The Future of Employment in Malaysia, Singapore and Thailand

Demographic and Labour Market Trends of Ageing Societies in the Context of the Fourth Industrial Revolution
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<td>4IR</td>
<td>Fourth Industrial Revolution</td>
</tr>
<tr>
<td>ASEAN</td>
<td>The Association of Southeast Asian Nations</td>
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<tr>
<td>CPF</td>
<td>Central Provident Fund, Singapore</td>
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<tr>
<td>CS</td>
<td>Contributory system</td>
</tr>
<tr>
<td>DOSM</td>
<td>Department of Statistics, Malaysia</td>
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<td>ESCAP</td>
<td>Economic and Social Commission for Asia and the Pacific</td>
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<td>EIS</td>
<td>Employment insurance system</td>
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<td>EPF</td>
<td>Employees Provident Fund, Malaysia</td>
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<td>GDP</td>
<td>Gross domestic product</td>
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<td>GIG</td>
<td>Gerak Insan Gemilang initiative, Malaysia</td>
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<td>GPF</td>
<td>Government Pension Fund, Thailand</td>
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<td>HALE</td>
<td>Health-adjusted life expectancy</td>
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<td>HoHs</td>
<td>Head of households</td>
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<td>HRDF</td>
<td>Human Resource Development Fund, Malaysia</td>
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<td>ICT</td>
<td>Information and communication technology</td>
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<td>ILO</td>
<td>International Labour Organization</td>
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<tr>
<td>JKM</td>
<td>Department of Social Welfare (Jabatan Kebajikan Masyarakat), Malaysia</td>
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<td>KWP</td>
<td>Public Service Pension, Malaysia</td>
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<td>LFPR</td>
<td>Labour force participation rate</td>
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<td>LTAT</td>
<td>Armed Forces Board Fund, Malaysia</td>
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<tr>
<td>MYR</td>
<td>Malaysian Ringgit</td>
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<td>NCD</td>
<td>Non-communicable diseases</td>
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<tr>
<td>NCS</td>
<td>Non-contributory system</td>
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<td>NESDC</td>
<td>Office of the National Economic and Social Development Council</td>
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<td>NHMS</td>
<td>National Health and Morbidity Survey, Malaysia</td>
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<td>NSF</td>
<td>National Saving Fund, Thailand</td>
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<td>NSO</td>
<td>National Statistical Office, Thailand</td>
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<td>NUS</td>
<td>National University of Singapore</td>
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<td>OA</td>
<td>Ordinary account</td>
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<td>OAA</td>
<td>Old Age Allowance, Thailand</td>
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<tr>
<td>OECD</td>
<td>Organisation for Economic Co-operation and Development</td>
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<td>PLI</td>
<td>Poverty line income</td>
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<tr>
<td>PMETs</td>
<td>Professionals, managers, executives and technicians</td>
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<tr>
<td>PRS</td>
<td>Private retirement schemes</td>
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<tr>
<td>PWDs</td>
<td>Persons with disabilities</td>
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<tr>
<td>SEC</td>
<td>Special Employment Credit/Senior Employment Credit</td>
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<tr>
<td>SGD</td>
<td>Singaporean Dollar</td>
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<tr>
<td>SingStat</td>
<td>Singapore Department of Statistics</td>
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<td>SOCSO</td>
<td>Social Security Organisation, Malaysia</td>
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<tr>
<td>SSF</td>
<td>Social security fund</td>
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<tr>
<td>TDRI</td>
<td>Thailand Development Research Institute</td>
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<td>TFR</td>
<td>Total fertility rate</td>
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<td>THB</td>
<td>Thai Baht</td>
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<tr>
<td>TPF</td>
<td>Thai Provident Fund</td>
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<tr>
<td>UHC</td>
<td>Universal Health Coverage</td>
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<tr>
<td>UNFPA</td>
<td>United Nations Population Fund</td>
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<td>WHO</td>
<td>World Health Organization</td>
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Executive summary

Malaysia, Singapore, and Thailand are facing challenges to ensure adequate old-age income security and social protection for older persons due to demographic and labour market shifts. While these countries have successfully managed to improve socioeconomic wellbeing, the decline of prime working age adults, an ageing population, and technological changes will accelerate the participation of older persons in the workforce.

The current labour market outlook for older persons in Malaysia, Singapore and Thailand will be challenging due to several emerging trends. The Fourth Industrial Revolution (4IR), one of the biggest trends impacting the future of employment, will result in a shift in existing jobs and require more complex skills from the workforce. The COVID-19 pandemic has heavily impacted labour markets, resulting in high rates of unemployment. It had uneven impacts in the labour market across all three countries, with older persons being more vulnerable and impacted compared to other age groups. The negative impact of environmental and climate change will also affect the labour market, and in particular towards sectors like agriculture and tourism, which employ a significant number of workers in Malaysia and Thailand.

In Malaysia, Singapore and Thailand, current policies on older persons and digitalization are embedded into national development plans. The countries have crafted policies to realign the workforce with future jobs, with digitalisation becoming increasingly important factor that can enhance economic growth and social welfare. Malaysia, Singapore, and Thailand have green agendas, but with different levels of readiness towards climate change. In mitigating this impact on the labour market, several policies were deployed. Malaysia aims to generate more jobs in renewable energy and green Islamic finance. Singapore aims to be a leader for green finance in Asia, and the globe, and develop new green technologies and sustainability solutions. The sustainability policies of Thailand are focused on enhancing agricultural production and making current industries more sustainable.

This paper recommends several strategies to promote active participation of older persons in the labour market, including reducing age discrimination and promoting gender and age-friendly practices in the workplace, with many older persons still experiencing or perceiving age discrimination in their workplace. Anti-age discrimination laws can be introduced or further refined to ensure that older persons are not discriminated against in the labour market. Flexible working settings and gender and age-friendly workspaces can also enhance the hiring and retention of older workers that are more highly educated, especially in urban areas. Expanding upskilling and reskilling programmes for older workers is vital. Current interventions are limited, both in size and scope. Dedicated skills-building initiatives for older workers, particularly those with relatively low levels of education and skills, are needed. ¹ Widening incentives for employers, in particular towards recruitment of aged workers is one of many efforts in rewarding employers who employ and retrain elderly workers. Malaysia and Thailand have less specific and non-extensive incentives for the recruitment of older workers, while tax deductions are fairly limited in size. The experience of Singapore is useful, as it has implemented various programmes to enhance the employability of older persons, such as employment credit, and grants provided to employers who employ older workers. Adjustments need to be done to ensure pensions and contributory systems are in line with the ageing population, in particular to ensure all workers are covered by social protection and social insurance as early as possible, without differentiating between their employment status (formal sector vs informal sector) or nationality (citizens vs migrants/refugees/stateless). Increasing the retirement age or introducing a re-employment age may encourage older persons to participate longer in the labour market. Enhancing female labour force participation is equally important, with flexible working time arrangements that would enable women to balance societal expectations or the perception that women would need to shoulder housework responsibilities. Strengthening the affordability, accessibility, and quality

of care options could promote more women employment by alleviating them of the extra burden of childcare. More generous parental leave policies that includes paternity leave could also support female labour force participation. Finally, **promoting elderly health in the workplace** is crucial. Policies that promote healthy ageing and improve safety in the workplace by integrating age and gender in workplace risk assessments would encourage better labour force participation of older workers.
Introduction

The world is experiencing rapid demographic changes. Many countries are ageing, with more than three quarters projected to be ageing or already aged by 2050. It is forecasted that the number of older persons will exceed 2.1 billion by 2050, with nearly two thirds living in the Asia and Pacific region. One in four people across the region are expected to be 60 years old or older by 2050.

Malaysia, Thailand, and Singapore are ageing faster compared to other countries. In 2020, older persons make up 7 per cent of the population in Malaysia, 13 per cent in Thailand, and 15.2 per cent in Singapore. Malaysia will become an aged nation by 2030 and Thailand by 2025, where 14 per cent of their population will be above 65 years old. Singapore is already an aged nation and will be considered “super-aged” by 2030, where 20 per cent of the population will be 65 years old or older. The speed of ageing in these countries is much faster than for France (115 years), Australia (73 years), United States of America (69 years), United Kingdom (45 years), Philippines (35 years) and Japan (26 years).

These demographic changes are due to two key factors – falling total fertility rates (TFR) and increasing life expectancies at birth. The national TFR for Malaysia was 1.7 in 2020 and has been below the replacement level of 2.1 since 2013. At the same time, life expectancy increased from 59.9 years in 1960 to 75.6 by 2021, with women expected to live longer, at 78.3 years as compared to men, 73.2 years. In Singapore, the TFR has been steadily declining since 1988 from 1.9 to 1.1 in 2020 whereas life expectancy increased by 25.1 per cent from 67 years in 1965, to 83.9 years in 2020. Similar to Malaysia, women are expected to live longer than men in Singapore, at 86.1 years for women and 81.5 years for men. In Thailand, the national TFR is 1.5 in 2020, while the average life expectancy was at 77.3 years, which was an increase by 20 years from 1965 to 2020. In 2020, women are also expected to live longer at 81 years, compared to men at 73.6 years.

The population of older persons is also disproportionately made up of females, who are more economically vulnerable. Women make up the majority of older persons in countries in the Association of Southeast Asian Nations (ASEAN), and their share is increasing. Older women are among those most

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2 A nation is considered ageing and aged when the population aged 65 years or above makes up 7 per cent and 14 per cent of the total population, respectively. A super-aged nation is when 20 per cent of the population is above 65 years of age (World Bank, 2020).
4 World Bank, 2021-a. For Singapore, the population refers to residents and does not include non-residents.
6 The total fertility rate is defined as the “average number of children a hypothetical cohort of women would have at the end of their reproductive period if they were subject during their whole lives to the fertility rates of a given period and if they were not subject to mortality. It is expressed as children per woman.” Accessed in https://www.who.int/data/gho/indicator-metadata-registry/imr-details/123
vulnerable to poverty and deprivation, as a sizeable number are involved in the informal sector and lack access to social protection and social insurance systems.

**Population ageing will increase pressure on government fiscal resources, particularly on healthcare and pension systems.** A lower working-age population and increased number of older persons tend to reduce revenue collection, and hence increased pressure on public finances to overcome the increasing demand on pensions and healthcare.

**Older persons are more likely to earn less and live in poverty.**\(^\text{13}\) In Malaysia, median wages for the 60-64-year-old age group is about one-fifth lower than the national median in 2020.\(^\text{14}\) Comparable data for Thailand is not available, but in Singapore median earnings for the population aged 60 or above was half of national median earnings.\(^\text{15}\) In all three countries, older women earned much less than older men, and were more vulnerable to poverty. The poverty rate among older persons in Malaysia was 8.4 per cent in 2019, higher than the national rate (5.6 per cent) whereas in Thailand it was 34.3 per cent in 2015, about three times higher than the national rate of Thailand.\(^\text{16}\) Comparable poverty data is unavailable for Singapore. COVID-19 has also severely affected older persons' income, wages, employment, and health. The number of unemployed older persons in Malaysia and Singapore was much higher compared to other age groups.\(^\text{17}\) In 2020, the number of unemployed persons in Malaysia aged 60-64 grew by 645 per cent, while in Singapore it increased by 88 per cent.\(^\text{18}\)

**The COVID-19 pandemic, coupled with mega-trends such as environmental and climate change and the Fourth Industrial Revolution (4IR), poses another challenge for the well-being of older persons.** While 4IR has the potential to raise income levels and improve quality of life, especially for those who have digital access, it can also bring greater inequality because of its potential to disrupt labour markets. Job markets are increasingly segregated into “low-skill, low-pay” and “high-skill, high-pay” segments. It is estimated that 400 million to 800 million jobs worldwide will be displaced by 2030 because of global automation and 14 per cent of existing jobs will become redundant in the next 15-20 years.\(^\text{19}\) About one in three jobs will change in response to automation, and a sizeable number will be replaced and become obsolete. By 2028, approximately 28 million fewer workers in six ASEAN member countries (Indonesia, Vietnam, Thailand, Philippines, Malaysia, and Singapore) will be needed to produce the same level of output as in 2018.\(^\text{20}\)

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\(^{13}\) The MIPAA priority direction I, issue 6 on the eradication of poverty describes it as such: “Where poverty is endemic, persons who survive a lifetime of poverty often face an old age of deepening poverty.” Objective 1d, aims to “ensure that the particular needs of older women, the oldest old, older persons with disabilities and those living alone are specifically addressed in poverty eradication strategies and implementation programmes.” See also SDG 1, 5, 8, and 10.


\(^{17}\) Data for unemployed persons by age group in 2020 is unavailable for Thailand.


Environmental and climate change has severe labour market implications especially for countries that rely on agriculture and tourism. South-Eastern Asia is among the sub-regions that would be hardest hit by climate change due to changes in rain patterns (causing violent flooding), rising mean sea levels and related coastal flooding, along with other frequent extreme weather events, including prolonged droughts. Such changes would have significant impacts on job demand and economic structures.

