——(2020)『平成30年度 社会保障費用統計』.

13

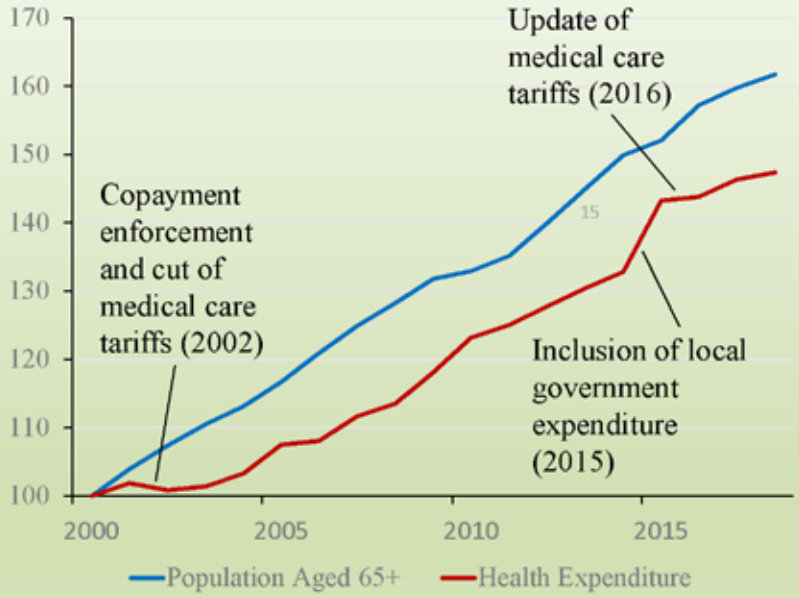
Social Costs on Pensions and Long-term Care in Japan (Year 2000 = 100)



国立社会保障・人口問題研究所(2021)『人口統計資料集 2021年版』,
——(2020)『平成30年度 社会保障費用統計』.

14

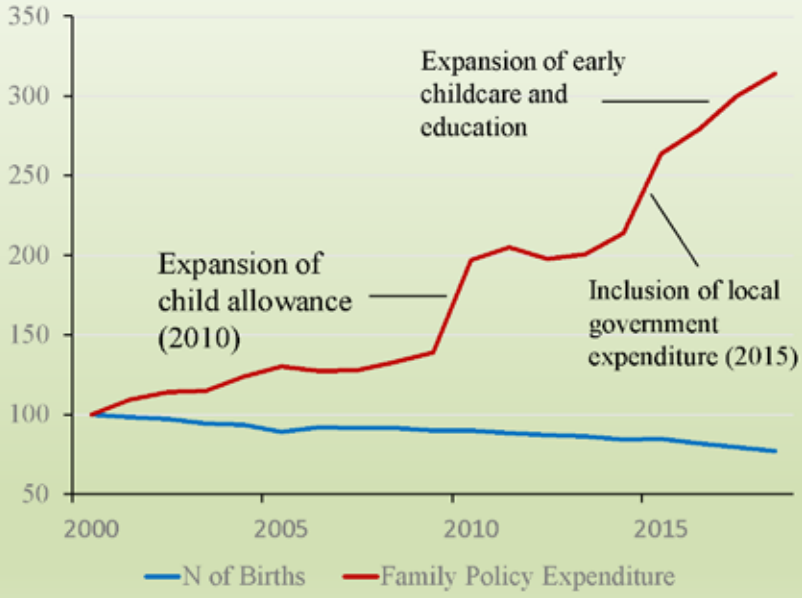
Population Aging and Health Expenditure in Japan (Year 2000 = 100)



国立社会保障・人口問題研究所(2021)『人口統計資料集 2021年版』,
——(2020)『平成30年度 社会保障費用統計』.

15

N of Birth and Family Policy Expenditure in Japan (Year 2000 = 100)



国立社会保障・人口問題研究所(2021)『人口統計資料集 2021年版』,
——(2020)『平成30年度 社会保障費用統計』.

16

Summary

- Japan's position as the oldest country was due to relatively low fertility and lowest mortality worldwide. It took a long time to be the oldest country because Japan started from a very young age structure.
- Japan spends less for old age supports than European countries with old age structure. Various pension reforms decelerated the growth of pension costs.
- Social costs on health in Japan has been curbed by the introduction of long-term care insurance and update of national tariffs for medical care.
- The expansion of child allowance by the DPJ failed miserably. The recent increase in social expenditure on early childcare and education was not successful in recovering fertility rate.

17

Presentation 2

Social and Health Policies in Response to the Rapid Demographic Change in Taiwan

James Cherng-Tay Hsueh
Professor, National Taiwan University

Biography

Cherng-Tay Hsueh, or **James C.T. Hsueh** (ORCID:0000-0003-0516-1754) just retired from the department of Sociology, National Taiwan University, currently takes a part time position in Children and Family Research Center as a researcher. He was appointed as Minister without Portfolio (2009-2013) in charge of policies regarding social welfare and labor issues. His research interests include social stratification, social demography, education and social policies. In the past four years, he has published two books (in Chinese) related to the population issue. Population Crisis is Arriving in Taiwan (June 2020) was the recent one.

Social and Health Policies in Response to the Rapid Demographic Change in Taiwan

Hsueh, C.T. (James),
Ku, Y.W., and
Lee, Y.C.

薛承泰Cherng-Tay (James) Hsueh

Current Post
Professor, Department of Sociology, National Taiwan University (retired on Aug. 1, 2021)
Education
Ph.D. in Sociology, University of Wisconsin - Madison
Professional Experiences
Director, Children and Family Research Center
Director, Center for Population and Gender Studies
Minister without Portfolio
Commissioner, Dept. of Social Welfare, Taipei City Government
Research Interests
Social Stratification, Social demography, Family, Welfare policy, Sociology of education

Outline

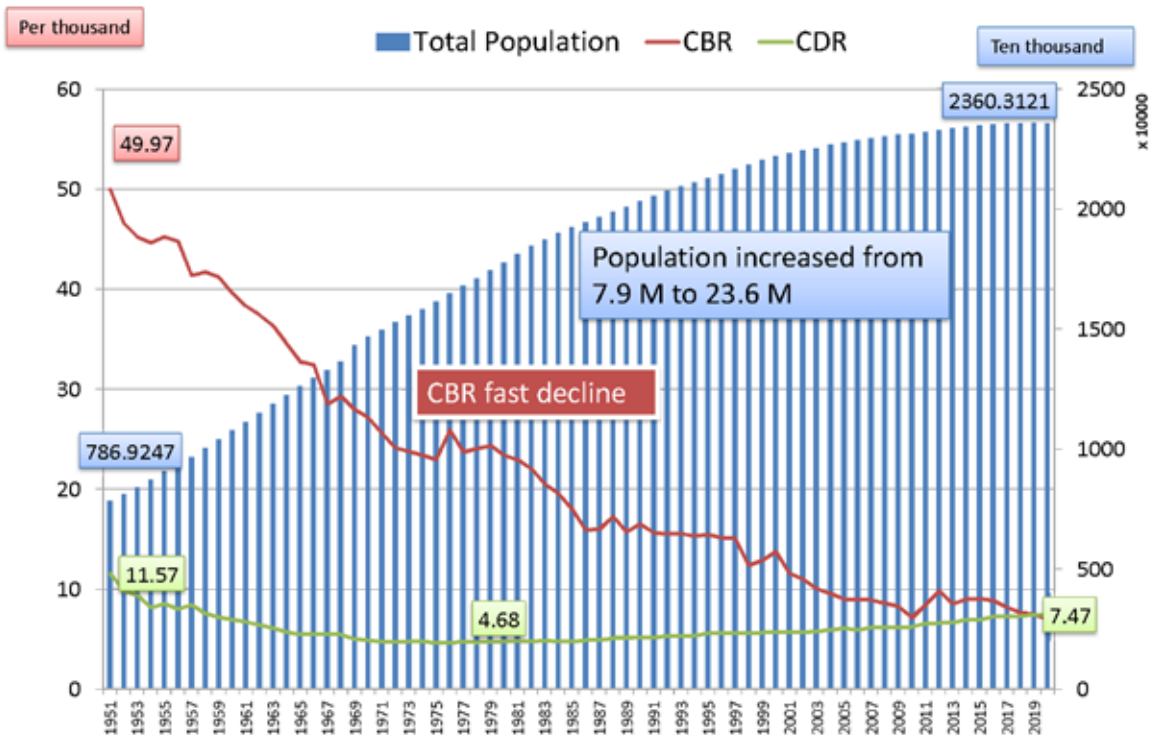
- Section 1:

  The demographic change since 1950s in Taiwan
- Section 2:

  Social Policies in Response to the Change
- Section 3:
- Health Policies in Response to the Change

Section 1: The demographic change since 1950s in Taiwan by James Hsueh

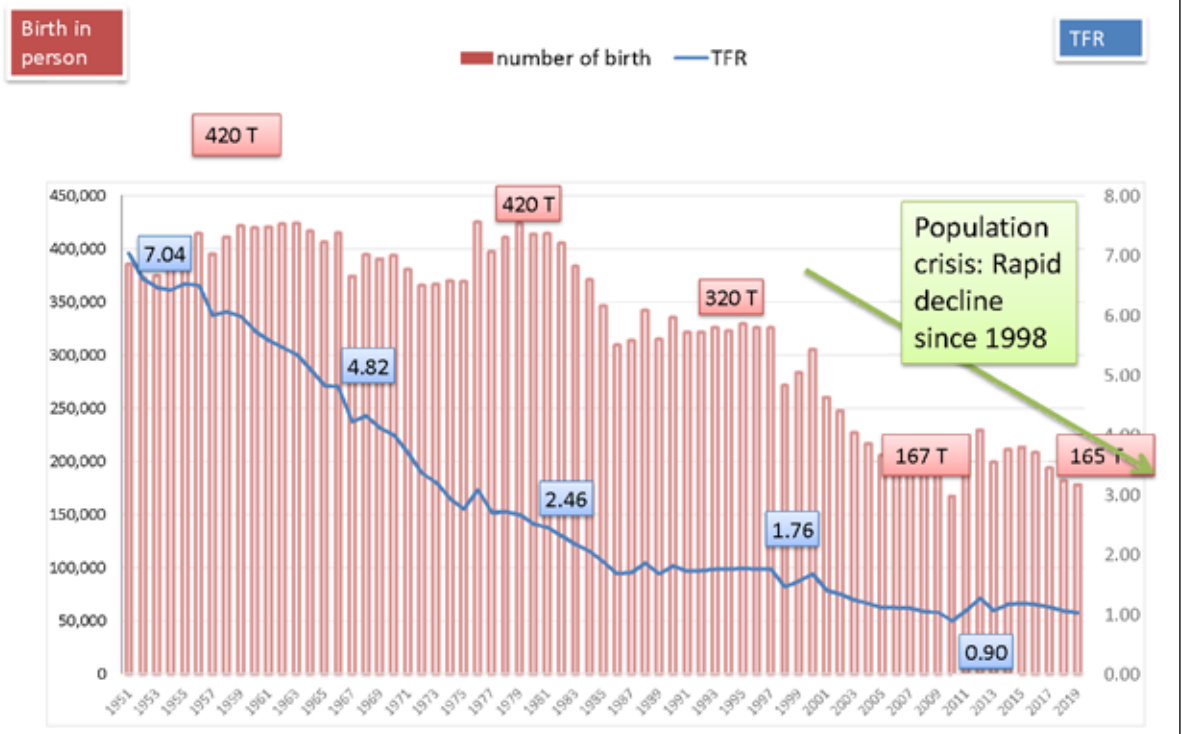
The Basic Demographic Trend in Taiwan: 1951 - 2020



The basic demographic features in Taiwan between 1951 and 2020

Demographic features in Taiwan	1951	1961	1971	1981	1991	2001	2011	2020
Total population (in million)	7.87	11.15	15.07	18.19	20.61	22.41	23.22	23.56
CBR (‰) ↓	49.97	38.32	25.67	22.96	15.7	11.65	8.48	7.01
CDR (‰) ↑	11.57	6.74	4.79	4.84	5.18	5.71	6.59	7.34
NIR (‰) ↓	38.4	31.58	20.88	18.12	10.52	5.94	1.88	-0.34
TFR (per woman) ↓	7.04	5.585	3.705	2.455	1.72	1.4	1.065	0.99
Crude marriage rate (‰) ↓	9.55	7.68	7.2	9.6	8.1	7.63	7.13	5.11
Crude divorce rate (‰)	0.50	0.40	0.36	0.83	1.38	2.53	2.46	2.19
Mean Age of First Marriage (Male) ↑	n.a.	n.a.	28.2	27.6	29.1	30.8	31.8	32.3
Mean Age of First Marriage (Female) ↑	n.a.	n.a.	22.1	24	26	26.4	29.4	30.3
Mean age of First Birth (Mother) ↑	n.a.	n.a.	n.a.	23.7	25.5	26.7	29.9	31.1
%of aged 65+ (%) ↑	2.5*	2.5	3	4.4	6.5	8.8	10.9	16.1
Dependency ratio (%)	84.8*	92	71.7	56.4	49	42.1	35	40.2
Life expectancy at birth (Male) ↑	53.4	62.3	67.19	69.74	71.83	74.07	75.96	78.1
Life expectancy at birth (Female) ↑	56.3	66.4	72.08	74.64	77.14	79.92	82.63	84.7

The Basic Demographic Trend in Taiwan: 1951 - 2020



- The TFR was 7 in 1951 and started to decline since. In 1984, TFR dropped to 2.1, the population replacement level, and it hovered around 1.8 between 1984 and 1997. Again, the TFR declined after year 2000.
- In 2003, TFR declined to 1.23 (lower than the lowest low threshold which is 1.3) , the number of births was about the half of those in the 1950s.
- The negative natural growth occurred in 2020.

