



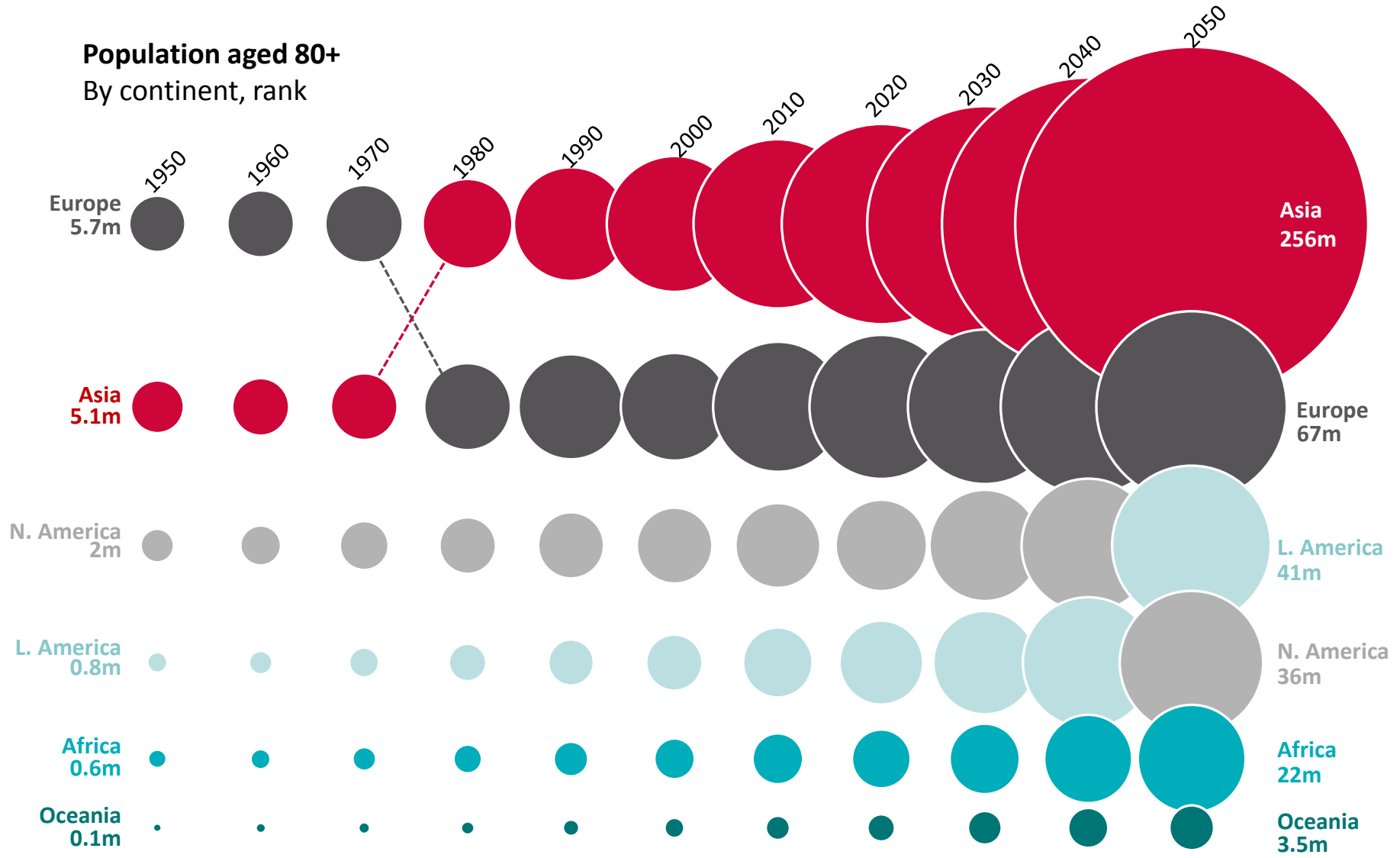
ARC CENTRE OF  
EXCELLENCE IN  
**POPULATION  
AGEING  
RESEARCH**