Providing education and training to older persons is particularly important to prepare for the above changes. Rapid technological advancement has the potential to disrupt employment flows, especially for medium-skill workers, and therefore highlights the need for reskilling and upskilling, including through both online- and location-based platforms. Online-based platforms encompasses work such as translation, legal, financial, and patent services, software design and development, solving complex programming or completing short-term tasks like annotating images and moderating content or video transcribing. Meanwhile, tasks on location-based platforms do not necessarily involve only e-hailing drivers of taxi, parcel, or food services, but can also include delivery of other home services like plumbing, electrical, domestic work, and provision of care.

Objective

The aim of this paper is to identify demographic, economic and social trends affecting the future labour force in Malaysia, Thailand, and Singapore in the context of the 4IR, with a focus on older persons. This “situation analysis” report will present a broad assessment and analysis of the situation of older persons, specifically women and persons with disabilities (PWDs) in the three countries, focusing on the demographic, social and economic situation with regards to the future of employment and any good practices and lessons learned from these countries. It seeks to take stock of their policies, measures, and strategies in promoting labour force participation of older persons, while highlighting key challenges, and possible policy recommendations.

21 See MIPAA priority direction I, issue 8 and SDG 8 on climate change and its impacts.
24 The MIPAA priority direction I, issue 4, states that “training, retraining and education are important determinants of a worker’s ability to perform and adapt to workplace changes. Technological and organizational changes may render an employee’s skills obsolete and dramatically depreciate the value attached to previously accumulated work experience. Greater emphasis on access to knowledge, education and training opportunities is needed for older persons in the workforce.” See SDG 4.
Section 1: Review on the macroeconomic performance and socioeconomic status of older persons in Malaysia, Thailand, and Singapore

1.1 Malaysia

1.1.1 Introduction

The economic transformation of Malaysia is relatively phenomenal, where within a generation it has moved from a low-productivity agrarian-based economy to an economy based on manufacturing and services. Malaysia, an upper-middle income country with a population of 32.7 million people, has successfully transformed from a commodity-based economy that was dependent on rubber and tin exports into a more diversified industrialized economy. The gross domestic product (GDP) per capita of Malaysia increased from $234 in 1960 to $11,414 in 2019 with an average income growth of 7 per cent per annum during the period. Many socioeconomic indicators have also greatly improved.26 From 1970 to 2019, median household income increased from MYR 166 ($39.8) to MYR 5,873 ($1,409).27,28 Hardcore poverty has almost been eliminated, while those living in absolute poverty decreased from 49.3 per cent in 1970 to 0.2 per cent in 2019 based on 2004 poverty line income (PLI) (figure 1.1).29 The PLI was revised in 2019, and as of 2020, absolute poverty was at 8.4 per cent.30 Household income inequality, measured by the Gini coefficient, has decreased from 0.513 in 1970 to 0.411 in 2020 (figure 1.2).31

Figure 1.1: Poverty and median household income, Malaysia, 1970-2020 (RM and %)

Source: DOSM (2021-c) and DOSM (2021-e)

While the economy expanded in the past decades, access and coverage of old-age retirement schemes in Malaysia remain low. The cumulative number of working-age individuals covered by a formal old-age retirement scheme increased by only 1.1 percentage points in the span of a decade, from 38.4 per

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27 Exchange rates in this paper will follow reference year 2021.
29 Households in hardcore poverty in Malaysia refers to households that are earning below the food poverty line income (PLI) of RM 1,169 ($265) monthly, according to the 2019 PLI methodology. These households are not able to earn enough to afford sufficient and healthy food on a monthly basis.
30 The 2019 PLI for Malaysia is a household income below RM 2,208.
31 EPU, 2021-a.
cent in 2009 to 39.5 per cent in 2019 (table 1.1). In other words, about 6 in 10 working-age individuals in Malaysia have no form of formal coverage.

**Figure 1.2:** Gini coefficient, Malaysia, 1970-2020

![Gini coefficient chart]

**Source:** DOSM (2021-e)

**Table 1.1:** Old-age retirement schemes in Malaysia, 2009 and 2019

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<tr>
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<th>2009</th>
<th>2019</th>
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<tr>
<td></td>
<td>Total</td>
<td>Share (%)</td>
</tr>
<tr>
<td>Estimated working-age individuals without formal old-age retirement schemes</td>
<td>11,200,327</td>
<td>62.3</td>
</tr>
<tr>
<td>EPF active contributors aged below 65</td>
<td>5,773,302</td>
<td>32.1</td>
</tr>
<tr>
<td>Civil service (excludes the Malaysian Armed Forces and the Royal Malaysia Police)</td>
<td>1,015,719</td>
<td>5.6</td>
</tr>
<tr>
<td>Armed forces personnel</td>
<td>133,600</td>
<td>0.7</td>
</tr>
<tr>
<td>Working-age individuals (15 to 64 years old)</td>
<td>17,989,348</td>
<td>100.0</td>
</tr>
</tbody>
</table>

**Source:** KRI (2021-a)

The majority of Malaysian workers in the private sector contribute to the Employees Provident Fund (EPF), the country’s sole defined contribution provident fund for the private sector, while public sector workers are covered by the defined benefit public pension. To mitigate the financial impact of the pandemic to households, EPF members were allowed to withdraw from their EPF accounts, and as of year-end 2021, a total of MYR 101 billion ($24.2 billion) has been withdrawn. Consequently, the percentage of members with savings under MYR 10,000 rose by 28 per cent, from 4.7 million to 6.1 million members, and the current median savings for the bottom 40 per cent of the members was reduced by 61 per cent to MYR 1,000, while median savings for the middle 40 per cent reduced by 17 per cent to MYR 24,000. In other words, about 8 in 10 EPF members will retire in poverty. In March 2022, the government had also announced a further round of permitted EPF withdrawals of up to RM 10,000, which could potentially amount to MYR 63 billion in total withdrawals, signalling an impending retirement crisis for Malaysia in the near future.

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33 KRI, 2021-b. Mencakna Kelestarian Hidu pada Usia Tua: Seminar, 10 November 2021. EPF internal data.

1.1.2 Demographic trends in Malaysia and their impact on the labour force

In Malaysia, the share of older persons has doubled over the last 20 years due to declining fertility rates and increasing life expectancy. Malaysia has become an ageing society as of 2020, where 7 per cent of the population or 2.3 million persons were aged 65 or above (figure 1.3).\(^{35}\) This is almost double the share of 20 years ago, where the proportion of those aged 65 or above was only at 3.9 per cent.\(^{36}\) These demographic changes were driven by a decline in fertility rates as well as a sustained rise in life expectancy (figure 1.4). The TFR was 1.7 in 2020 as compared to 6.3 in 1957 and has been well below the replacement level of 2.1 since 2013.\(^{37}\) On the other hand, life expectancy for Malaysians increased from 57.8 years in 1957 to 75.6 years in 2021, with women expected to live longer at 78.3 years as compared to men at 73.2 years. The median age of Malaysia has also increased by 6 years in the last two decades, from 23.6 years in 2000 to 29.6 years in 2020, albeit it is slightly lower than the global median age estimated for 2020 at 30.9 years.\(^{38}\)

<table>
<thead>
<tr>
<th>Figure 1.3: Proportion of population by age group, Malaysia, 2000 and 2020 (%)</th>
<th>Figure 1.4: Total fertility rate and life expectancy at birth, Malaysia, 1960-2020 (years, births per woman)</th>
</tr>
</thead>
<tbody>
<tr>
<td><img src="https://example.com/figure13.png" alt="Figure 1.3" /></td>
<td><img src="https://example.com/figure14.png" alt="Figure 1.4" /></td>
</tr>
</tbody>
</table>

**Source:** DOSM (2010), DOSM (2021-e) and World Bank (n.d.-b) and DOSM, 2021

There are major disparities in life expectancies and TFR between ethnic groups. The longest life expectancy is among Chinese females, at 81.2 years in 2021, while Indian males have the shortest life expectancy, at 70.2 years (figure 1.5). The life expectancy for Chinese females is comparable to that of


more developed countries like United Kingdom (81.2 years) and Denmark (81.2 years). Meanwhile, the life expectancy of Indian males is lower than the world average of 72.7 years and is comparable to countries such as Vanuatu (70.4 years) and Iraq (70.6 years). Among all major ethnic groups, the Bumiputera have the highest TFR at 2.2 in 2020 as compared to the national average (1.7) whilst the TFR for Indians is at 1.2 and Chinese at 1.0. Consequently, Chinese and Indians have a higher proportion of older persons as compared to the national average. In 2021, the proportion of those aged 65 or above among the Bumiputera is 6.1 per cent as compared to the Chinese (12 per cent) and Indians (8.2 per cent). Across all ethnicities, the proportion of older persons has doubled from 2000 to 2021 (figure 1.6).

Figure 1.5: Life expectancy at birth by major ethnic group and sex, Malaysia, 2021 (years)

Source: DOSM (2021-e)

Figure 1.6: Proportion of those aged 65 or above by ethnic group, Malaysia, 2000 and 2021 (%)

Source: DOSM (2021-e)

The share of older persons increased faster compared to other age groups. In 2020, the population of those aged 0 to 14 recorded negative growth of -0.9 per cent, while older persons grew the fastest at 4.9 per cent (figure 1.7). By 2038, Malaysia is expected to become an aged nation, with 14 per cent of the population being 65 years old or above. The old-age dependency ratio is estimated to double from 10.4 per cent in 2020 to 21.7 per cent in 2040. Older females will outnumber males in more advanced age groups, such as 70 or above (figure 1.8).

Despite the increase of older persons in Malaysia, the participation rate of older persons in the labour market remains low. It should be noted that no readily available data for the labour force participation rate (LFPR) in Malaysia exists for those aged 65 or above, and the closest age group available for analysis is for those aged 60 to 64. The LFPR for those aged 60-64 in 2020 at 39.2 per cent is lower compared to the overall (and increasing) LFPR at 68.4 per cent (figure 1.9 and figure 1.10). The increase in overall LFPR from 2001 to 2020 is due to a higher participation of women in the labour force (figure 1.10). Meanwhile, the share of those aged 55 or above in the labour force increased marginally in the last ten years, from 6.6 per cent in 2010 to 8.7 per cent in 2020 (figure 1.11).
1.1.3 Socioeconomic status of older persons in Malaysia

Households led by older persons have a lower median income and a higher incidence of poverty compared to other groups. The median household income in 2019 for head of households (HoHs) aged 65 or above was MYR 3,372 ($809) or 42.6 per cent lower compared to the national average of MYR 5,873 ($1,409). The absolute poverty rate for older households is also higher than the national average. The incidence of relative poverty is much higher, at 41.4 per cent as compared to the national rate of 16.9 per cent in 2019. The most recent available study found that cash transfers from their children are the most common forms of income for older persons, making up 52.9 per cent of their total income, followed by pensions at 12.7 per cent, and salary and wages at 10.8 per cent.

Older women are economically more vulnerable compared to older men as they are less likely to participate in the labour force. Malaysia has one of the lowest female LFPR in the South-Eastern Asian region, at 51.3 per cent, placed third after the Philippines (47.1 per cent) and Myanmar (46.2 per cent) (figure 1.12). Other neighbouring countries recorded higher female LFPR, such as Singapore (61.9 per cent), Thailand (58.8 per cent), Brunei (56.1 per cent) and Indonesia (53.8 per cent). Female LFPR in Malaysia starts declining much earlier than men (figure 1.13). Among women aged 60-64, their LFPR was 23.1 per cent in 2020, which was less than half of male LFPR in the same age group, at 55.3 per cent. Low participation rates persist as women grow older, as they are less likely to re-join the labour market. It is interesting to note that widowhood for older women may result in old-age poverty, and currently, over half of Malaysian women over the age of 65 are widowed.

Although older persons are bolstered by familial and community support, roughly 3 in 10 older persons in Malaysia have no form of social support. Older persons in Malaysia depend on their families for financial support, informal care, and social support, while co-residence with adult children is still the norm for many older persons. However, the provision of this type of informal care for older household members is declining as the share of three-generation households has reduced from 41.1 per cent in 2004

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41 On the eradication of poverty see MIPAA priority direction I, issue 6 and 7, and SDG 1, 5, 8, and 10. As stated in the introduction, the elimination of poverty is a central theme of the MIPAA: “The achievement of secure ageing, which involves reaffirming the goal of eradicating poverty in old age and building on the United Nations Principles for Older Persons.” See also article 7 of the Political Declaration.


to 30.7 per cent in 2016. Lack of social support means that older persons likely do not have a buffer against income shocks, and stress causes detrimental effects on mental and physical health.47

Even though older Malaysians live longer, many of them face health issues.48 While the health-adjusted life expectancy (HALE) at age 60 in Malaysia has increased from 13.5 years in 2000 to 14.6 years in 2019, the increase was only 1.1 years in a span of 20 years and it is lower than the global average of 15.8 years.49 Health issues are still on the rise, with non-communicable diseases (NCDs) like diabetes and hypertension being more prevalent among older persons. The National Health and Morbidity Survey 2019 (NHMS 2019) of Malaysia found that among those aged 75 or above, the pervasiveness of hypertension is 81.7 per cent, and diabetes at 38.4 per cent. In addition, 30.8 per cent of those age 60 or above are malnourished, 37 per cent are overweight and 8.5 per cent have dementia.50

Healthcare costs in Malaysia continue to rise, putting more financial pressure on households with older persons, public healthcare and existing retirement and social protection systems. Healthcare services in Malaysia are provided by both the public and private sectors. Public healthcare services are provided by the Ministry of Health and are entirely tax-funded, highly subsidised and charge only a nominal fee.51 For those aged 60 or above, public healthcare services are free. However, expenditure on medical and health services are increasing. The medical inflation rate in Malaysia has been increasing at a double digit pace in the few years prior to the pandemic, it grew by 13.1 per cent in 2019, 13.2 percent in 2018, 12.6 per cent in 2017 and 11.8 per cent in 2016, much higher than overall inflation and economic growth.52 Malaysians have been spending more on healthcare in 2019, at 5.1 per cent of their monthly household expenditure, higher than 4.6 per cent in 2015 and 3.6 per cent in 2011.53 Total out-of-pocket expenditure increased from MYR 11.68 billion in 2015 to MYR 20.5 billion in 2019, and almost half of the expenditure

48 See MiPAA priority direction II on advancing health and well-being into old age: “The World Health Organization defines health as a state of complete physical, mental and social well-being, not merely the absence of disease and infirmity. To reach old age in good health and well-being requires individual efforts throughout life and an environment within which such efforts can succeed.” See SDG 3 on ensuring healthy lives and promoting wellbeing for all ages.
50 Ibid.
51 Ibid.
52 Willis Towers Watson’s “2019 Global Medical Trends Survey Report”.
was on outpatient healthcare. An ageing population will accelerate spending on health care, aged care, and civil service pensions.