- In 2010, during the Global Financial Crisis and also the year of Tiger, which in Taiwan is traditionally considered an inauspicious year for marriage and childbearing. Taiwan experienced a new record low of births (167 thousand) and fertility rate (TFR=0.9).
- The figure rebounded to 197 and 230 thousand births and the TFR was 1.07 and 1.27 in 2011 and 2012 respectively, mainly due to economic recovery, Dragon year (2012) and the implement of pro-natal measures. The average number of newborns was 210 thousand during 2011 to 2015 (TFR=1.2).
- In 2020, 165 thousand births and the TFR 0.99 was reported.

Fertility decline late but fast
Aging late but fast

Missing the right time to boost fertility

- Before year 2009, few cabinet members supported the measures for boost births due to the thought of very high population density in Taiwan (650 persons per square kilometers), although the TFR had been lower than 1.3 for years.
- "In years 2000 and 2040 the population size are the same (22 million), but the share of the elderly will lift from 8.6% to 30%." I addressed in the Cabinet Meeting in 2010. The impact of the change in population structure would be stronger than the population density by 2040.

Measures to Boost Birth Rates
(I proposed in 2010)

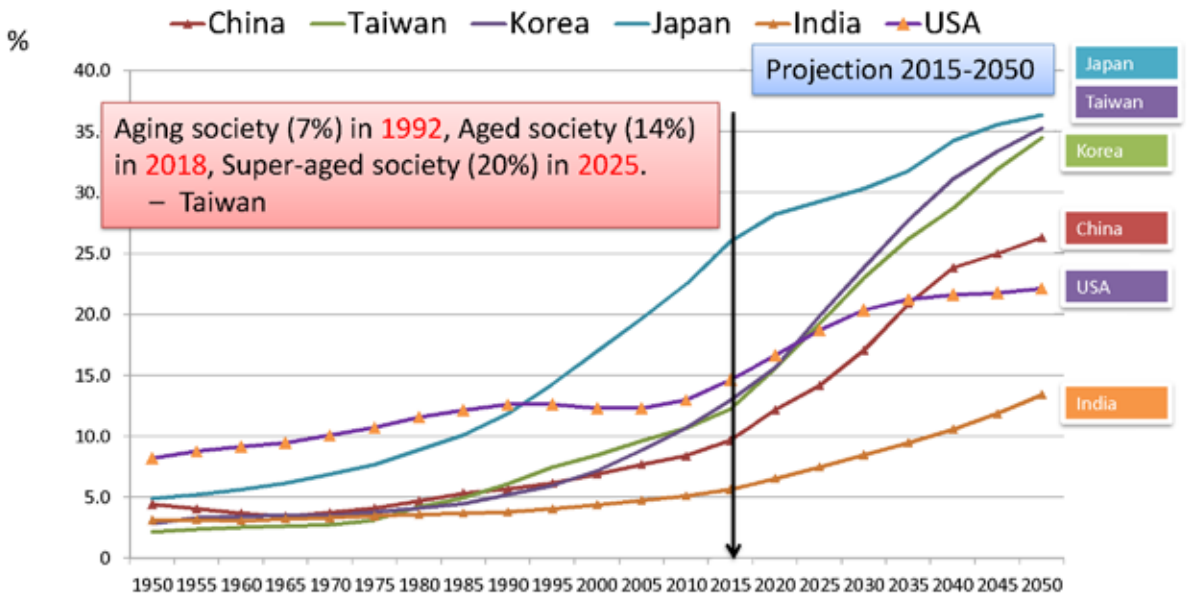
- 1. Childbirth benefits and allowance;
- 2. Childcare/babysitting subsidies;
- 3. Increasing daycare and babysitting units;
- 4. Education subsidies;
- 5. Low-interest housing loans or rent subsidies for new parents;
- 6. Income tax deductions;
- 7. Parental-leave allowances with 60% (80% recently) of payment; and
- 8. Relaxing restrictions on immigration

9.Social value and life style are more important for boosting births

The major goal: to slow down the aging speed

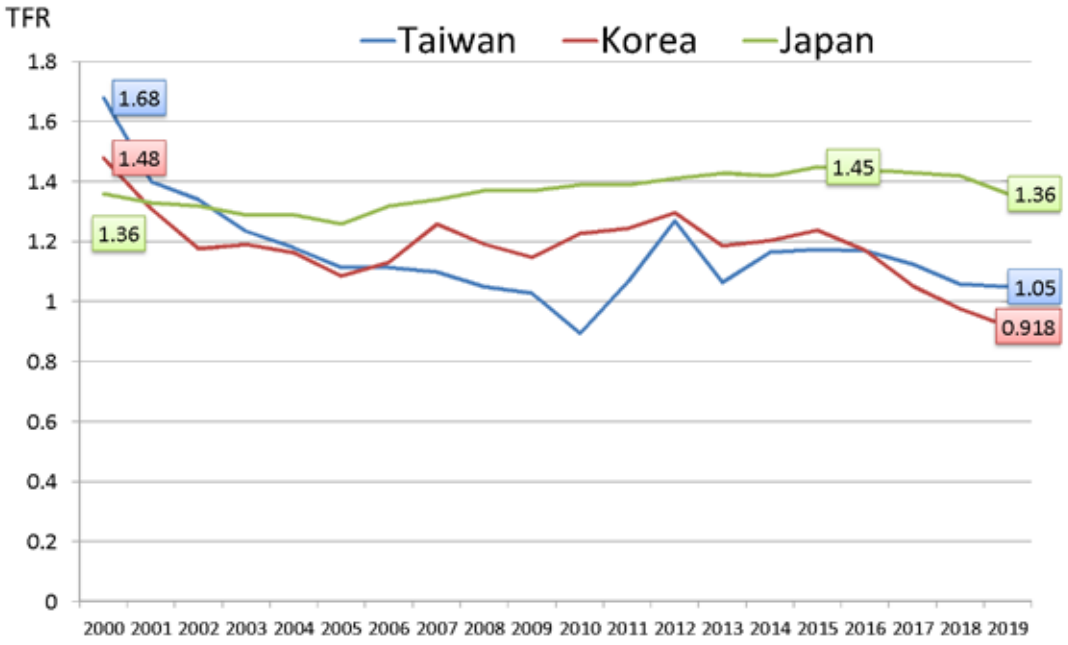
Increasing Share of the Elderly Population

Source:2015 UN World Population Prospects



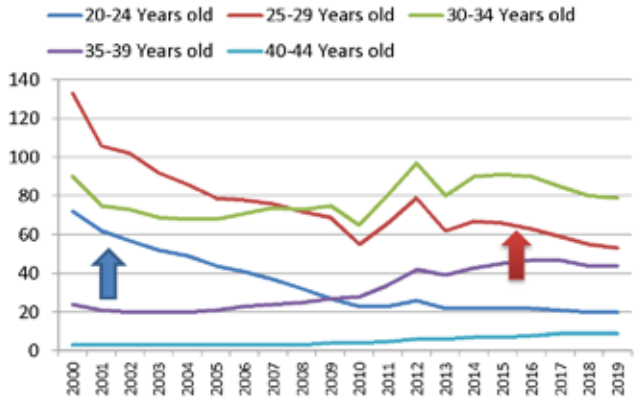
Taiwan and Korea : ageing late but fast

Total Fertility Rate 2000-2019: Taiwan, Korea and Japan



Age-specific Fertility Rate 2000-2019: Taiwan and Korea

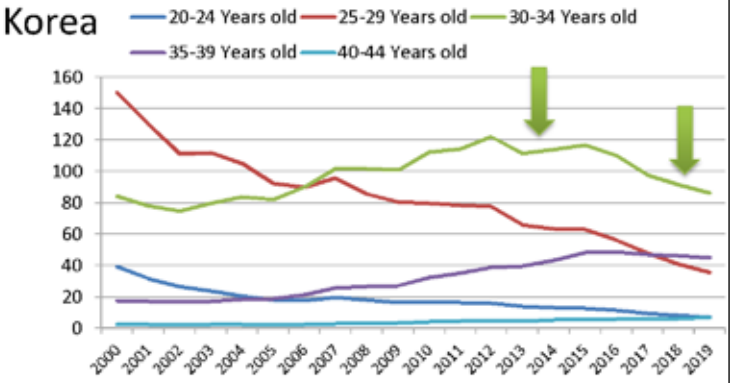
Taiwan



Korean 30-34 age cohorts did better between 2005-2019, But the ASFR declined in recent years.

Taiwanese 20-24 age cohort did better between 2000-2019. Taiwanese 25-29 age cohort did better between 2015-2019.

Korea



Section 2:
Social Policies in Response to the Change
by Y.-W. Ku

Three 'golden decades' of welfare development

- The 1950s: the three main systems of social insurance – labor insurance, insurance for civil servants and teachers, and military servicemen insurance – were established.
- The 1970s: the first national policy guideline for social welfare, resulted in important welfare reforms, including the setting up of a professionalized system of social workers, a newly modernized system of social assistance, community development as a means of welfare facilitation, and welfare legislations for children, the elderly, and disabled people.
- The 1990s: democratization with the completion of numerous welfare policies that brought about more social justice, such as the National Health Insurance Act in 1994, the Child and Youth Sexual Transaction Prevention Act, the Temporary Statute on Senior Farmer Welfare Allowance in 1995, the Protection Act for Disabled People, the Sexual Assault Crime Prevention Act and the Social Worker Act in 1997, and the Domestic Violence Prevention Act in 1998.

Taiwan's social expenditure by functions: 50.5% for old age, followed by disease and health (33.7%)

Social Benefits by Function	Unit : Million NT$				
	2015	2016	2017	2018	2019
Function					
Old age	828,222	906,477	985,168	994,331	1,038,527
Disability	46,515	47,306	47,455	48,677	49,118
Survivors	37,372	39,971	40,421	42,796	46,411
Sickness and health	569,512	600,584	633,726	669,753	693,141
Maternity	24,945	25,204	24,296	24,621	24,435
Family and Children	105,832	110,922	111,742	113,222	121,315
Unemployment	13,614	14,098	15,030	15,691	17,401
Employment injury and occupational disease	8,278	8,008	7,812	8,002	8,254
Housing	17,553	19,107	57,321	30,391	15,979
Other income support and assistance	35,914	37,869	40,024	42,505	43,106
Total Social Benefits	1,687,757	1,809,546	1,962,996	1,989,990	2,057,688

Taiwan welfare regime as occupational Bismarckean social insurance system

- Social Insurance: the most important social welfare system in Taiwan, occupying 70% of the total social expenditure, regulated in either occupational status or risk orientation', including NHI, labor insurance, employment insurance, and national pension insurance.
- The sustainability of Taiwan's welfare requires a relative young population structure. However, low fertility with aged society implies less contributors and more pensioners, resulting in a significant shortage of pension funds.
- The government's pension reform was officially launched when the economy began to recover from the global financial crisis in 2012. It changed the pension for government employee and school teachers in 2017 towards three directions: postponing the eligibility age for pension, cutting benefit, and rising up contribution rate. (The financial crisis still existed)

New policy responses

- Building a social safety net: the main orientation of the plan was to construct a framework, combining with school counseling, employment services, public security maintenance and other service systems, and focused on high-risk families at risks of child abuse, domestic violence, poorly adjusted school students, juvenile delinquency, mental illness and so on.
- Family Policy: In 2021, a new version of family policy was introduced to further supporting family functioning. In order to effectively integrate the benefits of resources, the existing implementation mechanism was adopted to bridge over important relevant policies offered by various governmental departments. Family policy was positioned to enhance family functions, create a suitable environment through active social policies, and establish a platform mechanism to assist families in a sound development.