1.2 Singapore

1.2.1 Introduction

Singapore has attained high-income status within a few decades of its independence in 1965, and its current GDP per capita is one of the highest in the world at \$59,797 in 2020. GDP growth in the city-state averaged 7.7 per cent annually since independence in 1965, and in the first 25 years of independence, GDP grew on average 9.2 per cent per year. Median household income from work has increased from around SGD 1,000 ($733) in 1970 to SGD 9,520 ($6,982) in 2021. Between 2000 and 2021, median household income doubled, and post-transfer income disparity decreased (figure 1.14). However, COVID-19 has severely disrupted the economy of Singapore, with the economy contracting by 4.1 per cent in 2020, the worst recession since independence.

**Figure 1.14:** Median monthly household income from work and GINI coefficient, 2000-2021 (SGD and Gini coefficient)

![Median Monthly Household Income and GINI Coefficient](Image)

Source: SingStat (2022) and Ministry of Manpower (2022)

1.2.2 Demographic trends in Singapore and their impact on the labour force

**Singapore is an aged nation, with 16.0 per cent of its residents being aged 65 or above in 2021** (figure 1.15). Within two decades, the share of persons aged 65 or older jumped from 7.2 per cent of the total

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54 Ibid.
population in 2000 to 16.0 per cent in 2021. The TFR has been declining significantly, from 5.8 in 1960 to 1.1 in 2020 (figure 1.16). At the same time, life expectancy improved, from 65.7 years in 1960 to 83.9 years in 2020. Female life expectancy is higher than for males, albeit the gap is narrowing from 6.9 years in 1960 to 4.6 years in 2020. Median age also increased, from 19.5 years in 1970 to 41.8 years in 2021.

<table>
<thead>
<tr>
<th>Figure 1.15: Proportion of residents by age group, Singapore, 2000 and 2021 (%)</th>
<th>Figure 1.16: Total fertility rate and life expectancy at birth, Singapore, 1960-2019 (years, births per woman)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Proportion of residents by age group (%)</strong></td>
<td><strong>Life expectancy at birth (years)</strong></td>
</tr>
<tr>
<td>0 - 15</td>
<td>21.9%</td>
</tr>
<tr>
<td>15 - 64</td>
<td>70.9%</td>
</tr>
<tr>
<td>65 above</td>
<td>14.5%</td>
</tr>
<tr>
<td>0%</td>
<td>10%</td>
</tr>
<tr>
<td>0 - 15</td>
<td>0.0</td>
</tr>
<tr>
<td>15 - 64</td>
<td>1.0</td>
</tr>
<tr>
<td>65 above</td>
<td>0.0</td>
</tr>
</tbody>
</table>

Source: Ministry of Manpower (2021)  
Source: United Nations (2020)

Singapore is set to become a super-aged nation by 2030, where its older persons will account for 20 per cent of the total population, and to nearly 30 per cent by 2040 (figure 1.17). The share of those aged 0-15 years has been declining, from 18.7 per cent in 2000 to 12.3 per cent in 2020, in contrast to the increased share of those aged 65 or above from 6.4 per cent to 13.4 per cent during the same period. The share of the younger group is projected to fall further to 10.9 per cent by 2040 and the share of the age group 15-64 is also expected to decline to 60 per cent by 2040. Subsequently, the old age dependency ratio is projected to rise significantly from 18 per cent in 2020 to 47.1 per cent by 2040 (figure 1.18).

The workforce of Singapore is growing older, and shrinking. The proportion of those aged 55 or above in the labour market has increased from 16.5 per cent in 2010 to 26.2 per cent in 2021 (figure 1.19). After hovering around 68 per cent from 2015, the LFPR in 2021 has increased to 70.5 per cent (figure 1.20). Meanwhile, the LFPR for older persons has been increasing at a faster rate compared to the overall LFPR (figure 1.21).

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61 Ibid.
Figure 1.17: Share of population by age group, Singapore, 2000-2040 (%)

Source: United Nations (2020)

Figure 1.18: Old-age dependency ratio, Singapore, 2010-2040 (%)

Source: United Nations (2020)

Figure 1.19: Share of labour force by age, 2010 and 2021 (%)

Source: Ministry of Manpower (2021-a)

Figure 1.20: Residents labour force participation rate, Singapore, 1991–2021 (%)

Source: Ministry of Manpower (2022)

Figure 1.21: Labour market participation rate, 65 years or above (residents), Singapore, 1991–2021 (%)

Source: Ministry of Manpower (2022)
1.2.3 Socioeconomic status of older persons in Singapore

Singapore has no official measurements for poverty, but unofficial estimates suggest that the absolute poverty rate is between 9.2 to 11.7 per cent in 2017. The poverty figures for the elderly are probably higher than the national average, given their lower median income. The median income from employment for those aged 60 or above was SGD 2,330 ($1,708) in 2020 or 48.6 per cent lower than the national median income of SGD 4,534 ($3,325), with older women having an even smaller median income of SGD 2,126 ($1,559) in 2020. In 2020, nearly half of HoHs aged 65 or above were unemployed.

Family is an essential source of support for older persons, but family structures are changing with fewer children to provide assistance. In particular, the declining TFR means that younger families will have fewer children to rely on in old age. The share of households with three generations have declined in proportion from 34.8 per cent in 2000 to 21.2 per cent of aged residents' households in 2017 (figure 1.22).

Figure 1.22: Share of 3-Gen households among aged residents' households, Singapore, 2000 and 2020 (%)

Source: Ministry of Social and Family Development (2017)

Health issues among older persons have increased despite rising healthy life expectancy. Although HALE at 60 years has improved from 16.6 years in 2000 to 20.0 years in 2019, chronic diseases among older persons too have increased. The prevalence of diabetes among those aged 60-69 have risen from 18.5 per cent in 2010 to 22.2 per cent in 2019 and similar trends can be observed for other chronic diseases such as hypertension and high blood pressure. A study by Duke-NUS in 2017 reported a surge in the rate of older persons with three or more chronic diseases, from 19.8 per cent in 2009 to 37 per cent in 2017.

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64 Ng, Irene and Goh Guan Zhen, 2018. On poverty, see MIPAA priority direction I, issue 6 and 7 and SDG 1, 5, 8, and 10.
67 See MIPAA priority direction II, paragraph 60, “indicating a shift in predominance…to one of chronic and degenerative diseases.” Furthermore, see issue 1, and SDG 3.
1.3 Thailand

1.3.1 Introduction

Thailand is an upper-middle income country with GDP per capita of $7,817 in 2019. The Thai economy experienced high growth rates in its boom years of 1960 to 1996, with the economy expanding at an average rate of 7.5 per cent per annum. In the early 2000s, the GDP moderated to about 5.0 per cent per annum, and 3.0 per cent for subsequent years. Between the late 1980s to 2000 household income per capita increased by 7.2 times, while poverty decreased from 32.6 per cent in 1988 to 21.0 per cent during the same period. Household income doubled between 2000 to 2019, and the national poverty rate dropped from 42.3 per cent to 6.2 per cent during the same period (figure 1.23). Income inequality has also shown a downward trend, with income inequality measured by Gini coefficient decreasing since 1993 to 0.349 in 2020.

Figure 1.23: Average monthly household income and national poverty rate, Thailand, 2000 - 2019 (Thai Baht and %)

Source: National Statistical Office (n.d.-a) and NESDC (2020)

1.3.2 Demographic trends in Thailand and their impact on the labour force

Thailand is currently an ageing nation with 12.6 per cent of the population (8.1 million people) being aged 65 or above in 2021, which is almost double the 6.5 per cent in 2000 (figure 1.24). Among those aged 65 or older in 1950 made up 3.2 per cent of the population. The population is rapidly ageing due to prolonged life expectancies and a decline in TFR. Life expectancy increased from 54.7 years in 1960 to 77 years in 2021, with women expected to live longer than men at 80.5 years and 73.5 years respectively (figure 1.25).

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75 Ibid.
TFR declined from 6.15 in 1960 to 1.5 in 2021. The median age correspondingly increased, from 18.6 years in the 1970s to 39 years in 2020.

Figure 1.24: Proportion of population by age group, Thailand, 2000 and 2021 (%)

Source: National Statistical Office (n.d.-a)

Figure 1.25: Total fertility rate and life expectancy at birth, Thailand, 1960-2021 (%)

Source: United Nations (2020) and National Statistical Office (n.d.)

Thailand is set to become a super-aged nation by 2030 as the share of older persons in Thailand is rising rapidly. Estimations by the United Nations expect that the share of those aged 65 or above is expected to increase from nearly 20 per cent in 2030 to 26 per cent in 2040, while the share of younger persons (0-14 years) will continue to decline during the same period (figure 1.26). By 2040, the old age

dependency ratio is expected to increase to 42.9 per cent.\textsuperscript{79} The current ratio is 18.4 per cent in 2020, doubled from 9.4 per cent in 2000.

**Figure 1.26:** Share of population by age group, Thailand, 1950-2040 (%)

![Share of population by age group, Thailand, 1950-2040 (%)](image)

**Source:** United Nations (2020)

**Given the demographic changes, the Thai labour force has been rapidly ageing in the past decade.** The share of older persons aged 60 or above in the labour market rose from 15 per cent in 2010 to 22 per cent in 2020 (figure 1.27). At the same time, the total LFPR dropped from 72.1 per cent in 2011 to 67.8 per cent in 2020 (figure 1.28).

**Figure 1.27:** Share of labour force by age, Thailand, 2010 and 2020 (%)

![Share of labour force by age, Thailand, 2010 and 2020 (%)](image)

**Figure 1.28:** Labour force participation rate, Thailand, 2011-2020 (%)

![Labour force participation rate, Thailand, 2011-2020 (%)](image)

**Source:** National Statistical Office (n.d.-b) and National Statistical Office (2011)

**Source:** National Statistical Office (n.d.-b)

1.3.3  **Socioeconomic status of older persons in Thailand**

**It has been estimated that about one-third of older persons in Thailand live in poverty, which is 5.5 times higher than the national average.** As of 2019, the overall poverty rate was 6.2 per cent, with 1 in 3

of those living in poverty being older persons. In 2007, over 80 per cent of older persons received an income of approximately THB 6,000 ($180) or lower a month, below the monthly subsistence level (between THB 5,000 and THB 6,000 ($150-160) per person). About 4 in 10 older persons in Thailand reported that their income was insufficient or barely sufficient. In 2017, the Survey on Older Persons revealed an increasing prevalence of those citing inadequate or barely adequate income at 43.8 per cent.

Older persons rely mainly on familial support, but the support is dwindling. In 2017, more than a third or 34.7 per cent of older persons in Thailand indicated that transfers from children are their main source of income, followed by employment (31 per cent) and OAA (20 per cent). In comparison, 54.1 per cent of older persons in 1994 cited child transfers as their main source of income.

Although the population of Thailand is living longer and healthier lives, health issues are still on the rise. HALE at 60 years has increased from 15.6 years in 2000 to 18.0 years in 2019. Females have a higher HALE at 60 years, which is 1.8 extra healthy years as compared to men. Despite a prolonged healthier life, older persons in Thailand are still facing increasing health and mobility problems. One third of those aged 60 or above reported having at least one of four physical limitations, and these limitations worsen as they get older. In 2017, 25.5 per cent or 400,000 individuals aged over 80 reported to have required some support to perform their daily activities. In 20 years, the number of older persons needing forms of assistance is estimated to jump over six times to almost 2.5 million.

Healthcare costs for households are expected to rise although they are mitigated by the introduction of the Universal Health Coverage (UHC) in 2002. Healthcare expenditure rose by 49.5 per cent to THB 298.1 billion between 2012 and 2020 and it is expected to increase further. According to the Thailand Development Research Institute (TDRI), the ageing society will result in the increase of healthcare costs to THB 1.4 trillion annually by 2031. The massive increase is likely due to an expected jump in NCDs.

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84 Ibid.
87 Ibid.
90 WHO, 2017. Health financing profile 2017 Thailand. Accessed in https://apps.who.int/iris/bitstream/handle/10665/259645/HFP-THA.pdf MIPAA priority direction II, issue 2, on universal and equal access to health-care services states that “investing in health care and rehabilitation for older persons extends their healthy and active years. The ultimate goal is a continuum of care ranging from health promotion and disease prevention to the provision of primary health care, acute care treatment, rehabilitation, community care for chronic health problems, physical and mental rehabilitation for older persons including older persons with disabilities and palliative care for older persons suffering painful or incurable illness or disease.” See SDG 3.
93 Ibid.
Section 2: Current trends impacting the labour market and the future of employment

2.1 Introduction

The current labour market outlook for older persons in Malaysia, Singapore and Thailand is challenging due to several trends that will impact their employability in future work. The three major trends are the 4IR, the COVID-19 pandemic and environmental and climate change. The 4IR, one of the biggest trends impacting the future of work, will result in a shift in work availability and require more complex skills set from workers. The COVID-19 pandemic has also heavily impacted labour markets, causing high rates of unemployment, comparable with the 1997/1998 Asian financial crisis and the 2008 global financial crisis (table 2.1). Environmental and climate change will also affect the labour market, especially towards sectors like agriculture and tourism, which employ a significant number of workers in Malaysia and Thailand. Agricultural yields are expected to decline due to natural disasters and changes in temperature. The tourism sector, one of the major foreign exchange earners for Thailand and Malaysia, will also be affected due to changes in the environment.

Table 2.1: Unemployment rates in Malaysia, Singapore, and Thailand (%)

<table>
<thead>
<tr>
<th>Country</th>
<th>Asian financial crisis</th>
<th>Global financial crisis</th>
<th>2020, due to COVID-19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Malaysia</td>
<td>3.9%</td>
<td>4.5%</td>
<td>4.5%</td>
</tr>
<tr>
<td>Thailand</td>
<td>3.4%(^{94})</td>
<td>1.5%</td>
<td>1.7%</td>
</tr>
<tr>
<td>Singapore</td>
<td>1.9%(^{95})</td>
<td>3.2%</td>
<td>3.0%</td>
</tr>
</tbody>
</table>

Source: DOSM (2021-b), World Bank (n.d.), SingStat (2021-a)

2.2 Impact of 4IR on the future of employment

The 4IR is expected to affect the future of employment.\(^{96}\) It has potential to raise global income levels and improve quality of life, with about 590 million to 890 million new jobs having been estimated to emerge from the 4IR. These increases are expected to be in the gig economy, flexible work, people-facing work, healthcare (especially for ageing and aged countries), creative work and robotics maintenance for automations.\(^{97}\)

The benefit of 4IR will accrue disproportionately for those who can access and adapt to digital technology. While new jobs will emerge from the 4IR, the job market will also be increasingly segregated into low-skilled, low-paying and high-skilled, high-paying segments.\(^{98}\) The 4IR may also heavily disrupt labour markets due to job displacements from automation substitution and increased productivity from technology. It is estimated that 400 million to 800 million jobs worldwide will be displaced by 2030 because of global automation.\(^{99}\) The Organisation for Economic Co-operation and Development (OECD) has estimated that 14 per cent of existing jobs will become redundant in the next 15 to 20 years while 32 per cent will change in response to automation.\(^{100}\) Projections estimate that by 2028, 0.5 million less people

\(^{94}\) As of Quarter 3, 1997.
\(^{95}\) As of 1998.
\(^{97}\) McKinsey Global Institute, 2017.
\(^{100}\) Nedelkoska, L. and G. Quintini, 2018.
would be needed to produce the 2018 level of output for Singapore, 1.2 million less for Malaysia and 4.9 million less for Thailand due to advances in technology.\textsuperscript{101}

Automation is becoming increasingly common.\textsuperscript{102} As of 2019, labour-intensive manufacturing in Thailand and Malaysia deployed more robots than in Indonesia and the Philippines. Singapore deployed 10 times more the number of robots per 10,000 workers as compared to other countries in the region.\textsuperscript{103} As manufacturing becomes more susceptible to automation, businesses in South-Eastern Asia may choose to replace workers with machines because the cost of deploying technology is lower, but with better efficiency and outcomes. \textbf{Workers will need to periodically upskill and reskill to cope with technological shifts or enhance skills which cannot be highly replicated by machines.}\textsuperscript{104} During the 4IR, the most emphasised competences are adaptability and self-directed learning and thinking.\textsuperscript{105} For older workers, it is pertinent to engage in lifelong learning to cope with advances in technology.

\subsection*{2.3 Impact of COVID-19 on the labour market}

COVID-19 has caused the economies of Malaysia, Singapore, and Thailand to contract, impacting millions of livelihoods and jobs. The lockdown measures implemented by each country to curb the spread of the virus saw a dramatic decline in various sectors, suppressing demand and causing major disruption to global supply chains. In 2020, the economy of Malaysia contracted by -5.6 per cent, Singapore -4.1 per cent and Thailand -6.1 per cent.\textsuperscript{106}

The pandemic had uneven impacts on labour markets across Malaysia, Singapore and Thailand, especially for the employment of older persons who are more vulnerable to COVID-19. Older persons are at significant risk of developing severe illnesses and death compared to other age groups, with data from Malaysia, Singapore and Thailand confirming that those above age 60 and with chronic illnesses make up the bulk of COVID-19 fatalities.\textsuperscript{107} They are also at risk of being laid off, either because of their relatively higher salaries or for being at risk of contracting the disease.\textsuperscript{108}

102 The Asia Foundation, 2020-a.
103 Ibid.
104 The MIPAA priority direction I, issue 4, states that “training, retraining and education are important determinants of a worker’s ability to perform and adapt to workplace changes. Technological and organizational changes may render an employee’s skills obsolete and dramatically depreciate the value attached to previously accumulated work experience. Greater emphasis on access to knowledge, education and training opportunities is needed for older persons in the workforce. These persons often experience more difficulties adapting to technological and organizational changes than younger workers, in particular when considering the increasingly widespread use of information technologies.” See SDG 4.
2.4 Impact of environmental and climate change on the labour market

Evidence suggests that older persons are more vulnerable to the effects of temperature extremes and have a significantly higher mortality risk in extreme temperature events due to susceptibility of disease, reduced mobility and the effect of stress.\footnote{HelpAge International, 2016.} Additionally, the industries most affected by climate change are agriculture and construction. By 2030, it is forecasted that the heat stress will cause reduction in working hours by 6.4 per cent in Thailand, 1.5 per cent in Malaysia and 0.8 per cent in Singapore.\footnote{Zhao, Qi. et al. Global, regional, and national burden of mortality associated with non-optimal ambient temperatures from 2000 to 2019: A three-stage modelling study. Accessed in https://www.thelancet.com/journals/lanplh/article/PIIS2542-5196(21)00081-4/fulltext} Thailand is most exposed, and the Global Climate Risk Index, which measures the frequency of extreme weather events of each country, placed Thailand at ninth, higher than Malaysia at ninety-ninth and Singapore at 130th.\footnote{Eckstein, David, Vera Kunzel, and Laura Schafer, 2021. Global Climate Risk Index 2021. Accessed in https://germanwatch.org/sites/default/files/Global%20Climate%20Risk%20Index%202021_2.pdf}

Agriculture and tourism are two major sectors in Malaysia and Thailand which will be affected by climate change. Agriculture and tourism accounted for more than half of employment in Thailand, and one-third in Malaysia (table 2.2). About 60 per cent of working older people in Thailand in 2019 worked in agriculture as compared to 30 per cent of those aged 15–64.\footnote{World Bank, 2021-d. Aging and the Labor Market in Thailand: Labor Markets and Social Policy in a Rapidly Transforming and Aging Thailand. Accessed in https://documents1.worldbank.org/curated/en/428491622713258312/pdf/Aging-and-the-Labor-Market-in-Thailand-Labor-Markets-and-Social-Policy-in-a-Rapidly-Transforming-and-Aging-Thailand.pdf} The average age of workers in agriculture is increasing at a faster rate (12 per cent) than the average age of the total labour force (7.3 per cent). In Malaysia, the proportion of those aged 60-64 working in agriculture is the highest of all age groups, at 25.5 per cent.\footnote{The MIPAA priority direction I, issue 2 states that “policies and programmes for food security and agricultural production must take into account the implications of rural ageing.” See SDG 2 and 13.}

Table 2.2: Share to total employment of Malaysia, Singapore and Thailand by sector, latest year (%)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Malaysia</td>
<td>10.28%</td>
<td>23.6%</td>
</tr>
<tr>
<td>Singapore</td>
<td>0.03%</td>
<td>4.7%</td>
</tr>
</tbody>
</table>

Section 3: Older persons’ labour force participation and retirement readiness

Older persons in Malaysia, Singapore and Thailand have a higher rate of disability or chronic illness. In Malaysia, the percentage of older persons having some form of disability differ between age groups, with 50.8 per cent of those aged 60-69, 65.5 per cent aged 70–79 and 91.0 per cent aged 80 or above.\textsuperscript{116} Disability is also significantly higher among older persons with no formal education, who are also having mental health issues and are physically inactive. In Singapore, 13.3 per cent of the resident population aged 50 years or above have either a physical disability, intellectual disability or are blind or deaf.\textsuperscript{117} In Thailand, 10.4 per cent of those aged 60 or above are officially categorized as PWDs on their identity cards.\textsuperscript{118} However, since this number only considers those who are officially registered, the actual figures could be higher.

The following sections will present a situational analysis of labour market conditions for older persons in Malaysia, Singapore, and Thailand – trends that influence labour market participation rates, along with retirement readiness in each of the countries.

3.1 Malaysia

3.1.1 Labour market conditions for older persons

In Malaysia, overall LFPR for 60–64-year-olds is 39.2 per cent in 2020 (figure 3.1), with older men making up 55.3 per cent as compared to 23.1 per cent of women of the same age.\textsuperscript{119} The LFPR trend for this age group has been in decline for the past decade, especially those aged 50 or above.\textsuperscript{120} Older women have a much lower participation rate as they tend to leave the labour force much earlier. Moreover, the number of people employed from this age group is the lowest, at 448,600 or 3.0 per cent of the total employed persons in the labour force.

Figure 3.1: Male and female labour force participation by age group, Malaysia, 2020 (%)

![Graph showing labour force participation rate by age group.]

Source: DOSM (2021-b)

\textsuperscript{116} IPH, 2019.
\textsuperscript{119} DOSM, 2021-d.
Unemployment rates among older persons increase as they age. The unemployment rate for the 60-64-year-old age group is 3.5 per cent, and 2 per cent for those in the 50-54 years age group (figure 3.2). Women aged 60-64 have a slightly higher unemployment rate at 3.7 per cent as compared with males at 3.5 per cent.

Figure 3.2: Unemployment rate by age group, Malaysia, 2020 (%)

Source: DOSM (2021-b)

Many of the older workers aged 55-64 work in the non-agricultural informal sector and semi-skilled jobs that lack social protection, with more older women employed in informal work (22.4 per cent) than men (4.5 per cent). This means that one in five older women who are employed in Malaysia are in the informal sector. The lower female LFPR and their higher participation in the informal sector means that women have lower rates of employment protection and social insurance. Meanwhile, about 7 in 10 older persons aged 60-64 were in semi-skilled jobs, only 16.6 per cent were involved in high-skilled professions and 11.5 per cent engaged in low-skilled occupations (figure 3.3). Only slight differences based on gender participation were recorded (figure 3.4), with 17.9 per cent of older men in high-skilled jobs as compared to 13.3 per cent of older women and 10.8 per cent of older men in low-skilled work as compared to 13.2 per cent older women.

Almost half of employed persons aged 60-64 years old worked in services or sales, skilled agricultural, forestry, livestock, and fishery. The type of work engaged by men and women in this age group differ, with older men in agricultural work at 24 per cent, while older women were in services and sales (34.8 per cent) (figure 3.5).

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121 The MIPAA priority direction I, issue 2, states that “older persons should be enabled to continue with income-generating work for as long as they want and for as long as they are able to do so productively. Unemployment, underemployment and labour market rigidities often prevent this, thus restricting opportunities for individuals and depriving society of their energies and skills.” See also SDG 8.


123 The MIPAA priority direction I, issue 2, objective 1f aims to “assist older persons already engaged in informal sector activities by improving their income, productivity and working conditions.” Issue 7, objective 1d aims urges the consideration of “innovative social protection/social security programmes for persons working in the informal sector.” See SDG 5.

124 DOSM, 2021-d.

125 Ibid.

126 Ibid.
Figure 3.3: Type of jobs by selected age groups, Malaysia, 2020 (%)

Source: DOSM (2021-b)

Figure 3.4: Type of jobs for those aged 60-64, Malaysia, by gender (%)

Source: DOSM (2021-b)

Figure 3.5: Proportion of workers aged 60-64 by occupation and sex, Malaysia, 2020 (%)

Source: DOSM (2021-b)
Self-employment is higher among older workers as compared to other age groups. In 2020, 33.3 per cent of those aged 60-64 were self-employed (figure 3.6). The proportion of older men in self-employment is higher than older women, at 35.7 per cent and 27.5 per cent respectively. However, a higher proportion of older women were unpaid family workers, at 14.4 per cent compared to only 1.8 per cent of older men. Wages among older persons are also lower than other age groups. The median and mean wages among the 60-64 years old is MYR 1,608 ($385) and MYR 2,677 ($642) respectively. Older females in the same age group earned 24.9 per cent lower than men, at MYR 1,735 ($416). However, median working hours were the same for both genders, at 40 hours per week.