Fiscal constraint

National Tax Burden Rate in Selected Countries

Countries	2018	2019
Taiwan	13.0	13.0
Japan	19.2	n.a.
South Korea	20	20.1
US	18.3	18.4
France	29.9	30.5
Germany	24	24.1

*Direct and indirect taxes as share of GDP, not including social security contributions.

- Comparing to Europe and America, Taiwan's average national tax burden rate is not only lower among the developed countries, but even it is still relatively low compared with its Asian neighboring countries, like 20% in South Korea and 19% in Japan. This fact also implies the incapacity of Taiwan's government in implementing the necessary policies effectively.
- Therefore, in the future, it may be necessary to think about how to strengthen Taiwan's taxation base and change the ideology of the small government as the basis for implementing Nordic-style social investment policies.

Section 3:
Health Policies in Response to the Change
by Y.-C. Lee

Evolution of health and LTC system

- Goals of health system: improving equity, efficiency and quality of healthcare
- Legislations and programs
  - Regionalization of Health Care Network +Development Funds (1985-date)
  - Medical Care Act (1986-)
  - National Health Insurance(1995-)
  - Age-friendly Cities (2013-)
  - Community Care Center (4478 units in 2021)
- Goals of LTC system: reduce financial and care burden and facilitate independent living.
- Legislations and Programs
  - Long-Term Care Plan (2008-2017)
  - Long-Term Insurance Planning(2008-2016)*
  - Regionalization of Long-Term Care Services Network (2014-2016)
  - Long-Term Care Services Act (2017)
  - Long-Term Care Plan 2.0 (2017-2026)

*not yet implemented.

Major reform of National Health Insurance system (NHIS)

- Second Generation NHIS (2013)
  - Supplementary premium
  - Health Technology Assessment
  - Tiered Copayment
  - Healthcare quality information disclosure
- Payment and information system reform –to control health cost, improving efficiency and quality
  - Global budget, DRGs, Pay for Performance
  - Drug Expenditures Target, pharmaceutical price adjustment
  - Self-Managed Hospitals
  - Utilization review based on profiling
  - Heath Information Clouds and My Healthy Data Bank

Long-Term Care Plan 2.0 (2017-2026)

- Sources of revenues: tobacco tax, heritage & gift taxes and government budgets (40Billion NTD in 2020)
- Beneficiaries: frail & disabled elderly, young disabled (<50 y) with welfare certificate, persons with dementia(>50 y)
- Administration: managed by local government, including care management
- Levels of Benefits determined by Case-Mix-System(CMS)
- Benefits: All types of home and community services, +dementia care, reablement services*, community preventive services, caregiver support and Community Comprehensive Integrated Care System(provide case management). Institutional care require means test.
  - Grouped into 4 bundled benefits
- Provider payment: Introduce provider contract system paid by Fee-For-Service
  - Raised the levels of payments and set minimal wages for care workers

*Aim to facilitate disable persons to enhance their intrinsic capacity and live as independent as possible thru intervention based on daily activities.

Performance

- Taiwan has taken actions, by establishing NHIS, LTCP 2.0 and other supportive policies and environment, across different stages of the life course to support the building and maintenance of intrinsic capacity, and to enable those with a declined functional capacity to do the things value for them, and has great performance in Active Aging Index
- NHIS has achieved universal coverage with relative low cost (6.3% GDP), has improved population health, and strived continuously to improve efficiency and quality of care thru payment reform.
- LTCP 2.0 has increased coverage rate up to 54.69% of target population , increased number and income of care workers and attracted many young and higher education persons

Challenges and recommendations

Challenges for NHIS

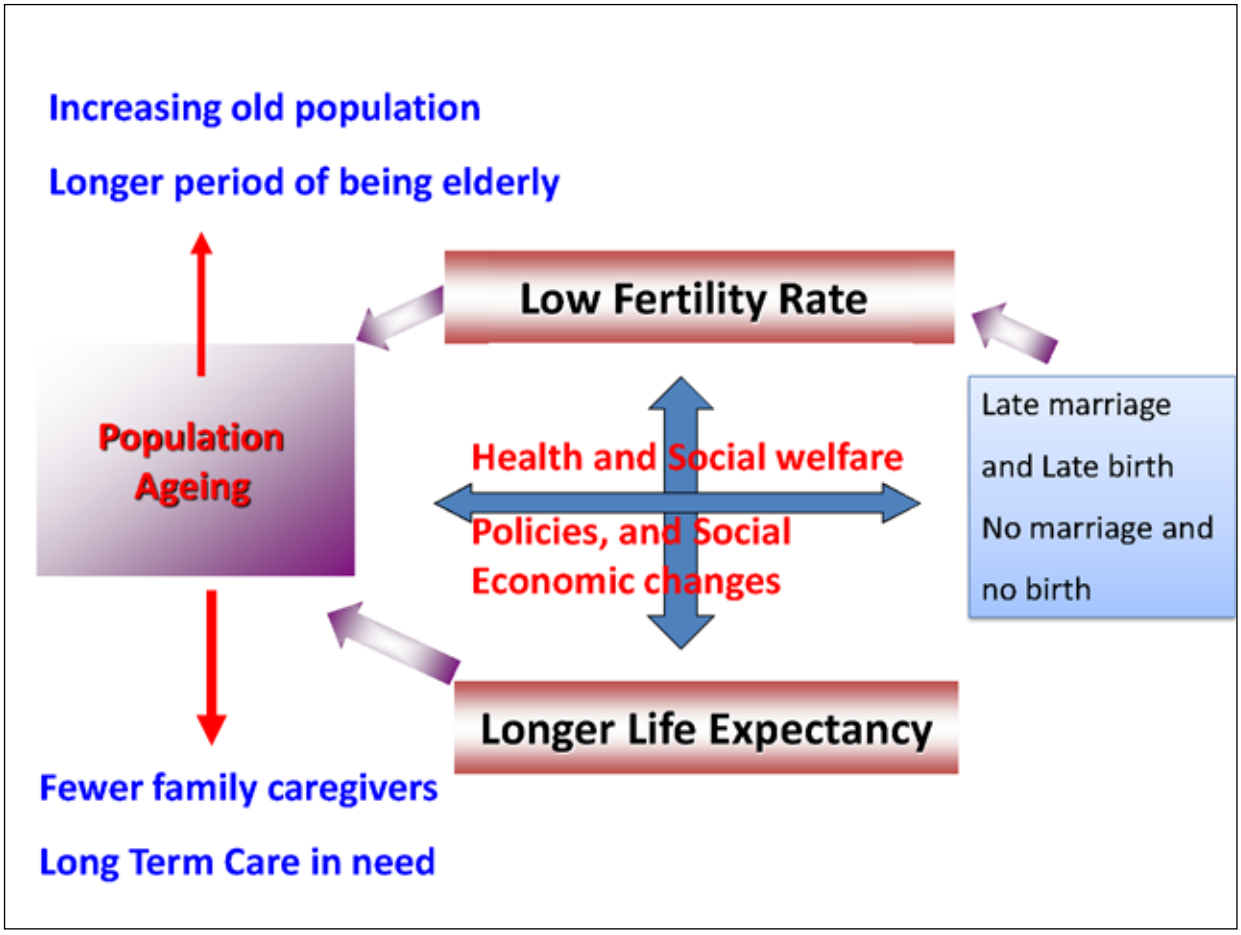
- Long-term financial sustainability
- Health system structure and patterns of healthcare
- Inefficient and ineffective delivery and payment system
- Lack of health responsibility and cost consciousness of the insured

Future reform is needed to reform payment system continuously, enhance patients self-care responsibility and to improve population health management.

Challenges of LTCP 2.0

- Low fiscal capacities and sustainability
- Inequity in population coverage
- FFS payment system may hinder person-center holistic care
- Duplication and conflict of interest of case managers and care managers
- Low incentive for care integration and quality improve.

Universal LTCI system may be implemented to achieve universal coverage, improve sufficiency and stability of the financing scheme, and to improve the equity in pop coverage


Increasing old population
Longer period of being elderly
Low Fertility Rate
Population Ageing
Health and Social welfare
Policies, and Social
Economic changes
Late marriage
and Late birth
No marriage and
no birth
Longer Life Expectancy
Fewer family caregivers
Long Term Care in need


The End

Presentation 3

The Changing Population of Korea : Challenges for Welfare Policies

Yoon-Jeong Shin
Research Fellow, KIHASA

Biography

Dr. **Yoon-Jeong Shin** is Research Fellow in Korea Institute for Health and Social Affairs. She also served as the Steering Committee of Aging Society and Population, Ministry of Health and Welfare in Korea. Her studies focused on fertility, family, child welfare, and gender issues. Currently she is working for project on Asia-Pacific Family Database with collaboration of OECD Social Policy Division. She was a Visiting Scholar of Institut national d'études demographiques(INED) and Vienna Institute of Demography(VID). Dr. Shin received her BA and MA in consumer economic from Sookmyung Women's University, and PhD in Policy Analysis and Management from Cornell University, USA.

The Changing Population of Korea: Challenges for Welfare Policies

Yoon-Jeong SHIN, Ph. D
Korea Institute for Health and Social Affairs

International Conference
Population Changes and Policy Responses in East Asia
November 2, 2021

KIHASA 한국보건사회연구원

Contents

PAGE 2.

KIHASA 한국보건사회연구원

Contents

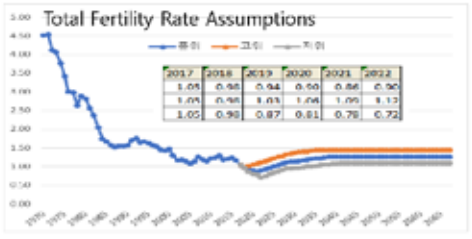
PAGE 3.

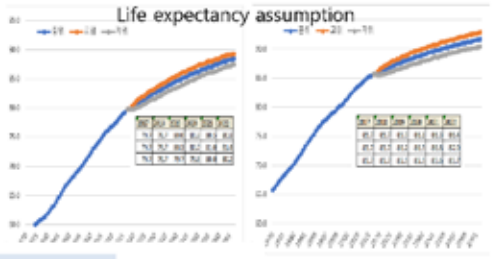
KIHASA 한국보건사회연구원

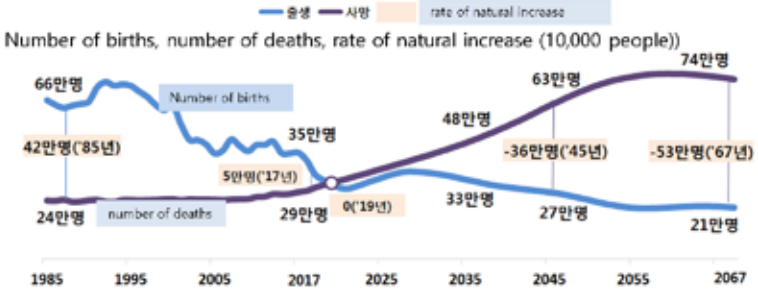
Drivers of population change in Korea

PAGE 4.