Figure 3.6: Own account workers by age group, Malaysia, 2020 (%)

Source: DOSM (2021-b)

3.1.2 Changes in labour market participation rate among older persons

Overall LFPR among older persons in Malaysia have been on a downward trend in the past two decades, except for 2020 where it increased sharply due to older workers re-joining the labour market to cope with financial difficulties during the COVID-19 pandemic (figure 3.7). Between 2004 and 2019, the LFPR among older men were steadily declining, but it is increasing for older women. Older workers from rural areas are more likely to participate in the labour force beyond the minimum retirement age as compared to those from urban areas. The LFPR for workers aged 60–64 in the rural areas is 49.2 per cent, higher than those from urban areas at 36.4 per cent.

Figure 3.7: Labour force participation rate for age group 60 to 64 years old, Malaysia, 2001-2020 (%)

Source: DOSM (2021-b)

Malaysia offers hiring incentives and tax breaks for employment of older workers, but the initiatives are limited. As part of the Hiring Incentive Programme to help mitigate COVID-19 economic effects, an

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127 Ibid.
128 Ibid.
An incentive of up to 60 per cent of monthly pay may be given to employers hiring employees who are more than 40 years old, with a maximum payment of up to MYR 6,000 ($1,440) per month.\textsuperscript{129} To encourage the employment of those above 60 years old, Malaysia proposed that further deductions given on their remuneration should be extended until 2025, for those who earn a monthly salary of MYR 4,000 ($960) and below.\textsuperscript{130} However, the take up rate is small as only 5,532 job seekers aged 60 or above registered on MYFutureJobs, as compared to 613,107 overall job seekers.\textsuperscript{131}

3.1.3 Retirement readiness

Non-contributory social assistance for older persons in Malaysia is limited to older persons who fall below the poverty line. The breadth and depth of social assistance for older persons in Malaysia is inadequate. The Department of Social Welfare (Jabatan Kebajikan Masyarakat or JKM) provides cash assistance for poor and vulnerable older persons through the Bantuan Orang Tua or Financial Assistance for Older Persons programme. However, only older persons living below the poverty line and as determined by the Department will receive cash assistance. The coverage and adequacy are limited, with a monthly assistance of MYR 500 ($120) per month, equivalent to one-fourth of the poverty line, and with slightly more than a quarter of households with members aged 65 or older in the B20 category receiving this assistance.\textsuperscript{132} Other forms of targeted assistances for older persons by JKM include public shelters for those who do not have their own source of income.

Social insurance for older persons includes the defined contribution scheme such as EPF, the Armed Forces Board Fund (LTAT) and the private retirement schemes (PRS), and the defined benefit Public Service Pension Fund (KWAP) and the Social Security Organisation (SOCSO). In Malaysia, EPF is the mandatory private sector retirement saving scheme for formal sector workers while KWAP provides pension to civil servants and LTAT to the armed forces. PRS is voluntary and acts as a supplementary pension saving arrangement. SOCSO on the other hand, manages the Employment Insurance System (EIS) which was introduced in 2018. Of all the schemes, EPF is the most dominant and provides the biggest coverage. The structure of the pension system in Malaysia can be seen in table 3.1.

Table 3.1: Pension schemes in Malaysia

<table>
<thead>
<tr>
<th>Pension Scheme</th>
<th>Target</th>
<th>Participation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employees Provident Fund (EPF)</td>
<td>Private sector</td>
<td>Mandatory for formal private</td>
</tr>
<tr>
<td></td>
<td></td>
<td>sector employees, optional for</td>
</tr>
<tr>
<td></td>
<td></td>
<td>informal workers</td>
</tr>
<tr>
<td>Public Service Pension Fund (KWAP)</td>
<td>Civil servants</td>
<td>Mandatory for civil servants</td>
</tr>
<tr>
<td>Armed Forces Board Fund (LTAT)</td>
<td>Armed forces</td>
<td>Mandatory for military personnel</td>
</tr>
<tr>
<td>Social Security Organisation (SOCSO)</td>
<td>Private sector</td>
<td>Mandatory for private sector</td>
</tr>
<tr>
<td></td>
<td></td>
<td>employees</td>
</tr>
<tr>
<td>Private retirement scheme (PRS)</td>
<td>Private</td>
<td>Voluntary</td>
</tr>
</tbody>
</table>

Source: UNESCAP (2016)

The contributory retirement schemes in Malaysia are not adequate to ensure income security for older persons. The retirement income adequacy indicator shows that benefits in Malaysia fall short of the OECD benchmark of 60-70 per cent replacement rate.\textsuperscript{133} The inadequacy of old-age income security leaves older persons vulnerable to poverty, with COVID-19 making it worse. To mitigate the economic effects, the

\textsuperscript{132} World Bank, 2021-a.
government allowed EPF members to reduce their employees’ share of the EPF contribution rate from 11 or 12 per cent to 9 per cent, and to withdraw about MYR 10,000 ($2,400) from their old-age savings account. This has resulted in an increase on the number of members with critically low savings from 4.7 million to 6.1 million, equivalent to about half of the members below the age of 55.\textsuperscript{134} EPF has estimated that four to six continuous working years would be needed to recuperate the loss of savings from these withdrawals, based on the median EPF worker income of MYR 2,066 ($495) and the minimum wage of Malaysia (MYR 1,200 or $288). A study based on government employees and retirees in Klang Valley, the most populous region of Malaysia, found that the mean monthly pension was at MYR 2,174 ($521), but one-third of retirees continued working due to economic factors.\textsuperscript{135} Pre-retirees of both males and females, who were asked about their preparedness for retirement, scored the lowest in finance as compared to areas of health, spirituality, residence, mental status and social relationships.

The coverage of retirement schemes remains small; it is estimated that 70 per cent of working age adults do not actively contribute to a pension scheme. Although contribution to EPF is mandatory for employees in the private sector (optional for the self-employed), only 48.9 per cent of workers participated in the scheme and additional 11.9 per cent were covered by KWAP or LTAT.\textsuperscript{136} The remaining 39.2 per cent of the labour force is not covered, particularly among the self-employed. The coverage and adequacy for women are much lower than men, as they are more likely to be unpaid family workers or engaged in the informal sector, which is not covered by social protection. The average EPF balance for women aged 54 is MYR 177,000 ($42,486) as compared to MYR 233,000 ($55,928) for men of the same age.\textsuperscript{137}

3.2 Singapore

3.2.1 Labour market conditions for older persons

In Singapore, the LFPR for older persons is relatively high compared to other countries, but low compared to other age cohorts. In 2021, more than half (50.9 per cent) of those aged 65-69 and 21.3 per cent of those above the age of 70 were still working (figure 3.8). The LFPR for women at similar ages had a similar trend, at 40.6 per cent and 14.5 per cent respectively.\textsuperscript{138}

Although the employment rate of older residents was lower compared to younger age groups, the proportion of employed older persons has been growing rapidly for the past years. In 2011, only 19.8 per cent of those aged 65 or over were employed, and by 2021 it had increased to 31.7 per cent.\textsuperscript{139} In comparison, the employment rate for those aged 25-64 only grew by 3.8 percentage points in the same period.\textsuperscript{140} Most older persons in Singapore work as employees, with males having the higher share of self-employment in the population. In 2021, 76.3 per cent of those aged 60 or above were paid employees while 15.3 per cent were own account workers.\textsuperscript{141} Of employed males aged 60 or above, 19.9 per cent were self-employed (own-account workers), compared to 8.5 per cent of females.\textsuperscript{142} Many older persons aged 60 or above are low-skilled to mid-skilled workers. More than half (52.4 per cent) of the total low-skilled labour in Singapore, working as cleaners, labourers, and other related workers, were made up of people aged 60 or above.\textsuperscript{143} Overall, 1 in 5 (20.3 per cent) of those aged 60 or above were in low-skilled occupations,

\textsuperscript{134} EPF, 2021-b.
\textsuperscript{136} World Bank, 2021-a
\textsuperscript{137} Ibid.
\textsuperscript{138} Ibid.
\textsuperscript{140} Ibid.
\textsuperscript{141} Ibid.
\textsuperscript{142} Ibid.
\textsuperscript{143} Ibid.
compared to 3.8 per cent of those aged 15-59 years. Older women tended to be in low skilled jobs and services and administrative related work as compared to older men. In 2020, 71.6 per cent of older women aged 60 or above worked as elementary, service and clerical support workers (figure 3.9).

Figure 3.8: Labour force participation by age group and sex, Singapore, 2021 (%)

Source: Ministry of Manpower (2021-a)

Figure 3.9: Proportion of workers aged 60 or above by occupation and sex; 2021 (%)

Source: Ministry of Manpower (2022)

3.2.2 Changes in labour market participation rate among older persons

The trend among older persons in Singapore to remain in the labour force has increased, regardless of gender. In 1991, only 11.1 per cent of older persons aged 65 or above participated in the labour market,

144 Ibid.
145 Ibid.
but by 2011, it increased to 20.4 per cent, and by 2021, the participation rate of older persons jumped to 32.9 per cent (figure 3.10). The participation rate for older women aged 65 or above has been smaller but followed the same trend as men. In 1991, only 4.1 per cent of older women aged 65 or above participated in the labour market, but reached 24.2 per cent in 2021.

Figure 3.10: Labour market participation rate, 65 years or above, Singapore, 1991 – 2021 (residents)

Source: Ministry of Manpower (2021-a)

The primary cause of the rising LFPR among older Singaporeans was due to an active ageing approach by the government since the 1990s to promote activity, health, independence and ageing well for a better quality of life. Active ageing or healthy ageing is defined by the World Health Organization (WHO) as “the process of developing and maintaining the functional ability that enables wellbeing in older age”.146 The concept of active ageing first emerged in 1980s as the government began to recognize that its population was ageing rapidly. In 1999, Singapore focused on six key areas of ageing: social integration of the elderly, healthcare, financial security, employment and employability, housing and land use policies and cohesion and conflict. The issues of an ageing population overlapped with the issues of a shrinking labour supply in the job market.

3.2.3 Retirement readiness

The majority of the retirement savings for the retirees come from the Central Provident Fund (CPF), a national agency managing pension systems in Singapore. CPF is a social security scheme funded by contribution from both employers and employees. Participation in the CPF is compulsory for all employed Singapore citizens of which the people of Singapore are required to contribute 20 per cent of their monthly salary and employers to contribute 17 per cent of employees’ salary until retirement age.147 The contribution rates to the CPF however regressed with age, as those below 55 have a total contribution of 37 per cent, while the 56-60 year age bracket contribute 26 per cent, the 61-65 year age bracket contribute 16.5 per cent, and those above 65 contribute 12.5 per cent.148 Most of the resident workforce (99.2 per cent) are covered by social security whilst ensuring retirement readiness for many Singaporeans.149 CPF also provides for housing expenses under the public housing scheme and medical care expenses under

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148 Ibid.
149 CPF, n.d.
MediSave health insurance.\textsuperscript{150} CPF members earn government-guaranteed interest of up to 6 per cent per annum on their savings. Contributors may withdraw a lump sum amount of up to SGD 5,000 ($3,667) by the age of 55 while monthly payments can only be received after the age of 65 under CPF LIFE or CPF RSS schemes.\textsuperscript{151}

The coverage and adequacy for retirement remains a challenge. Although almost all residents (99.2 per cent) have registered for CPF as of 2020, only 44 per cent were actively contributing to the pension fund.\textsuperscript{152} A sizeable portion of residents are not able to meet basic retirement savings, with only 64 per cent out of 40,000 persons turning 55 years old in 2020 having sufficient minimum retirement savings of SGD 90,500 ($66,374), albeit a high contribution rate to CPF.\textsuperscript{153} In other words, about one third of CPF members will not receive even the basic amount around SGD 800 ($586) per month.\textsuperscript{154} In 2018, the CPF paid an average of SGD 450 ($330) monthly to persons aged 65-69, SGD 290 ($212) to those aged 70–79 and SGD 220 ($161) to those aged 80–87.\textsuperscript{155} Inequalities also exist among older persons, with women and those living in smaller flats less likely to meet the basic retirement sum.\textsuperscript{156} Many have low retirement savings as almost half (44 per cent) of the CPF fund have been withdrawn to purchase homes and to service mortgages, leaving only 29 per cent of these contributions in ordinary and special accounts for retirement.\textsuperscript{157}

3.3 Thailand

3.3.1 Labour market conditions for older persons

The participation of older persons in the labour market of Thailand has been relatively small as compared to other age groups. In 2020, 37.1 per cent of those aged 60 or above participated in the labour market as compared with 64.0 to 89.3 per cent among younger persons aged 20-59 (figure 3.11).\textsuperscript{158} Older females participated less than older males, at 28.8 per cent in 2020.

Although the majority of older persons remain unemployed, the number of employed older persons however has increased over the years. The proportion of employed older persons has been increasing, albeit slowly, from 32.2 per cent in 2002 to 37.7 per cent in 2017. The majority of older persons aged 60 or above are also own account workers, covering 62.1 per cent in 2017.\textsuperscript{159} About half of older females are self-employed as compared to 72 per cent of older males.