- Sharp decline in fertility rates and increased life expectancy
- Natural decline of the population began in 2019







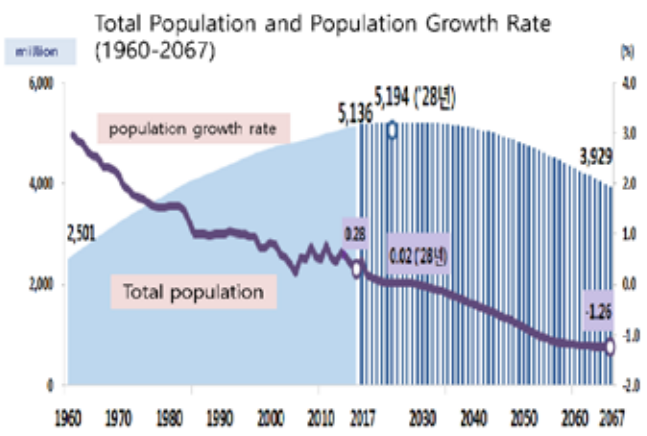
KIHASA 한국보건사회연구원

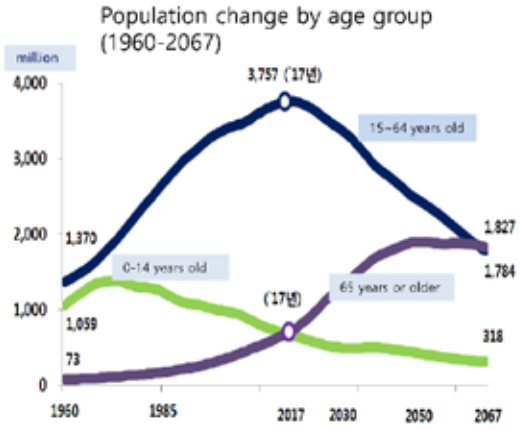
Statistics Korea(2019) Special Estimation of Future Population: 2017~2067

Decrease in the total population

PAGE 5.

- (Total population) 51.36(2017) -> 51.94(2028) -> 39.29(2067) (million)
- (Working age population) 37.57(2017) -> 17.84(2067) (million)
- (Elderly population) 7.07(2017) -> 18.27(2067) (million)





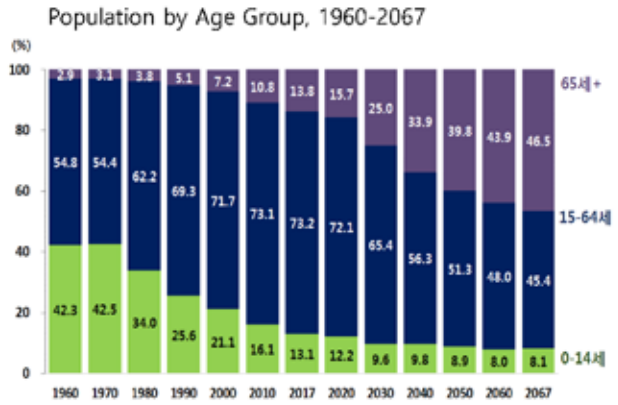
KIHASA 한국보건사회연구원

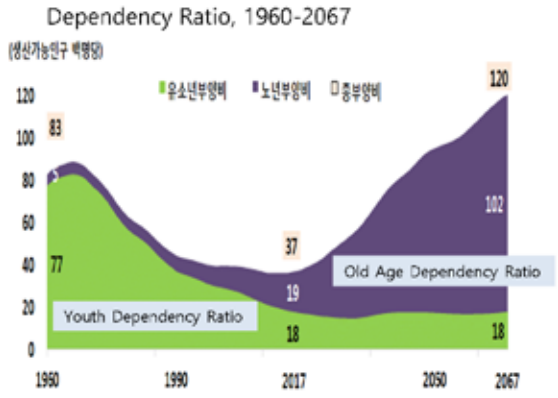
Statistics Korea(2019) Special Estimation of Future Population: 2017~2067

Change in proportion of population

PAGE 6.

- (Proportion of the working-age population) 73.2% (2017) -> 45.4%(2067)
- (Proportion of elderly population) 13.8(2017) -> 46.5%(2067)
- (Total dependency ratio) 36.7(2017) -> over 70(2038) -> over 100(2056)





Statistics Korea (2019) Special Estimation of Future Population: 2017~2067

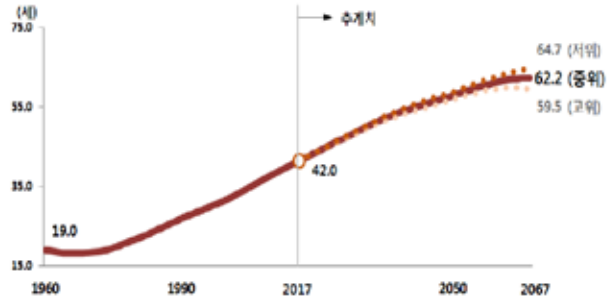
KIHASA 한국보건사회연구원

Population Aging

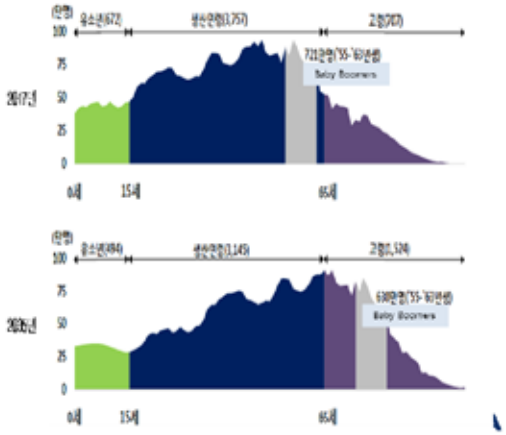
PAGE 7.

- (median age) 42 years old(2017) -> 62.2 years old(2067)
- Baby boomers (born between 1955 and 1963) start to retire from 2020
  - ✓ Significant impact on overall social security policies, such as pension and health insurance policies

Changes in median age (1960-2067)



Position of Baby Boomers (2017, 2035)



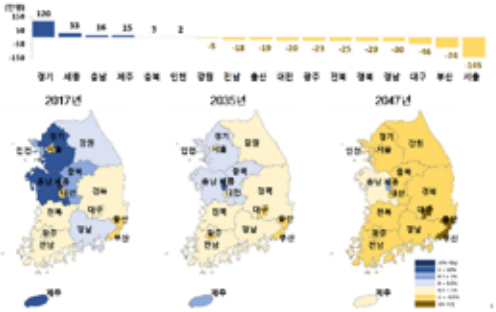
Statistics Korea(2019) Special Estimation of Future Population: 2017~2067

Population Distribution

PAGE 8.

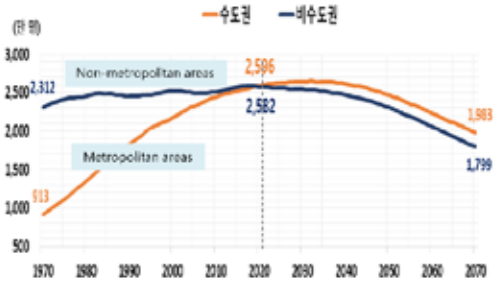
- Declining local populations
  - ✓ "Local annihilation" fears are mounting due to local population outflow
- Population concentrated in metropolitan areas
  - ✓ Spatial imbalance in distribution of health and welfare services

Population changes by province (2017-2067) and population growth rate (2017, 2035, 2047))



Statistics Korea (2019) Future population projections by city and province: 2017-2067

Current population trends and projections in metropolitan and non-metropolitan areas (1970-2070)



Statistics Korea (2020), population movement in the metropolitan area over the past 20 years and future population projections

KIHASA 한국보건사회연구원

Contents

PAGE 9.

KIHASA 한국보건사회연구원

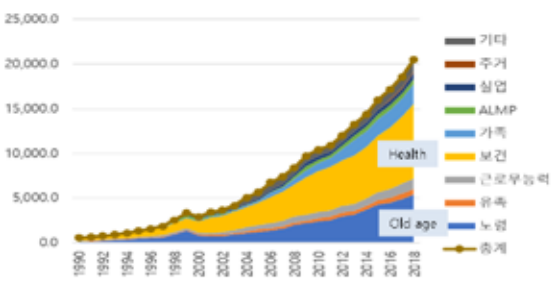
Social security fiscal expenditure

PAGE 10.

- Public social expenditure as a percentage of GDP was 12.2% in 2019
  - ✓ Lower than the average of OECD member countries, but steadily increasing since 1990
  - ✓ Health care accounts for the largest share of spending, following by care for the elderly

Public social expenditure as a percentage of GDP, 1990-2019

Public social welfare expenditure in Korea, 1990-2019



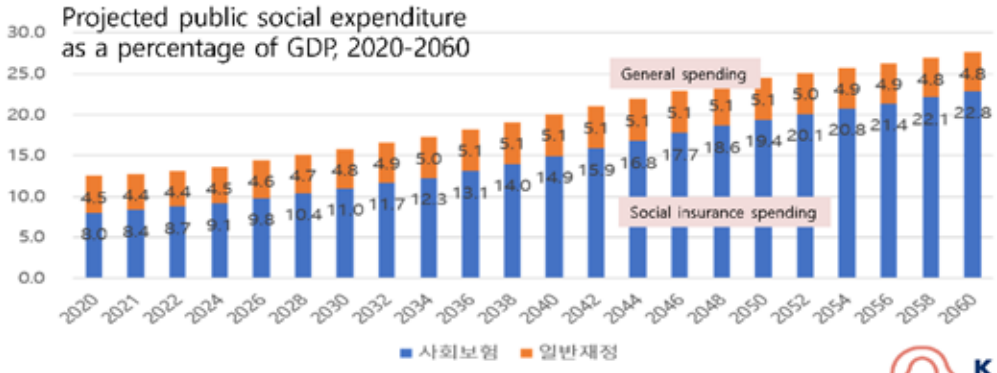
OECD (2021) OECD STAT. Social Expenditure

KIHASA 한국보건사회연구원

Fiscal expenditure on social insurance

PAGE 11.

- Social insurance accounts for a greater share of fiscal expenditure than public assistance or social services
  - ✓ Social security in Korea includes social insurance, public assistance, and social services
- The national pension and health insurance schemes account for a large proportion of social insurance expenditure



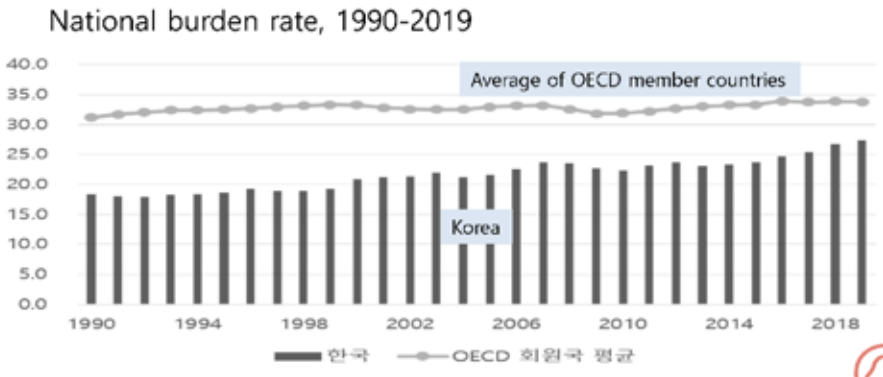
Source: Social Security Committee, 4th Mid- to Long-Term Social Security Financial Estimates

KIHASA 한국보건사회연구원

Social security fiscal income

PAGE 12.

- The national burden rate and the share of social security contributions were lower than that of other OECD member countries, it is growing at a fast pace
  - ✓ National burden rate (2019): Korea 27.2% < OECD average 33.8%
  - ✓ Share of social security contributions of GDP: 1.9%(1990) -> 7.3% (2019)



Source: OECD STAT Global Revenue

KIHASA 한국보건사회연구원

Population aging and the national debt ratio

PAGE 13.

- The national debt ratio of major countries with aging populations (such as Japan, France and the UK) has increased every year since first becoming aged societies
  - ✓ Korea's national debt may increase as its population aging intensifies

		Korea	Japan	Denmark	France	UK	Sweden
Year of entry into aged society	year	2018	1994	1980	1990	1980	1980
	Rate of elderly population	14.3	14.1	14.4	14.0	15.0	16.3
	Public social spending as a percentage of GDP	11.1	12.9	20.3	24.3	15.6	24.8
	National burden ratio	28.4	25.5	41.2	41.2	33.4	43.7
	National debt ratio	39.4	81.8	44.3	41.7	43.8	43.9
2018	Rate of elderly population	14.3	26.6	19.5	19.8	18.3	19.9
	Public social spending as a percentage of GDP	11.1	21.9	28.0	31.2	20.6	26.1
	National burden ratio	28.4	30.7	44.9	46.1	33.5	43.9
	National debt ratio	39.4	216.5	47.5	122.5	111.8	49.9
Change (%p)	Public social spending as a percentage of GDP	-	9.0	7.7	6.9	5.0	1.2
	National burden ratio	-	5.2	3.7	4.9	0.2	0.2
	National debt ratio	-	134.7	3.2	80.9	68.0	6.0

Source: National Assembly Budget Office (2020a), Social Security Policy Analysis

KIHASA 한국보건사회연구원

Prospects for Korea's social security finances

PAGE 14.

- Korea's aging population is expected to affect overall social security spending, especially social insurance spending
  - ✓ Efforts are needed to ensure financial sustainability of health insurance and national pension systems
- The financial resources required for social security expenditures due to the aging of the population can only be met through increased public burden or national debt
  - ✓ It is necessary to explore how social security expenditures will be financed, and social consensus on the issue is needed

KIHASA 한국보건사회연구원

Contents

PAGE 15.

- Population Change in Korea
- Status and Prospect of Social Security Finances
- Effects of the Income Security System on Income and Poverty
- Issues and Strategies on Health Care · Pension · Social Service Policy
- Conclusion

KIHASA 한국보건사회연구원

Purpose of analysis

PAGE 16.

- Empirical examination of how Korea's income security system has responded to changes in the demographic structure
- Data: Statistics Korea, Survey of Household Finances and Living Conditions 2011-2019
- Methods: Decomposition and standardization

KIHASA 한국보건사회연구원

Definition

PAGE 17.

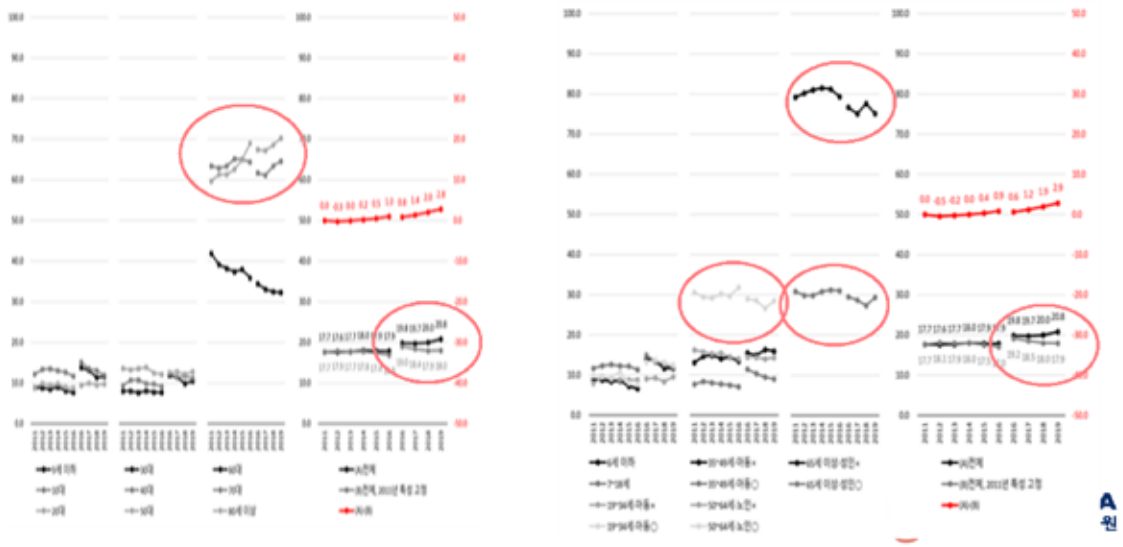
- Market income = earned income · business income · property income + private transfer income – private transfer expenditure
- Disposable income = market income + public transfer income – (tax + social insurance contributions)
- Public transfer income: National pension, special occupational pension, basic old-age pension and basic pension income, child-related benefits, disability-related benefits, national basic livelihood security system cash benefits, working subsidies and child subsidies, etc.
- Taxes: Income, property, and automobile taxes, residential taxes, etc.
- Social insurance contributions: National pension, special occupational pension, and national health insurance contributions, employment insurance premiums

KIHASA 한국보건사회연구원

Market income poverty rate

PAGE 18.

- Demographic changes such as an aging population and an increase in the number of elderly living alone act as factors that reduce the income levels of the entire population and increase the risk of poverty

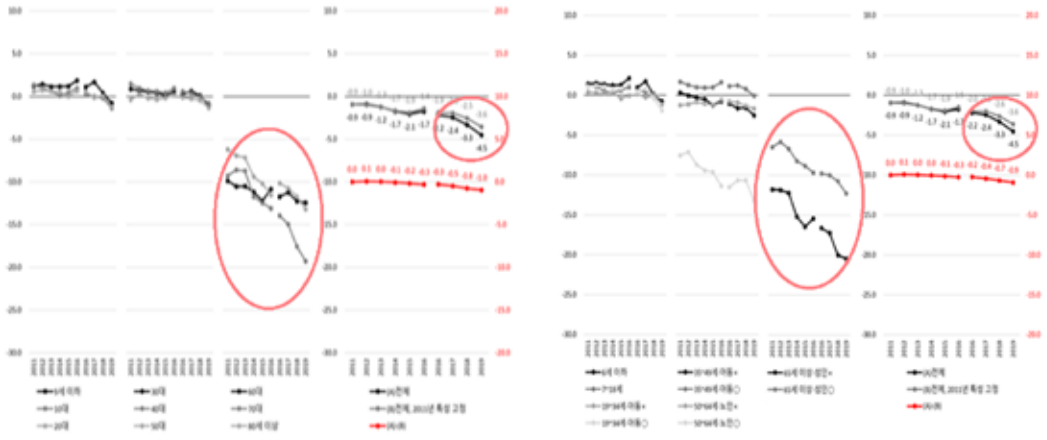


Effects of public transfer income

PAGE 19.

- Expansion of income security system and tax system plays a role in suppressing the risk of poverty due to demographic change

Disposable Income Poverty Rate - Market Income Poverty Rate



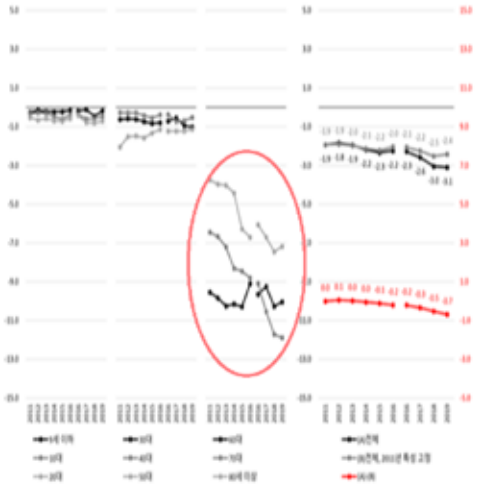
KIHASA 한국보건사회연구원

Effects of public pensions and basic pensions

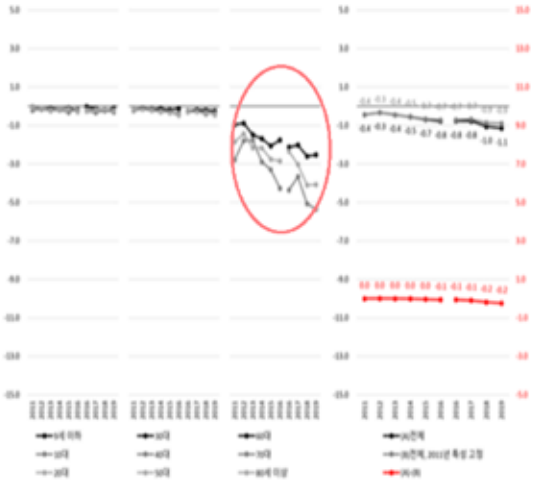
PAGE 20.

- Expansion of public pensions and basic pensions plays an important role in reducing old-age poverty over time

Market Income + Public Pension Poverty Rate - Market Income Poverty Rate



Market income + Basic (old age) Pension Poverty Rate - Market Income Poverty Rate

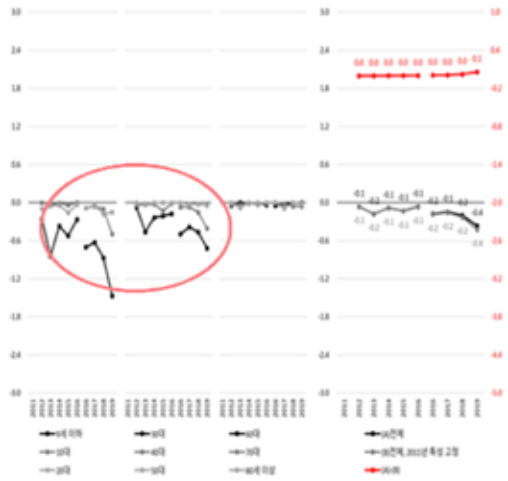


Effects of child-related benefits and working or child incentives

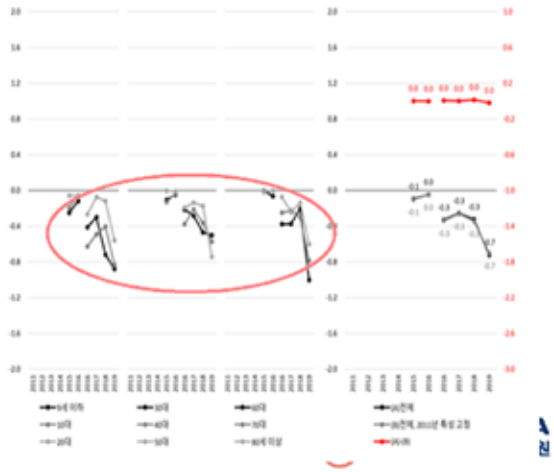
PAGE 21.

- Reforms that strengthen income security for the working-age group are also effective in reducing poverty for the entire population

Market Income + Child-Related Benefit Poverty Rate - Market Income Poverty Rate



Market Income + Incentives for Working · Children Poverty Rate - Market Income Poverty Rate



Implications of the analysis

PAGE 22.

- Korea's income security system has had *the effect of moderately reducing the disposable income poverty rate* by offsetting the upward pressure that demographic changes have applied on the poverty rate.
- Korea's income security system, which provides relatively large benefits to populations at high risk of market income poverty, *operates as a mechanism to suppress the effects of demographic changes that increase poverty.*
- The reform of the income security system toward intensively alleviating the poverty of the elderly can be evaluated as a *rational response strategy in response to demographic change.*

KIHASA 한국보건사회연구원

Contents

PAGE 23.

KIHASA 한국보건사회연구원

Issues on health care policy

PAGE 24.

Population decline	Changes in health insurance revenue sources	Increased health insurance premiums Reorganization of health insurance premium system (2017)
Composition of population	Increased need for primary and nursing care	Medical-facility-home care service linkage Elderly-friendly medical service provision
Population aging	Growth in the vulnerable population and changes in disease structure	Strengthening primary care Strengthening the prevention-oriented medical system
Population distribution	Regional disparities in access to health care	Strengthen accessibility to trustworthy local medical care (2019) Strengthen the public medical system

Strategies for health care policy

PAGE 25.

- **Community-centered medical-care-welfare integrated service provision**
  - ✓ Reestablish functions of nursing hospitals
  - ✓ Establish subacute medical service supply system
- **Reinforce chronic disease management capabilities in primary care**
  - ✓ Comprehensive chronic disease management at neighborhood clinics
  - ✓ Community program to support healthy aging
- **Secure stable financial resources and rationalize health insurance spending**
  - ✓ Improve insurance premium rate determination system
  - ✓ Medical use system based on patient needs
- **Establish complete regional medical systems at the regional level**
  - ✓ Actualize regional medical cooperation
  - ✓ Regional integrated delivery system for mothers and newborns

Issues on pension policy

PAGE 26.

Population decline	• Imbalance of National Pension System	• Reduction of replacement rate of the National Pension Income (1998, 2007) • Reform of Civil Service Pension Reform (2015)
Composition of population	• Relevance in terms of contribution	• National pension premium rate kept at 9% since 1998 • Age limit to join is 59 years old
Population aging	• Adequacy of benefits	• Insignificant increase in national pension benefits • Low retirement pension enrollment rate
Population distribution	• Increase in local government basic pension burden	• Decrease in local government income • The central government and local governments share basic pension funds

Strategies for pension policy

PAGE 27.