The majority of employed older persons have low educational attainment. Only a small proportion of them have tertiary education (5.4 per cent in 2017 as compared to 2.9 per cent in 2007).\textsuperscript{160} Thus, most of them work in low-skilled (8.4 per cent) and mid-skilled jobs (87.4 per cent). Only 4.2 per cent were employed

\textsuperscript{151} CPF LIFE: For those who born after 1958, it is a lifetime monthly paid out scheme. CPF RSS: Refers to Retirement Sum Scheme, for those who were born before 1958 or if have less than $60,000 in Retirement Account at age 65. Contributors will receive payout until their retirement savings run out. Source: CPF, 2021-b. Receive monthly payouts under the Retirement Sum Scheme. Accessed in https://www.cpf.gov.sg/member/retirement-income/monthly-payouts/retirement-sum-scheme
\textsuperscript{152} CPF, n.d.
\textsuperscript{153} Ng, K. H., Teo, Y. Y., Neo, Y. W., Maulod, A., Chok, S., & Wong, Y. L., 2021. What people need in Singapore: A household budgets study. https://whatsenough.sg/key-findings-mis2021/
\textsuperscript{154} Ibid.
\textsuperscript{156} Ibid.
\textsuperscript{158} National Statistical Office, 2020-d. The Labour force survey, Quarterly 2015 - 2020
\textsuperscript{159} National Statistical Office, 2018.
\textsuperscript{160} Bachelor’s or higher.
as high-skilled workers and this share has been decreasing from 11.7 per cent in 2002. The share of older females aged 60 or above in high-skilled labour is much lower, at 3.1 per cent, but higher in low-skilled work, at 10.2 per cent.\textsuperscript{161}

**Figure 3.11:** Labour force participation rate by age and sex, Thailand, 2020 (%)

![Labour force participation rate by age and sex, Thailand, 2020 (%)](image)

**Source:** National Statistical Office (n.d.-b)

**Many older persons work in the agricultural sector.** In 2017, 59.9 per cent of those aged 60 or above worked as skilled agricultural and fishery workers, with older males covering 63.5 per cent (figure 3.12).\textsuperscript{162} Older persons, especially women, were concentrated in the services sector (22.7 per cent) and elementary occupations (10.2 per cent). The participation of older women in higher-skilled occupations is negligible.

**Figure 3.12:** Occupational status of older persons in Thailand by sex, 2017 (%)

![Occupational status of older persons in Thailand by sex, 2017 (%)](image)

**Source:** National Statistical Office (2018)


\textsuperscript{162}Ibid.
A vast majority of older persons are in informal employment, exposing them to vulnerabilities. In 2020, the proportion of older persons in informal employment was 87.1 per cent, almost twice as high as the share of informal employment among the younger age groups (15-59 years) at 49.0 per cent (figure 3.13). While the share of younger employed persons in informal employment had fallen from 60.0 per cent in 2011 to 49.0 per cent in 2020, the proportion of older persons involved in informal work decreased as well, but by only 3.2 percentage points in the same period. In 2020, older females are slightly more represented in informal employment at 88.4 per cent as compared to older males, at 86.1 per cent, which is also larger than the overall rate of females in informal employment (52.8 per cent) (figure 3.14).

Figure 3.13: Share of informal employment by age group, Thailand, 2011-2020 (%)

Source: National Statistical Office (n.d.-b)

Figure 3.14: Share of informal employment among older persons aged 60 or above, Thailand, 2020 (%)

Source: National Statistical Office (n.d.-b)

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165 Ibid.
3.3.2 Changes in labour market participation rate among older persons

The LFPR of older persons in Thailand increased between 2000 and 2020, from 33 per cent to 37 per cent (figure 3.15). The increase is more pronounced among females having jumped by five per cent, as compared to men, increasing only slightly less at two per cent, during the same period.

Figure 3.15: Labour force participation rate for age group 60 or above, Thailand, 2001-2020 (%)

Source: National Statistical Office (n.d.-b)

A higher percentage of older persons in rural areas participate in the labour market as compared to those in urban areas. In 2020, 40.6 per cent of older persons in non-municipal areas were in the workforce, compared to 30.6 per cent for municipal areas. The gap was even more pronounced among older men as compared to older women. In comparison to the overall LFPR, almost no gap exists between older women in urban and rural areas. The gaps are in tandem with the limited access to a social safety net in rural areas, which means that to support themselves older persons have to work longer into old age. The latest 2017 Survey of Older Persons illustrated that around 41 per cent of people aged 60 or above in rural areas cited work as a source of income as compared to 32 per cent in urban areas who cited savings, pensions and interest, and property as their source of income. The majority (66 per cent) of employed older persons in Thailand live in rural areas.

3.3.3 Drivers of LFPR among older persons in Thailand

Evidence from the International Labour Organization (ILO) suggests that the moderate rise of the LFPR among older persons beginning in 2000 was due to improvements in health status, which is similar to other ageing countries. The healthy life expectancy progressed considerably from 62.6 per cent in 2000 to 67.1

166 MIPAA priority direction I, issue 3, reads: “In many developing countries and countries with economies in transition, the ageing population is marked in rural areas, owing to the exodus of young adults. Older persons may be left behind without traditional family support and even without adequate financial resources. Policies and programmes for food security and agricultural production must take into account the implications of rural ageing.”
168 Ibid.
169 Ibid.
per cent in 2010.\textsuperscript{171} Then there was a decline in family support, which traditionally provided care to older persons, hence they must support themselves through employment, especially among those with limited access to social security. The proportion of older persons co-residing with adult children has fallen from 74 per cent in 1994 to 63.7 per cent in 2014 and the number of older persons living alone has increased from 4.3 per cent in 1995 to 8.7 per cent in 2014.\textsuperscript{172}

**Although efforts to recognise the ageing population and policies to mitigate its effects started in 1986 under the First Long-Term Plan for Older Persons (1986 - 2001), the implementation of various policies only came later.** The Thai government, under the Working Committee on Policy and Action for the Elderly 1992, developed the Essence of the Long-term Policies and Measures for the Elderly (1992-2011) to help quicken a progression of welfare initiatives for older persons. In early 2000 they focused on preparations for ageing and especially older persons’ employment via the Second National Long-Term Plan for Older Persons (2002-2021) and the Ninth Development Plan (2002-2006). The second long-term plan outlined five broad strategies to promote decent work among older persons: preparation for quality ageing, capacity building, social security, national management and personnel development, and research on the elderly and monitoring and evaluation.

One of the possible factors contributing to the slower growth of older persons’ LFPR was the expansion in universal cash assistance. The Old Age Allowance (OAA) was introduced in 1993 as a social security for poor older persons, but in 2009 it became almost universal. In 2007, only 24.4 per cent received the OAA and it increased to 85.3 per cent in 2017 (figure 3.16). More older persons were depending on the programme, recorded a jumped from 3 per cent in 2007 to 20 per cent within a decade (figure 3.17). A study by Asian Development Bank Institute noted the negative influence of pensions on LFPR in Thailand, where older people are 36.4 per cent less likely to participate in the labour force if they receive pensions.\textsuperscript{173}

**Care responsibilities among older persons also act as barriers that hinder LFP from increasing.** About 1 in 3 of people aged 60 or above live in three generational households that have one or more grandchildren while 14 per cent live in “skip generation” households, where primarily due to migration, the parents of the grandchild are not present at home.\textsuperscript{174} According to a World Bank Survey, almost 30 per cent of grandparents reported providing care for grandchildren below the age of 10, with older women serving a more pertinent role in this childcare circumstances.\textsuperscript{175} A recent finding by the World Bank using the 2017 Household Socioeconomic Survey confirmed that having an extra child at home reduces participation in labour force, especially among women.\textsuperscript{176}

\textsuperscript{172} Due to out migration of adult children to find better job opportunities, ILO, 2016; and National Statistical Office, 2016. Survey on Older Persons, 2015.
\textsuperscript{174} Teerawichitchainan et al. 2019
\textsuperscript{176} World Bank, 2021-d.
3.3.4 Retirement readiness

The Thailand pension system is highly fragmented and decentralised based on occupational status. It is a mixed system that consists of occupational or labour status-based pension systems for the formal sector’s working population and the OAA system. The OAA is a universal monthly cash transfer for those aged 60 or above who are not pensioners under the occupational-based pension system. On the other hand, the pension scheme is a mix of a contributory system (CS) and a non-contributory system (NCS) (table 3.2).

Government employees are covered under the Government Pension Fund (GPF) and the old civil service pensions. The old civil service pension is only applicable to civil servants who started working

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**Figure 3.16:** Proportion of older persons receiving Old Age Allowance, Thailand, 2007 and 2017 (%)


**Figure 3.17:** Main source of income for older persons, Thailand, 2007 and 2017 (%)


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178 Ibid.
179 Ibid.
prior to 1997 and it is a non-contributory defined benefit pension system. In 1996, the government began to establish a new pension system, GPF for civil servants based on contributions to develop the capital market of Thailand. Members contribute at least 3-15 per cent of their salary while the government matches 5 per cent. At retirement, retirees can decide whether to gradually withdraw some portion over a period of time or to take a tax-free lump sum withdrawal at once. At the end of 2020, 1,147,656 members were contributing to the GPF.

Table 3.2: Pension schemes in Thailand

<table>
<thead>
<tr>
<th>Pension scheme</th>
<th>Target</th>
<th>Participation, contribution type</th>
<th>Year established</th>
</tr>
</thead>
<tbody>
<tr>
<td>Government Pension Fund (GPF)</td>
<td>Civil servants</td>
<td>Mandatory, CS</td>
<td>1996</td>
</tr>
<tr>
<td>Social security fund (SSF)</td>
<td>Private sector</td>
<td>Mandatory, CS</td>
<td>1972</td>
</tr>
<tr>
<td>Thai Provident Fund (TPF)</td>
<td>Private sector</td>
<td>Voluntary, CS</td>
<td>1987</td>
</tr>
<tr>
<td>Monthly subsistence allowance</td>
<td>Informal sector</td>
<td>Voluntary, NCS</td>
<td>2009</td>
</tr>
<tr>
<td>National Savings Fund (NSF)</td>
<td>Informal sector</td>
<td>Voluntary, CS</td>
<td>2011</td>
</tr>
</tbody>
</table>

Source: Ratanabanchuen (2019)

Private employees are covered by a mandatory social security fund (SSF) and the voluntary provident fund. The SSF is a comprehensive social safety net that covers health insurance, retirement, unemployment benefit, disability benefit and maternity benefit. It was established in 1972 to provide welfare for all formal workers. Members contribute 3 per cent of their salaries to the fund, while employers and government contribute 5 and 2.75 per cent respectively to the employee’s account. The fund is managed by the Social Security Office under the Ministry of Labour. Employers may also opt for a voluntary provident fund for their employees. Established in 1987, the fund was to encourage further savings and serve as security for employees in the event of termination of employment or resignation. The contribution is based on 2 to 15 per cent of the salary, with half each paid by both employee and employer. Recently, 387 funds cover around three million employees or 17.9 per cent of total formal employees.

Informal sector workers are covered by the pension system beginning in 2009 under the OAA scheme. When first introduced, OAA was for poor older persons until the government reformed the scheme in 2009 to cover all older persons aged 60 or above except for those receiving a lifetime government pension. Thus, the number of recipients jumped from 1.8 million to 5.4 million within a year. The allowance starts at THB 600 ($18) monthly up to THB 1,000 ($30) depending on age. However, the allowance is far from enough as the amount is below the official poverty line at THB 2,686 ($80) per person per month. Notwithstanding, the existing OAA covers about 85 per cent of the population as compared to less than 30 per cent before it became universal (figure 3.16).

The government also set up a voluntary National Savings Fund (NSF) targeting informal sector workers. The NSF is a voluntary contributory defined benefit pension scheme that will pay contributors for at least 20 years after retirement. The minimum contribution to the NSF is very low (THB 50–13,200 per year) ($1.50 to $397) to cater for low-income workers in informal sectors. The government matches the

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180 Ratanabanchuen, R. 2019.
181 Ibid.
184 Ibid.
185 Suwanrada, W. 2014.
186 Ratanabanchuen, R. 2019.
187 Ibid.
contributor’s amount at THB 600 ($18), THB 960 ($28.9) and THB 1,200 ($36) depending on age. As of 2019, the fund has 2.3 million members who have contributed a total of $208.2 million since its establishment.

Despite numerous retirement schemes, it is far from optimal in terms of coverage and adequacy. The NSF which was introduced in 2011 only managed to garner 11.3 per cent total contributors of informal workers in 2019. As for the universal OAA, the amount received (THB 600) is far from sufficient to live above the poverty line (THB 2,686/month) or basic subsistence level (THB 5,000-6,000) ($150–$180). This contributed to more than one third of older persons in Thailand lives below the poverty line in 2015.

188 Ibid.
189 Asia Asset Management, 2019.
190 Asia Asset Management, 2019; and National Statistical Office, n.d.-c.
191 Thai GRI, 2016.
Section 4: Policy recommendations

4.1 Gaps, challenges, and way forward

Policy recommendations for Malaysia, Singapore and Thailand to encourage a higher labour market participation rate among older persons, while preparing for the future of employment can be divided into six areas concerning age discrimination, skills, incentivising employers, social protection, gender and health.