- **Parametric adjustments for financial sustainability**
  - ✓ Introduced automatic balancing (adjustment) devices
  - ✓ Extend the upper age limit for membership
  - ✓ Increase insurance premiums considering social acceptability
- **Rationalize benefits through pension policy reform**
  - ✓ Expand basic pension to guarantee minimum old-age income
  - ✓ Introduce supplementary old-age income support
  - ✓ Improve equity between the National Pension and the Special Occupational Pension
- **Expand the elderly labor market**
  - ✓ Extend retirement age
  - ✓ Create conditions that enable the elderly to earn income

Issues on social services policy

PAGE 28.

Population decline	Increasing demand for child care	Free daycare for children aged 0-5 (2013) Home child care service (2009) After-school childcare for elementary school students
Composition of population	Youth employment Growing vulnerability among middle-aged people	Basic Youth Act, Basic Youth Policy Plan (2020) Plan to build a foundation for the three-stages of middle age(2017)
Population aging	Lack of supply and low quality of elderly care services	Long-Term Care Services for the Elderly Customized care for the elderly Basic Plan for Community Integrity Care (2018)
Population distribution	Demand for services in provincial regions	Community Social Security Plan Community Service Investment Social Security Special Support Zone Project

Strategies for social service policy

PAGE 29.

- **Strengthen public safety nets for young children and the elderly**
  - ✓ Expand the supply of care services for elementary school children
  - ✓ Develop services for the elderly excluded from public care
  - ✓ Improve service quality and strengthen support for care workers
- **Expand social services for the young and middle-aged**
  - ✓ Identify service needs of the young and middle-aged
  - ✓ Establish delivery system to enhance accessibility
- **Create an environment for community-oriented social service policy**
  - ✓ Strengthen regional initiatives
  - ✓ Support various policy experiments at the regional level
  - ✓ Redefine the role of the central and local governments in social services

Summary of the policy strategies

PAGE 30.

- The policies proposed for health care, the pension system, and social services can be summarized as follows:
  - ✓ Satisfy the demand for health and welfare that arises amid demographic changes
  - ✓ Devise a plan to raise the necessary financial resources
  - ✓ Pursue structural reform of the system to improve efficiency

KIHASA 한국보건사회연구원

Contents

PAGE 31.

KIHASA 한국보건사회연구원

Conclusion

PAGE 32.

- Korea's changing population is creating challenges for health and welfare policies, with transformations in the total number of people and the composition of the population along with the graying of society and changes to the distribution of the population
- Social security spending in Korea is currently below the OECD average, but is expected to increase in the future as the population changes rapidly
- Korea's income security system effectively reduces the impact of population change on poverty and is considered a reasonable strategy to respond to demographic change

KIHASA 한국보건사회연구원

Conclusion

PAGE 33.

- A fundamental restructuring of Korea's social security system is required due to an aging population
  - ✓ To prevent a surge in health care demand, it is necessary to extend healthy living and proactive health management policies
  - ✓ Together with reform of the pension system, it is necessary to create conditions in the labor market so that the elderly can work
  - ✓ In the case of public assistance and social service projects, along with the expansion of targets, the efficient and effective operation of policies is required.

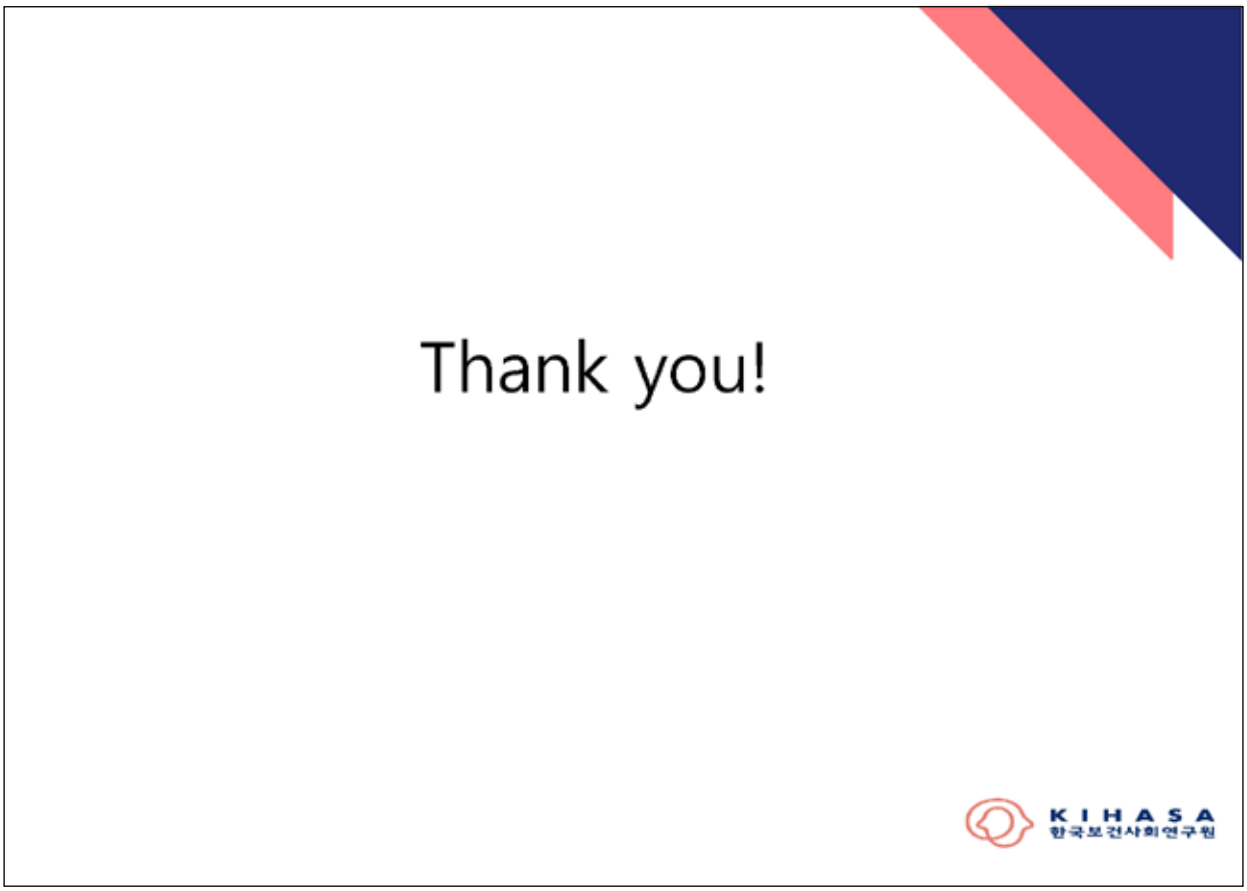
KIHASA 한국보건사회연구원

Challenges of welfare policies of Korea

PAGE 34.

- The challenges facing these policy alternatives are as follows:
  - ✓ How to *effectively* meet the growing demand for health and welfare in response to demographic change?
  - ✓ How will the financial burden be shared *equitably* between generations and between classes ?
  - ✓ How to achieve structural reform of the system for *efficiency*?

KIHASA 한국보건사회연구원


Thank you!
KIHASA
한국보건사회연구원

Discussion

Sang-Hyop Lee

Professor, University of Hwaii at Manoaand East-West Center

Biography

Dr. **Sang-Hyop Lee** is Professor and Chair in the Department of Economics at the University of Hawaii and Senior Fellow at the East-West Center. He also served as Chair of the National Transfer Accounts (NTA) project, which includes research teams in more than 90 countries. His studies have focused on issues related with population changes, labor markets, and social welfare, with emphasis on Asian economies. He has collaborated with a lot of international organizations as well as many governments around the world. Dr. Lee received his BA and MA in economics from Seoul National University, and PhD in economics from Michigan State University.

Comments on Population Aging and Policy

(Japan: Toru Suzuki, Taiwan: Hsueh et al. S. Korea: Yoon-Jeong Shin)

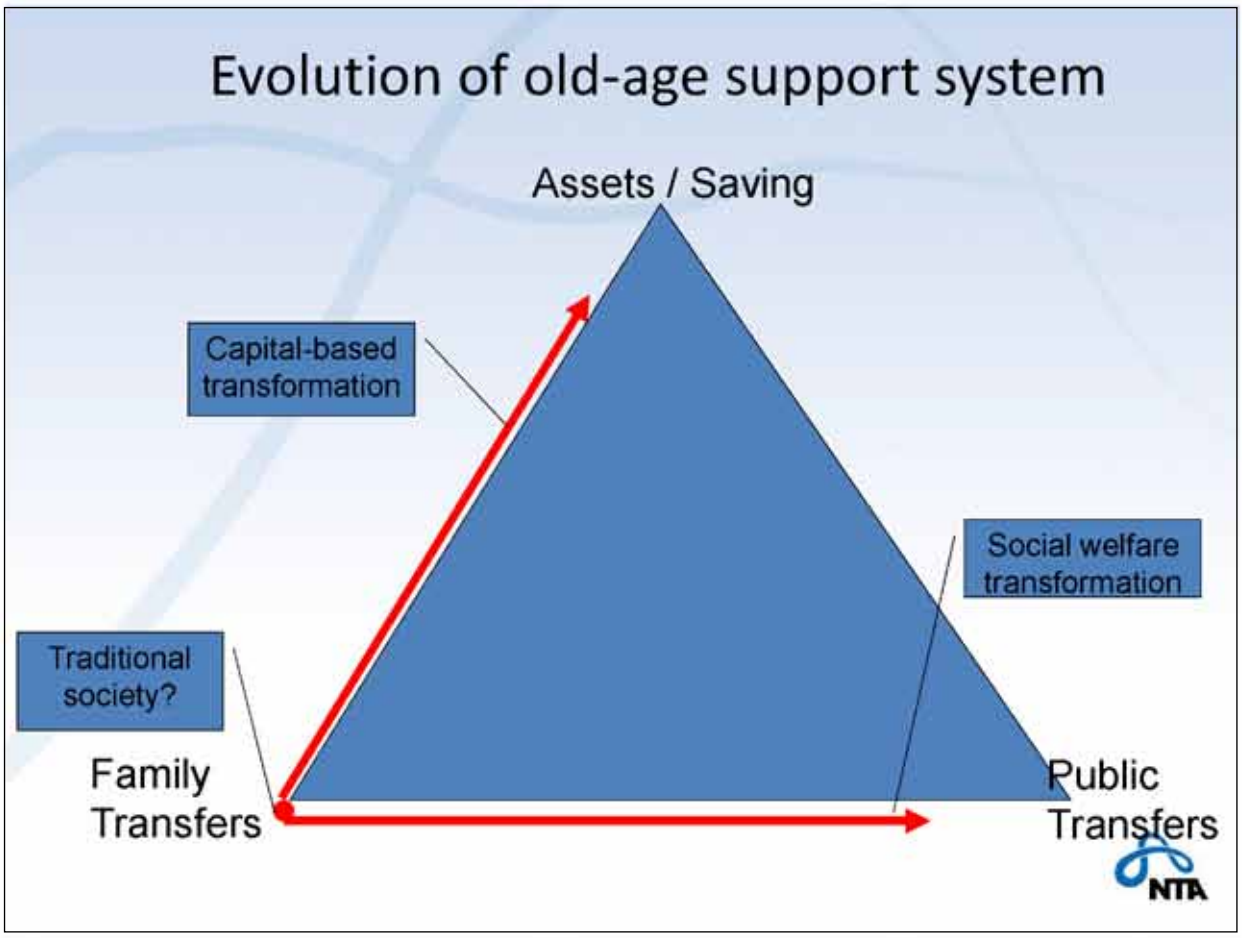
Sang-Hyop Lee
University of Hawaii at Manoa (UHM) &
East-West Center (EWC)

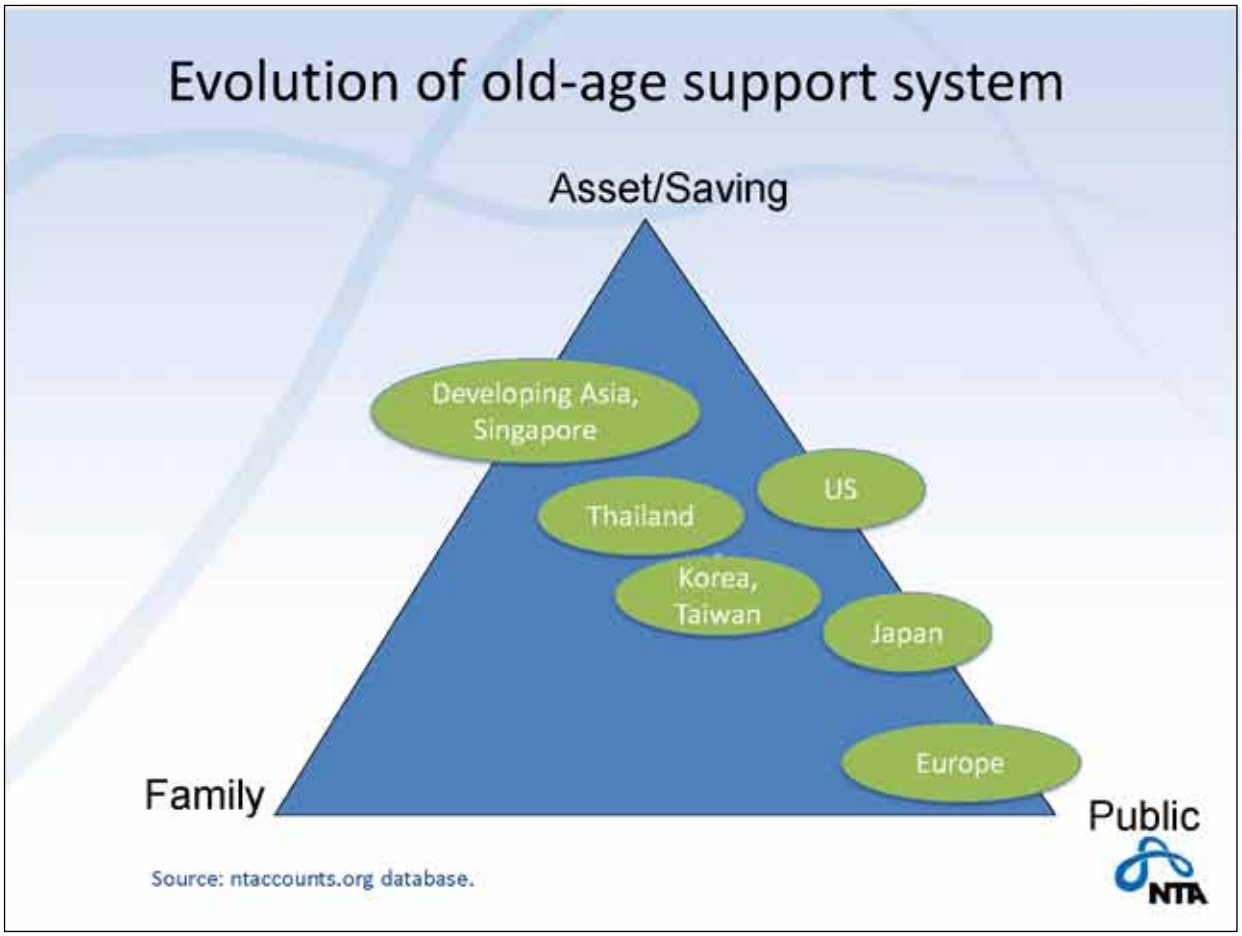
Population Changes and Policy Responses in Asia

2 November, 2021 (virtual)

Comments

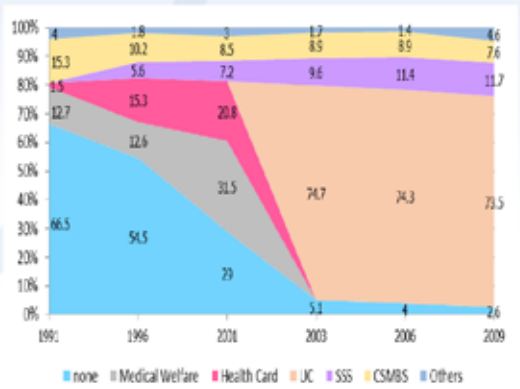
- Interesting and important papers
- No silver bullet
  - Each country is different
  - But we can still learn from other's experiences (esp. from their mistakes)
- It would be even better if papers can add some measures on 1) a big picture (a nation's social security system), 2) sustainability, and 3) effectiveness of policies
- Some results should be interpreted with caution

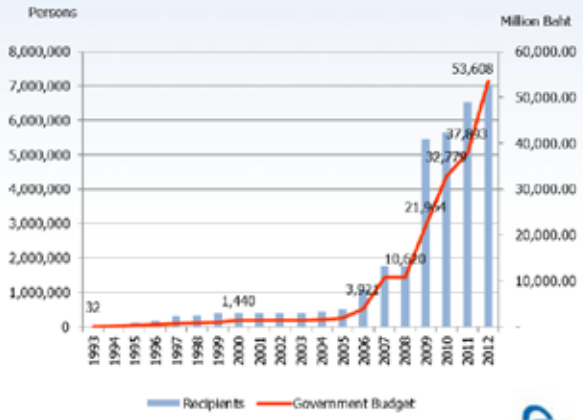

Evolution of old-age support system
Assets / Saving
Capital-based transformation
Social welfare transformation
Traditional society?
Family Transfers
Public Transfers
NTA


Evolution of old-age support system
Asset/Saving
Developing Asia, Singapore
US
Thailand
Korea, Taiwan
Japan
Europe
Family
Public
Source: ntaccounts.org database.
NTA

The case of Thailand

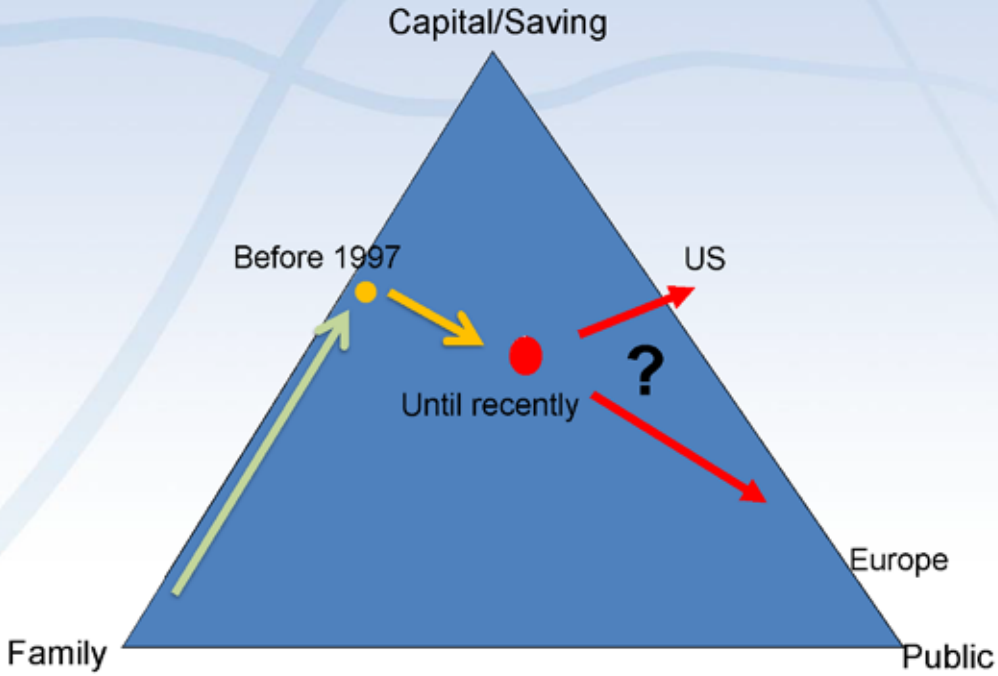
- Rapid development and demographic transition
- More toward social development (indicated first in the 8th Economic and Social Development Plan, 1997)





Source: Provided by NESDC, Thailand.

Evolution of Thailand Support System



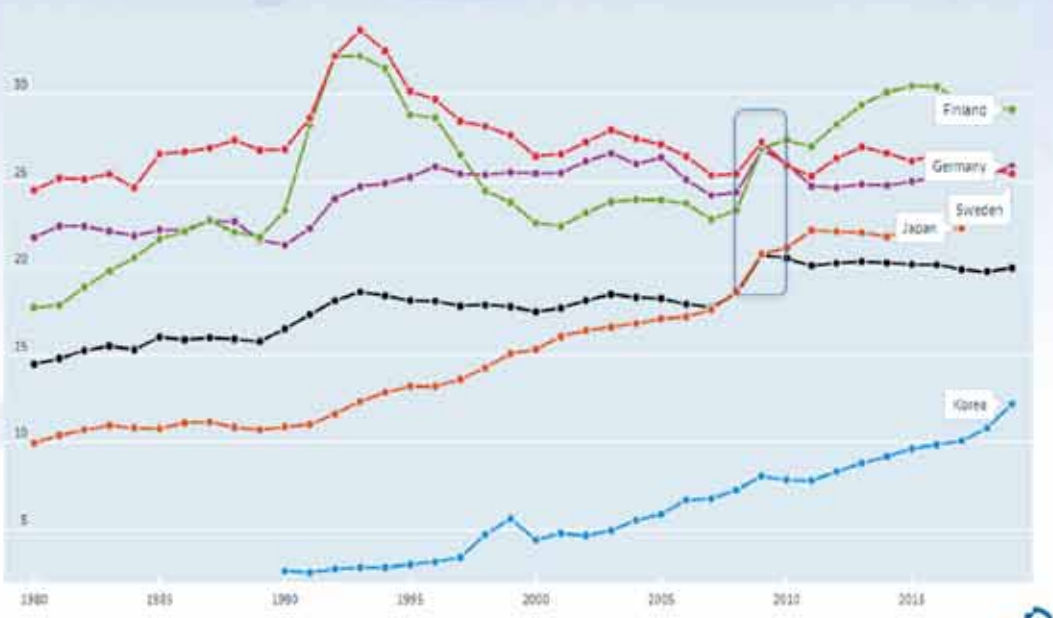
A big picture
Policy options for future change (1)

- Work more?
  - Appropriate and inevitable. But not sufficient to meet the challenges.
  - Job availability and labor market flexibility
  - Quality (decent jobs) vs. quantity (labor force participation)
- Increase family transfers?
  - Family transfers have been important support systems in Asia, but it is deteriorating
  - Singapore and Taiwan stress this more than the others
  - Not sustainable (decline in fertility, urbanization, etc.)

Policy options for future change (2)

- Increase public transfers?
  - Maybe inevitable for some countries.
    - Inequality and poverty
    - COVID-19
  - Not sustainable (mismatch between taxpayers and beneficiary ➔ debt, i.e. intergenerational equity)
- Decrease public transfers and more reliance on (forced) saving or capital accumulation?
  - Maybe inevitable for some countries.
  - Pension reform (including from PAYGO to funded system)
  - Human capital & assets investment
  - Rising inequality is an issue.

Social welfare spending as % of GDP (1980-2019): Sustainable?



Source: OECD data portal. www.data.oecd.org

Level (Left, 2018) vs. Growth (Right, 1990-2018) Social spending as % of GDP in Korea

Source: OECD data portal. www.data.oecd.org

Aging can lead to unsustainable levels of public debt for some countries

- Effects of aging on new public debt in East Asia will be very substantial over the next 20 years.
- Effects will be impossibly large after 2040.
- In Southeast Asia, aging will have little or no effect until after 2040.
- In the Philippines, the results signal the need to strengthen social programs.