4.1.1 Age discrimination and age-friendly workplaces

Many older persons still experience or perceive age discrimination in their workplaces, even with legal provisions against it, such as in Singapore. Efforts at upskilling and reskilling needs to be in tandem with initiatives to reduce age discrimination in the workplace and during the hiring process. A survey in Malaysia found that 58 per cent of elderly jobseekers had the perception that age discrimination was the biggest challenge in securing salaried jobs as they believe employers prefer younger workers. The same survey also found that 16 per cent of employers had an upper age limit in recruitment policy, with the majority being restricted by the mandatory retirement age of 60. Meanwhile, qualitative evidence from Thailand suggested that stereotypes of older people are common among younger age groups. In Singapore, about 31 per cent of respondents aged over 55 experienced discriminations, with the highest levels of age discrimination in finance, manufacturing, retail and transportation and warehousing. This rate of age discrimination is the highest out of the Asia Pacific region. Another study for Singapore found that 57 per cent of workers felt that they have fewer opportunities for training to progress at work as they get older.

Some employers are not proactive about retaining their older employees. It was found that 52 per cent of executives in Singapore said that their company devotes resources towards retaining older employees, with differences between start-ups (63 per cent), small and medium enterprises (45 per cent) and large enterprises (56 per cent). Furthermore, only 16 per cent of respondents believed that their organisations adequately support the employment aspirations of those aged 62 or above as compared to the support for their younger employees. The possibility also exists that senior workers’ higher salaries and expensive benefits packages deter some employers from keeping people employed into their 60s and 70s.

Anti-age discriminatory laws and age-free language could discourage unfavourable practices towards older workers in hiring and in the workplace. A formalised stipulation of these laws could equip the industrial court with power for prosecution while representing a formal guideline to tackle discrimination within the workforce. Malaysia and Thailand currently do not have specific anti-discrimination laws based on age. Without laws in place, it is difficult for older workers to legally dispute unfair treatment at work or

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192 The MIPAA priority direction III, issue 4, discusses negative stereotypes of aging and the necessity to portray positive images. Article 5 of the Political Declaration expresses the commitment to “eliminating all forms of discrimination, including age discrimination.” The introduction to the MIPAA reads: “Combating discrimination based on age and promoting the dignity of older persons is fundamental to ensuring the respect that older persons deserve.”

193 ILMIA, 2019.

194 World Bank, 2021-a.


196 Randstad Singapore, 2020. Why career planning and upskilling is important for business sustainability. Accessed in https://cdn2.hubspot.net/hubfs/4839681/04.%20SG/Files/Randstad%20Study%20-%20Singapore%20Employees%20Face%20Career%20Stagnation%20at%2040%2048.pdf?__hssc=252807190.05a68a6e40760a26ec9af33defa6ad.1636390628459.1636390628459.1636390628459.1&__hscs=252807190.1.1636390628459&__hscid=1756992301&hsCtaTracking=5e7789b-155e-4f3f-f0c6-91fa26a7af59%7C9ac02ad7-0e12-4570-b516-6b919e8ca64d

during hiring. In the longer term, more efforts needed to introduce a more age-neutral language into policy making to reduce stigma or place undue expectations on older persons. For example, Japan has worked towards achieving an “age-free society” in which older persons will not be automatically considered senior citizens and will be encouraged to stay healthy and keep working. 199

Flexible working arrangements and age-friendly workplaces can also promote the hiring and retention of more highly educated older workers, especially in urban areas. 200 Job flexibility has been found to increase the willingness of older people to work. A survey done in Malaysia shows that older workers tend to switch to self-employment because of its flexible working hours. Other important considerations for older people are the pace of work, amount of physical work and level of autonomy. 201 Flexible working arrangements in Thailand are typically rare, but they have shown promise to increase working lives. 202 Firms have adapted to older workforces by adjusting working hours, permitting part-time employment and job sharing and changing job responsibilities. As for the change in working conditions, these are likely most relevant for a more highly educated workers in formal firms, which would likely be found in urban areas. Part-time re-employment is a possibility as well, like in Singapore where older workers wish to reduce the intensity of their work to prepare for retirement while still participating in the workplace. 203

Another way of making workplaces age-friendly is to encourage and facilitate the adoption of age-management strategies among employers. These strategies should include work organisation, work equipment, working time policies and training. Since some older workers develop physical limitations, many countries are adjusting the physical work environment to enhance older workers’ productivity. While age-management strategies are the domain of companies, governments can still foster awareness and uptake among employees by issuing guidelines on the types of strategies that can be undertaken, such as technologies that can help older workers. 204 Another way to raise awareness is to grant prizes or awards of age-management strategies like the Life at Work awards of TalentCorp Malaysia that recognize employers with progressive workplace strategies. 205 Limited financial incentives are also possible such as grants to employers for workplace adjustments, including investments in relevant technologies.

4.1.2 Upskilling and reskilling for future of work

Future jobs require older persons to be technological adapt. An OECD study found that older adults aged 55-65 are less likely to have information and computer technology (ICT) skills, which means that they are less equipped to work effectively in a digital world. 206 Existing upskilling and reskilling programmes must adapt and be responsive to the needs of older workers. Higher skilled employment normally has a lesser physical demand, which makes high-skilled jobs relatively more suitable with the physical capabilities of older workers. 207

199 World Bank, 2021-a.
200 The MIPAA priority direction III notes the “promotion of an enabling environment for social development.” Issue 1 promotes “ageing in place” in the community. See SDG 11.
201 World Bank, 2021-d.
202 Ministry of Manpower, 2019-b.
204 Ministry of Manpower, 2019-b.
205 World Bank, 2021-a.
Despite various initiatives in Malaysia, Singapore, and Thailand to prepare for future work, some gaps and challenges remain. In addition to promoting lifelong learning as part of their broader approach to older persons, the three countries have varying levels of capacities for training older workers. Singapore is more readily prepared to upskill and retrain older workers as compared to Malaysia and Thailand, whose skill initiatives are aimed more at younger workers and new entrants into the labour market.

Programmes for training older workers in Malaysia and Thailand are fairly limited in size and scope. Thailand has created employment service centres for elderly workers to provide them with labour market information and job search support. However, the uptake of these programmes is low, where only 10,000 older people have used them and 8,000 have participated in the training programme of the Department of Skill Development. At the University of the Third Age in Malaysia, community-level training is seen as a leisure rather than employment. Courses offered by the Human Resource Development Fund (HRDF) are not geared towards any age group.

In Singapore, employers believe that some older workers are unwilling to reskill while older workers feel unsupported in their training needs. A study by the Ministry of Manpower found that divergent views on upskilling or reskilling, where businesses were concerned that older workers would be unwilling or unable to reskill while older workers perceived a lack of support from employers for their training needs in favour of younger workers. Another study showed that 51 per cent of workers aged 50-70 were invited to participate in training from 2013 to 2018 and 9 in 10 of them accepted the opportunity. The high cost of training, difficulty in finding relevant courses and conflict with current work commitments were the top three obstacles cited by mature workers that hindered their participation in training programmes. Employers' support was higher for those who worked as professionals, managers, executives and technicians (PMETs) even though there was a very strong desire for more training among those with less formal education and those with non-PMET roles.

Training rates are also lower among older workers and a significant proportion of workers end up working in elementary jobs. In Singapore, training for older workers has risen over the years, from 26 per cent in 2015 to 40 per cent in 2018. However, it remains lower than the overall training rate of the resident labour force. The increase in training is attributable to initiatives from the government specifically targeting older persons, such as offering courses redeemable with SkillsFuture Credit through the Silver Infocomm Junctions for basic digital skills and the National Silver Academy. The latter provides courses in mother tongue languages, boosting its accessibility. Singapore has employed huge resources since the 1990s to upskill and reskill older persons as part of a successful ageing agenda and to offset the shrinking of the labour supply. Despite various efforts, a significant portion (21.2 per cent) of the total employed older persons aged 60 or above worked as a low skilled labourer in 2020. Although the amount of low-skilled older workers has decreased overall, it was a marginal decrease of 4.1 percentage points since 2001. Within older age groups, the proportion is increasing as 27.7 per cent of those aged 65 or above worked either as a cleaner, labourer or related worker.

A dedicated skills-building initiatives for older workers needs to consider older persons with a relatively low average level of education and skills. Experience from other countries suggest that adults with low skills are already less likely to participate in all types of learning as compared to their higher

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208 World Bank, 2021-d.
212 World Bank, 2021-a.
skilled peers. The gap grows even bigger over time because low-skilled adults often find themselves in workplaces which do not offer formal training or prefer to engage in less formalised types of learning. The types of barriers to training include dispositional (perception that they are too old to acquire new skills and expectations around learning), situational (no time, financial situation, care responsibilities, lack of family or employer support among others) and institutional (lack of learning opportunities). Therefore, any skills-building initiative by Malaysia and Thailand will have to be accompanied by a situational analysis of the barriers that low-skilled older workers are facing. These training opportunities not only have to be tailored to labour market needs, but also accessible and flexible for older workers to participate. Upskilling initiatives could be provided at low-cost, with financial incentives for adults to re-enter training. Providing these training programmes in a multi-language format would also be useful especially for older workers who are more likely fluent in their native languages. Much like Singapore, other countries such as France and Austria practice individual training schemes that credit a certain amount of money for individuals to pursue training. In the case of France, the schemes are financed through a compulsory training levy on firms and self-employed individuals. Perhaps part of the contributions from contributory funds such as SOCSO in Malaysia and the SSF in Thailand can be funnelled into a training fund meant for older workers. Providing these training programmes in a multi-language format would also be useful especially for older workers who are more likely fluent in their native languages.

Programmes for older people will require more outreach since this age group is less likely to actively search for learning opportunities. In response to these challenges, Australia and Europe have subsidized training for older workers, and the Republic of Korea subsidizes the costs of vocational training for employees above 40 years old. Malaysia and Thailand could consider similar subsidies to encourage greater participation. Outreach activities will also need financing to actively engage older persons. Evidence suggests that public awareness campaigns are not effective for low-skilled workers as the intended recipients might not recognise themselves as the target group. Reaching out to this group more actively and in their regular environment is the key for engagement, especially in their workplaces and before they leave the labour market.

In Singapore where training capacity is already relatively high, it is recommended to create more inclusive and progressive workplaces that engage regularly with older workers to determine their needs. Older workers are more reliant on their employers’ suggestion to attend training, where 69 per cent attended training suggested by their employer as compared to 30 per cent who look for relevant training themselves. Since employers are more attuned to changes in industry demands and technology, they should be encouraged to guide older workers on what training they need for career development and re-employment.

4.1.3 Incentivising employers

Malaysia and Thailand have less specific and non-extensive incentives for the recruitment of older workers. In Malaysia, the only incentives provided to employers who recruit elderly workers are the reductions when an employee reaches 60 years old. Other incentives for this group fall under a bigger age category which includes those above 40, such as the Hire Malaysia 40 programme of SOCSO with an incentive rate of up to 60 per cent of the monthly pay to the employer, along with training assistance of up to RM 7,000 ($1,680) per employee. However, Hire Malaysia 40 was primarily meant to mitigate the economic impact of COVID-19 and it is unclear if this incentive will continue post-COVID-19.

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214 Ibid.
216 Ibid.
217 Ministry of Manpower, 2019-b.
218 MOF, 2021-b.
Tax deductions are also fairly limited in size. In Malaysia, as an attempt to encourage the employment of older workers, deductions are given on the remuneration of these individuals employed full-time until 2025. However, the monthly remuneration for employees in these categories cannot exceed RM 4,000 ($960). Higher paid older workers have no tax deductions. Meanwhile the Thai government has issued Royal Decree no. 639, which allows corporate income taxpayers to deduct from their income tax twice the amount of expenses incurred for employing people over 60, provided that the amount of expenses incurred is no more than THB 15,000 per month.

Reward employers who employ and retrain elderly workers. Singapore has implemented various programmes such as employment credit in an effort to increase the recruitment of older workers. Incentives for employers can be introduced via subsidies, concessions and target specific bonuses. The senior employment credit (SEC) programme provides financial incentives to offset wages of employees aged above 55 as well as those with disabilities, up to 8 per cent of their monthly salaries. According to the Minister of Manpower, the SEC that commenced on 1st of January 2021 has benefited 482,000 older workers and about SGD 150 million have been disbursed to 86,000 employers. Another successful example of incentives that managed to increase participation of older workers in the labour force can be found in Australia, which employed wage subsidies to firms who were willing to hire older persons. Similarly, in Finland and Belgium, wage subsidies targeted specifically for older workers have prevented premature early retirement. In Finland, a large-scale wage subsidy programme was provided for full-time workers aged 54 years or older, and in Belgium, a permanent wage subsidy was introduced for those aged 58 or above in the form of a reduction in the employers’ social security contributions.

Grants are also provided to employers who take older workers in preparation for future policy shifts. Singapore provides grants for employers who are willing and able to raise both their retirement age and re-employment age ahead of the national schedule. Under the Senior Worker Early Adopter Grant, employers may claim up to SGD 250,000 ($183,354). The new Senior Worker Early Adopter Grant, from 1st July 2020 to 31st August 2021, have benefitted 21,000 senior workers in 2,800 companies.

Employers may also be incentivised by seeing older workers as a competitive advantage. A growing consensus concludes that a mixture of older and younger workers could lower workforce-related risks. Adapting to the needs and capacities of older employees could prove to be a competitive advantage for businesses since a mix-age group would be able to provide them with different competencies. Existing government partnerships with the private sector could also promote age-friendly workplaces. The benefits and cost-effectiveness of such policies should be highlighted, such as in the case of BMW in Thailand, whose investments in a package of health care, skills development, workplace environment improvement and part-time work eliminated the differences in productivity between older and younger staff.

Another way to incentivise businesses is to train older workers in succession planning where the younger workers could benefit from the transfer of knowledge, mentoring programmes and on-the-job training delivered by their seniors. In this case, the responsibility of older workers shifted to a mentorship role, and they can act as internal trainers. This could be a response to current gaps in younger workers, for example in Malaysia, where it was found that they were less competent with soft skills like listening, effective communication, critical thinking and interpersonal skills. The HRDF of Malaysia has

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219 The Special Employment Credit has been renamed to Senior Employment Credit starting from January 2021.
222 Ibid.
223 Ministry of Manpower, 2021-g.
225 World Bank, 2021-d.
provisions for the training of internal trainers, but the number of internal trainers certified from HRDF (3 per cent) is still relatively low as compared to external trainers (97 per cent). In addition to being trained as trainers, older workers may also be taught digital skills to enable automation of burdensome tasks. This would leave them more time to mentor younger workers.

**Tax deductions as an incentive should be evaluated on their effectiveness.** Tax deductions upon hiring older workers are currently present in Malaysia, Singapore, and Thailand. However, the effectiveness of these tax incentives should be evaluated. Recent evidence suggests that significant subsidies are needed to induce substantial employment effects and thus are unlikely to be cost-effective. Deadweight loss is also another concern since subsidies are provided for hiring workers who would have been hired anyway and the reinforcement of stigmas and negative attitudes for older workers.

### 4.1.4 Increase in social protection and changes in policy

Since people are living longer, a gradual increase of the current retirement age would act as a strong signal to both employers and employees in increasing the employment rate at older ages. Raising the retirement age could minimize the disincentives to work as pension coverage is improved and expanded. Evidence from Singapore and to some extent Malaysia suggests that raising the retirement age has increased the overall labour participation rate of older persons. The minimum retirement age should not be abruptly increased, but should be increased over a period of years. It was recommended that the mandatory retirement age in Malaysia should be 65 for over a period of ten years and include the provision of transparent and clear information, coupled with inclusive consultations.

Adjustments would be needed to make pensions and contributory systems to be in line with the new retirement age. For example, the current minimum withdrawal age for EPF in Malaysia is 55 and in lump sum, meaning that EPF members are likely to quickly finish their retirement savings. However, if the contributor chose to continue working after the age of 55, the contributions received thereafter would be credited into the gold account which can only be withdrawn upon reaching the age of 60. Nonetheless, adjusting the minimum withdrawal age from 55 to over 65, a 10 or 20 year period, could allow retirement savings to be sustained for a longer period due to the increase in accumulated balances, and could create incentives for individuals to work longer. Annuitization options for retirement savings could also be explored in the future, with possible phased withdrawals of EPF balances instead of a lump sum. If an individual becomes gravely ill while working or retired, hardship provisions could permit additional withdrawals.

For Thailand, an expansion of the mandatory pension system is recommended since the system is currently fragmented and lacks coverage. Many of the informal workers that are not covered by the GPF or TPF rely mostly on the extremely limited old age allowances. Although the National Saving Fund (NSF) was established recently, the voluntary nature of the fund does not motivate informal workers to become members. In 2017, only 2.3 million or merely 11 per cent of the total informal workers in Thailand contributed to NSF. Moreover, the pension system for private employees or the SSF is highly inadequate to sufficiently provide for older persons during their retirement age due to the low contributory rate of 5 per cent. Thus, it is recommended to expand the mandatory pension system, as it could provide adequate income during retirement.

Introducing a re-employment age may accommodate the surge of older persons into the labour market. Since 2013, Singapore has been introducing re-employment initiatives upon retirement and older workers may opt to work longer until 65 years old. The implementation has been successful as the older

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227 World Bank, 2021-d.

228 World Bank, 2021-a.

229 Ibid.


231 Asia Asset Management, 2019; and National Statistical Office, n.d.-c.
persons LFPR in Singapore has risen. Singapore has also launched a re-employment initiative alongside various programmes such as the WorkPro, to support enterprises accepting older workers.

Additionally, since a significant number of older persons are engaged in self-employment or the gig economy, provisions must be made to bring these workers under the umbrella of social protection. In Malaysia, the HRDF has shifted some of its focus to the gig economy and the increasing incidence of self-employment. The Gerak Insan Gemilang (GIG) initiative under HRDF was developed with the main purpose of aiding Malaysians with end-to-end training to upskill themselves and allow them to become freelancers. However, an accompanying expanded social protection is needed to ensure gig workers or freelancers are protected, especially considering older workers to be more economically vulnerable. Employment insurance systems could be expanded to informal workers through initiatives such as auto-enrolment and incentivising registration and compliance. Introducing a modest, tax-financed social pension could ensure minimum old-age income protection for all, or those above a certain age, much like the OAA system of Thailand.

4.1.5 Improving the female LFPR

Societal expectations, or the perception that women would need to shoulder household responsibilities, lead to lower female labour force participation. Flexible working time arrangements that enable women to balance their family responsibilities without leaving the work force would mitigate this trend. In Canada, under the Employment Relations (Flexible Working Arrangements) Amendment Act of 2007, all employees with caring responsibilities have the right to request flexible working arrangements, while the Care Act 2014 in England puts the responsibility on local authorities to support adult carers to maintain or re-enter employment and training by ensuring the person they look after are cared for while they are at work. These measures can help fight inequalities in labour force participation among older workers, in particular women who sometimes are tasked to look after the long-term care needs of family members, hence forcing them out of the labour market.

Improving the accessibility, affordability and quality of care options could promote employment among women. Other than providing flexible work options for women, making childcare more accessible and lowering its cost can increase maternal employment. An OECD study found that the provision of formal childcare services is more important for boosting female labour force participation than other policies. This would improve the female LFPR among younger workers as well as older female workers. Combining both policies could promote flexible forms of work that permit female and male caregivers to balance work inside and outside the home. In the long-term, policies that enable men to shoulder more of the household responsibilities such as paternity leave could be worth looking into to equalise the household burden on both parents. Singapore already subsidizes enrolment in childcare centres for children under 7 years old whose mothers are working, while Malaysia offers tax deduction to employers that supply childcare centres or pays childcare allowances to their employees and provides tax relief to workers who enrol their children in a nursery or preschool. Similar policies could be replicated and contextualised for Thailand.

More generous parental leave policies could also support female labour force participation. Although it has been increased recently, maternity leave is still relatively short in Thailand, at 14 weeks, while Malaysia has recently increased its maternity leave to 98 days, in line with international labour standards. Both are shorter as compared to 16 weeks in Singapore (112 days). Nonetheless, all three are considered lower than the OECD average of 18 weeks.

234 OECD, 2019.
4.1.6 Health in old age

Health is an important determinant of labour force participation among older people. While older people are generally healthier now, maintaining and strengthening these improvements will be a challenge with increasing levels of NCDs and healthcare costs. NCDs affect many older persons in Malaysia and are the leading cause of death in Thailand as well as major contributors to disability among older people. These factors can lead to fewer hours at work or cause them to drop out of the labour force altogether. At the same time, NCDs are increasing in the younger population, which means that the future workforce will also have health problems.

Workers from low socioeconomic backgrounds have a higher chance of being in poor health, which can push them into earlier retirement and lower financial status. Persons with a lower level of education, occupational class or income tend to die at a younger age and have a higher prevalence of health problems. This results to large differences between socioeconomic groups in the number of years someone can expect to live in good health, especially healthy enough to pursue work.

Focus on healthy ageing to ensure people are sufficiently healthy to participate in society. If older workers are in good health, ageing does not result in economic decline. More investments in older persons health will complement the employment of older persons. Medical education programmes should be re-oriented to train a growing number of skilled healthcare professionals and technicians to manage the needs of the elderly.

Another aspect of healthy ageing is improving workplace safety for older persons by integrating age and gender in workplace risk assessments. This is crucial for workers from low socio-economic backgrounds since they are more likely to be exposed to workplaces with poor working conditions. Age and gender should be integrated into workplace risk assessments to promote healthy working conditions, especially for ageing workers.

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237 The MIPAA priority direction II, issue 1, states that “health promotion activities and equal access of older persons to health care and services that include disease prevention throughout life is the cornerstone of healthy ageing.”


Conclusion

Malaysia, Singapore and Thailand have successfully managed to improve socioeconomic wellbeing, with better incomes, lower poverty rates and higher life expectancy. However, due to falling fertility rates and higher life expectancies, these countries have a high share of persons aged 65 or above. Despite significant socioeconomic progress, challenges remain in ensuring old-age income security and social protection for older persons. Old-age social protection vary between Malaysia, Singapore and Thailand, with Singapore having the most comprehensive system. An ageing population will increase the strain on retirement schemes, healthcare and social protection spending. Additionally, COVID-19 has badly impacted the economy, causing declines in income, wages, employment rates and social protection, especially on older persons. Economic recovery from COVID-19 is expected to be uneven and slow. These demographic shifts will also require changes in the labour market since the share of prime-working age adults will be declining, hence increasing the need for older persons to participate in the workforce.

Older persons in Malaysia, Singapore and Thailand generally have lower incomes or earnings, and hence are more likely to be in poverty. Older women are more economically vulnerable since they earn much less or have lower participation rates in the labour market. Older persons in these countries still rely significantly on their families for informal care. Although older persons are living longer and healthier, health issues such as NCDs are still on the rise.

Greater participation of older persons in the labour markets is needed, but Malaysia, Singapore and Thailand will have to contend with three large trends that will impact the labour force. One of the biggest trends is the 4IR where jobs are being displaced by machines through automation or a greater growth in the digital economy. To prevent obsolescence, more workers will be required to reskill or upskill with the latest technologies or develop skills which cannot be easily replicated by machines. Malaysia, Singapore and Thailand have varying levels of digital readiness, although Singapore has more comprehensive policies to upskill its older workers with digital skills. Malaysia and Thailand however are more concerned with upskilling its younger population.

In the long-term, environmental and climate change will become increasingly more impactful towards sectors such as agriculture and tourism, which employ a significant number of workers in Malaysia and Thailand. The impact of climate change on the older persons’ labour market will likely be the most severe in Thailand considering the high number of older persons involved in informal agriculture work. Green industries are also growing in Malaysia, Singapore and Thailand, although in different sectors. Malaysia aims to develop its renewable energy sector and green Islamic finance whilst Singapore is positioning itself as a regional hub for providing sustainable solutions as well as green finance. The green policies of Thailand are aimed at ecotourism and making its agriculture sector more sustainable.

The labour market situation of older persons in Malaysia, Singapore and Thailand has a few similarities. In general, the LFPR of older persons was lower than their younger counterparts and is even lower for older females. They are more likely to be unemployed, except for Singapore. For Malaysia and Thailand, they are more likely to be self-employed or engaged in informal work. They generally have fewer high-skilled workers and engage in semi-skilled professions, earn lesser than their younger counterparts and work less hours. However, the trends of labour force participation for older persons between Malaysia, Singapore and Thailand are different. In Malaysia, the trend has been in decline for the past few years except in 2020 during COVID-19. Male older workers saw a sharper decline as compared to females. Part of the reason for relatively low participation rates among this age group is the retirement age, the EPF withdrawal age at 55, and the limited hiring incentives for older workers. The participation rate of Singapore, however, has risen substantially in the last decade due to an active ageing approach by the government since the 1990s. In Thailand, the LFPR too has increased in 2000 after a decade of decline, coinciding with certain government policies towards older persons and an improvement in health. Nevertheless, it began to decline again from 2009, partially due to an expansion of universal cash assistance.
The level of retirement readiness in Malaysia, Singapore and Thailand are also varied. In Malaysia, despite having a mandatory savings scheme for the private sector under EPF as well as provisions for the public sector, the current contributory retirement schemes are not adequate to ensure income security for older persons. Coverage is not universal, with the self-employed not required to contribute. Contributions are lower among women and low-income earners. As a result of COVID-19, contributions to retirement schemes have dropped, exacerbating the vulnerability of older persons and temporarily reducing retirement savings among the active labour force. In Singapore, CPF is the main social security provider with high coverage, but one-third of CPF members do not have adequate savings to last their retirement. In Thailand, retirement schemes are highly fragmented between different providers and although the non-contributory social assistance is universal, the amount disbursed is very low.

Malaysia, Singapore and Thailand recognised the importance of inclusive, productive and healthy ageing since the 1980s and the 1990s, in addition to having comprehensive plans to support older persons and prepare themselves for an ageing population. However, several gaps and challenges remain, such as the need to reskill and upskill older workers, age discrimination in the workplace, limited incentives for employers, increasing adequacy of social protection, a low female LFPR and keeping older persons healthy.
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