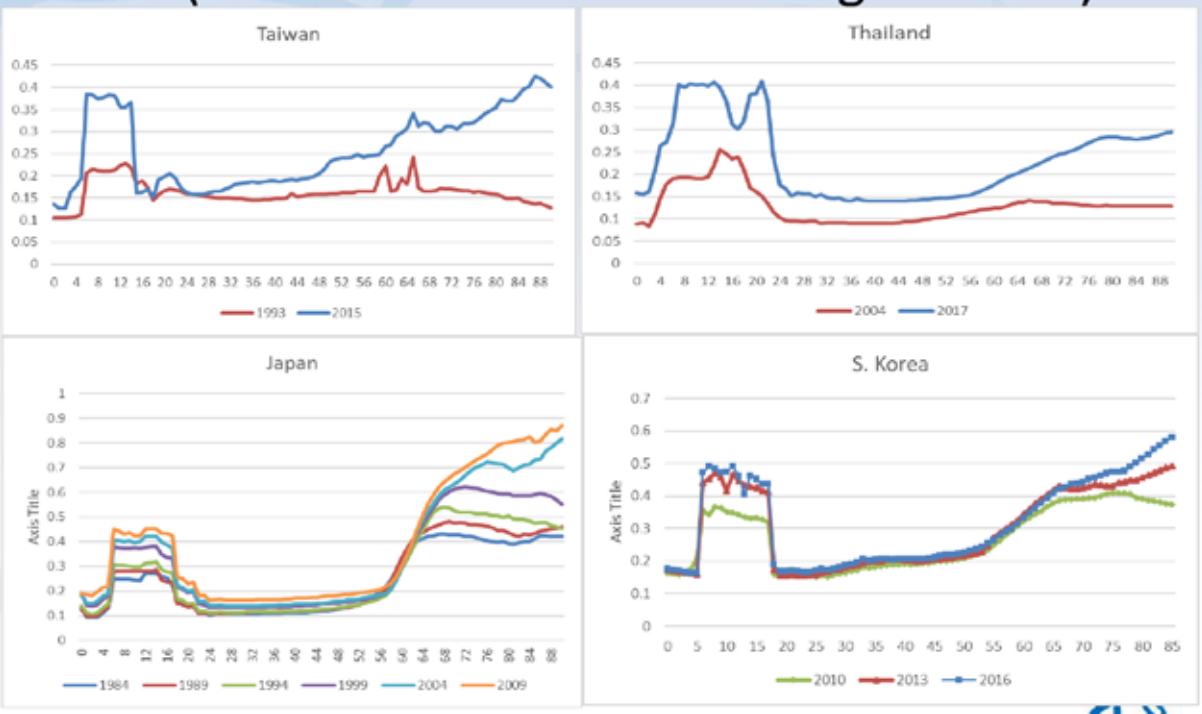
Increase in public debt solely due to aging (base year = 2015)

Percent of GDP	2020	2040	2060
China	2.2	105.5	476.9
South Korea	2.2	150.6	826.6
Taiwan	0.7	58.3	341.2
Japan	4.8	144.8	708.9
Indonesia	0.6	25.6	124.9
Philippines	-2.8	-89.4	-424.4
Singapore	-1.4	-9.4	41.2
Thailand	-0.8	-1.7	57.0

Source: Lee, Mason, and Park , 2021 forthcoming. "Aging and Debt"

NTA

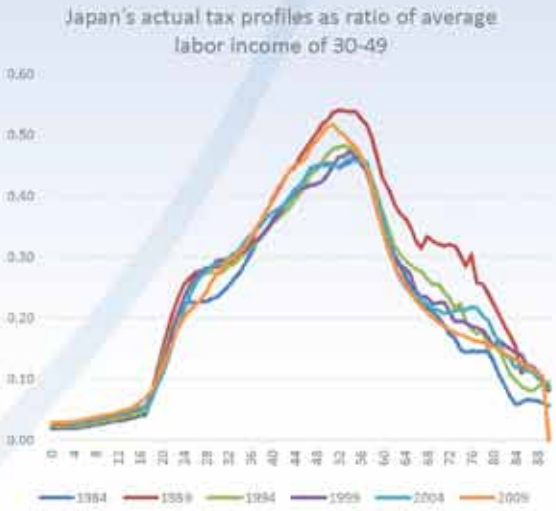
Per capita government transfers has increased too (as ratio of labor income ages 30-49)!

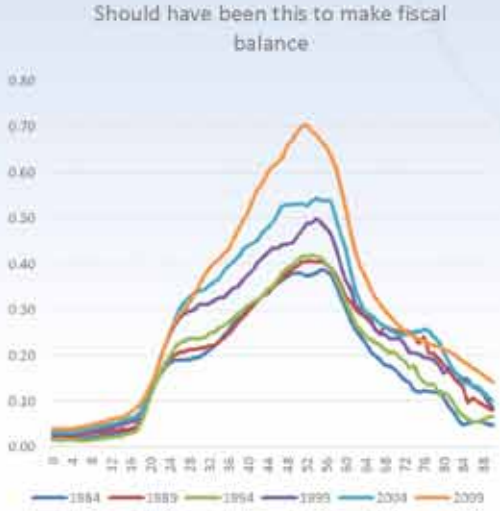


Source: ntaccounts.org database.

NTA

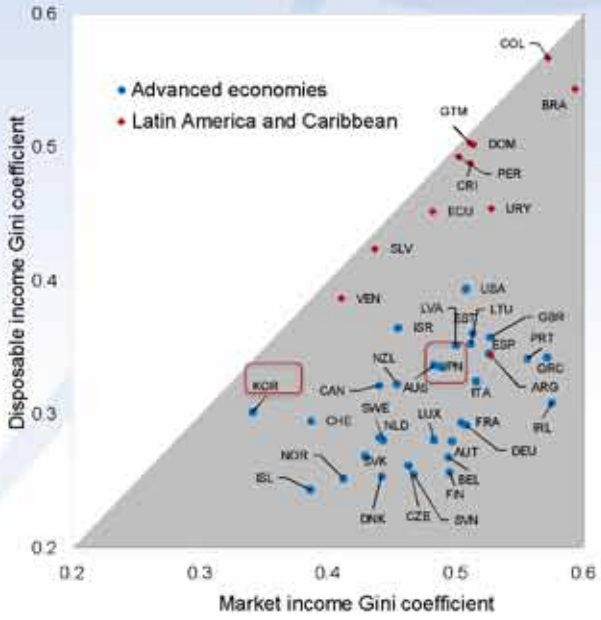
Countries do not increase taxes as much as an increase in expenditure





Source: ntaccounts.org database.

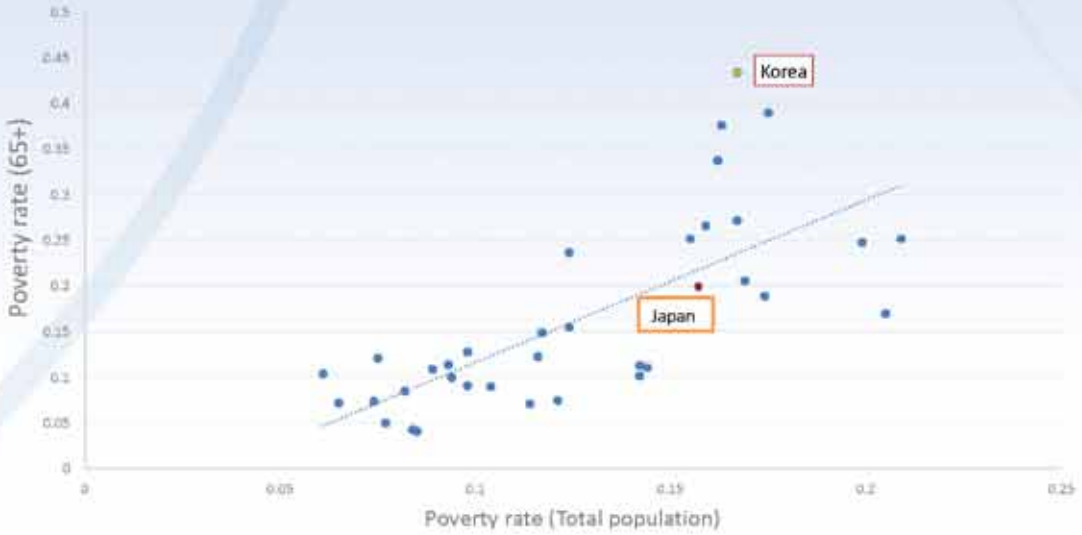
Effectiveness of reducing inequality



Korea is still behind in terms of its impact?

Source: IMF, 2017. IMF Fiscal Monitor: Tracking Inequality www.imf.org

Effectiveness: Poverty rate of (65+ vs. Total)



Source: OECD data portal, www.data.oecd.org

Minor: Numbers should be interpreted with caution (e.g. SSC)

	Old-age, disability, and survivors	Sickness maternity, nursing	Work injury	Unemployment	Others (family benefit)	Total, all programs
US						
Insured person	6.20	1.45	0.00	0.00	na	7.65
Employer	6.20	1.45	1.35	0.60	na	9.60
Total	12.40	2.90	1.35	0.60	na	17.25
Germany						
Insured person	9.30	8.575	0.00	1.50	na	19.42
Employer	9.30	8.575	1.18	1.50	na	20.60
Total	18.60	17.15	1.18	3.00	na	40.02
Sweden						
Insured person	7.00	0.00	0.00	0.00	0.00	7.00
Employer	10.91	4.35	0.20	2.64	13.32	31.42
Total	17.91	4.35	0.20	2.64	13.32	38.42

	Old-age, disability, and survivors	Sickness maternity, nursing	Work injury	Unemployment	Others (family benefit)	Total, all programs
South Korea						
Insured person	4.50	6.24	0.00	0.65	na	8.50
Employer	4.50	6.24	0.70	0.90	na	9.45
Total	9.00	12.48	0.70	1.55	na	18.25
Japan						
Insured person	8.914	4.980	0.00	0.40	0.00	14.294
Employer	8.914	4.980	0.25	0.70	0.20	15.044
Total	17.828	9.96	0.25	1.10	0.20	29.338
Australia						
Insured person	0.00	2.00	0.00	na	na	2.00
Employer	9.50	0.00	all cost	na	na	9.50
Total	9.50	2.00	all cost	na	na	11.50

Source: Social Security Administration, *Social Security Throughout the World*. Most recent years. https://www.ssa.gov/policy/docs/progdesc/ssptw/

What the future holds in Asia?

- e.g.) The latest Ageing Report by European Commission projects public pension spending is set to increase and decline thereafter due to reform (automatic adjustment, delay in retirement, lowering coverage/replacement ratio).
- The situation is different in Asia
  - Speed of aging, no automatic adjustment, still have low coverage and low replacement
  - Needs to focus on blind spots; rely on delay in retirement (labor market flexibility)
  - Or introduce automatic adjustment or funded scheme
  - Pursuing healthy ageing

Generations, Opportunities, and Inequality → can it be resolved?

Opportunity, Generation

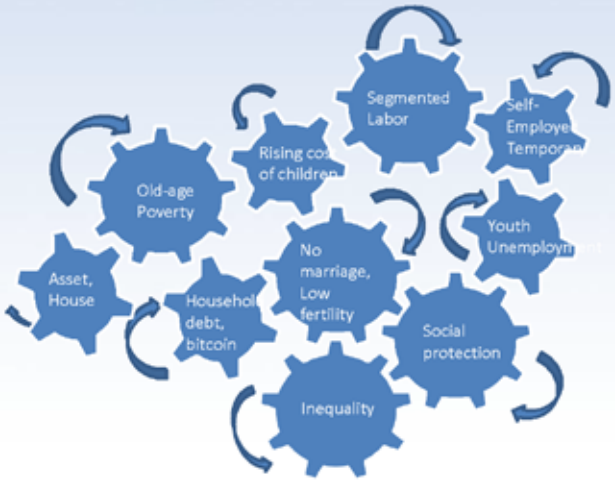
Industrialization → IMF → Post-IMF → Post COVID-19

High growth → Low Employment → Less

Family → Individual

Labor → Capital, Asset

Inequality (Generation, job, house, education..)



These gears are closely linked to each other.
Negative linkage vs. Positive linkage

One Policy Suggestion: Support system over the lifecycle which is sustainable and effective (지속가능하고 효과적인 생애주기별 복지)

KDI Journal of Economic Policy Vol. 35 No. 1, pp. 33-61, 28 March 2013
https://doi.org/10.23895/kdijep.2013.35.1.33

Support System over the Lifecycle: A Cross-Country Comparison

Sang-Hyop Lee;
Author & Article History
*이상협: (e-mail) leesang@hawaii.edu, (address) 2424 Maile Way, Saunders 542, Honolulu, HI 96822, USA. ;
Manuscript received 11 September 2012; revision received 12 September 2012; accepted 25 January 2013.

Keywords

Social Welfare, Economic Lifecycle, Population Aging, Fiscal Sustainability, 사회복지, 경제수명주기, 고령화, 재정 지속 가능성

JEL Code

H30, I31, J14, E21

MEMO

MEMO