# POPULATION AGEING AND SOCIAL SECURITY IN ASIA

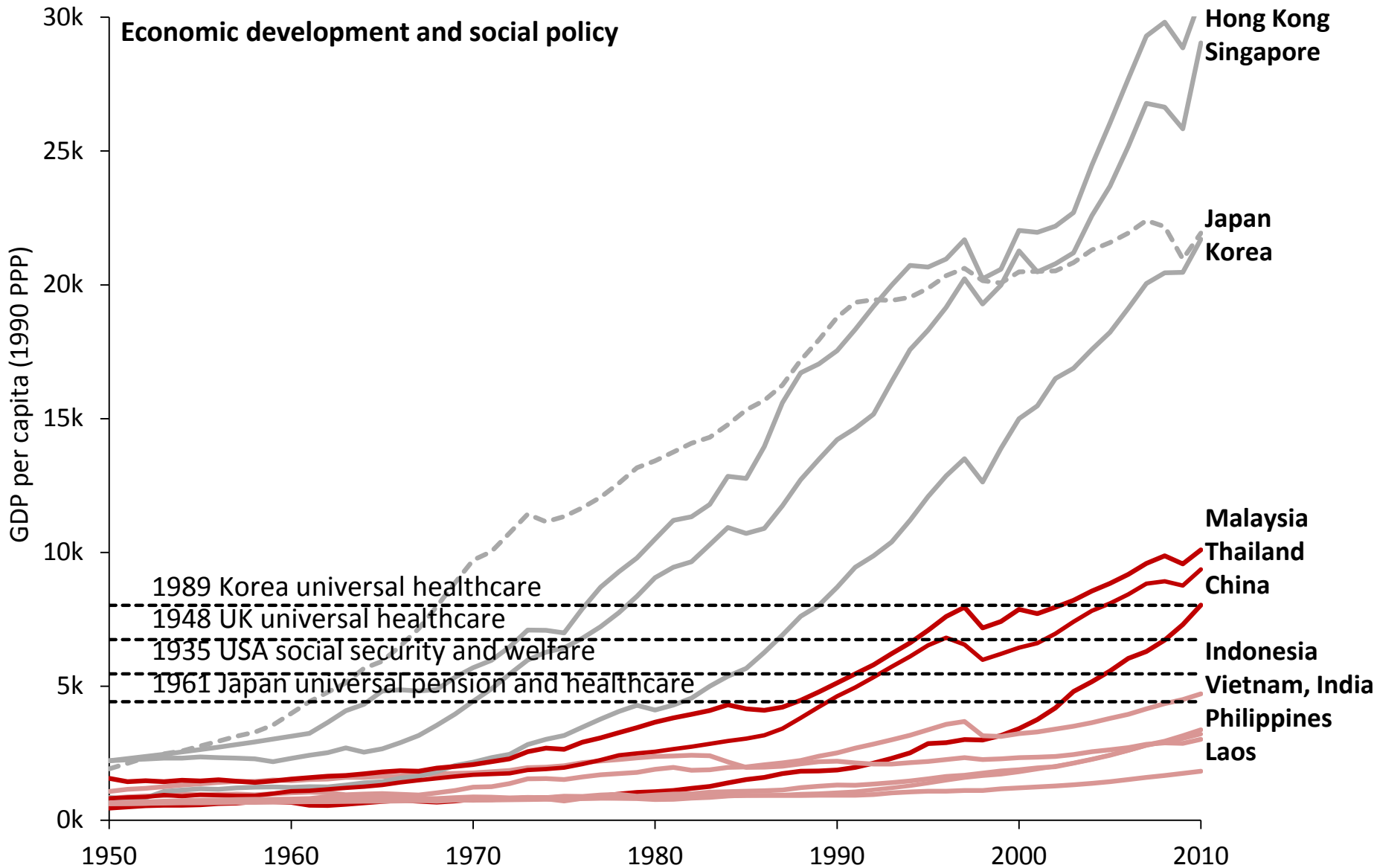
Rafal Chomik



# 1. INTRO: DEMOGRAPHIC IMPERATIVE FOR SOC SEC

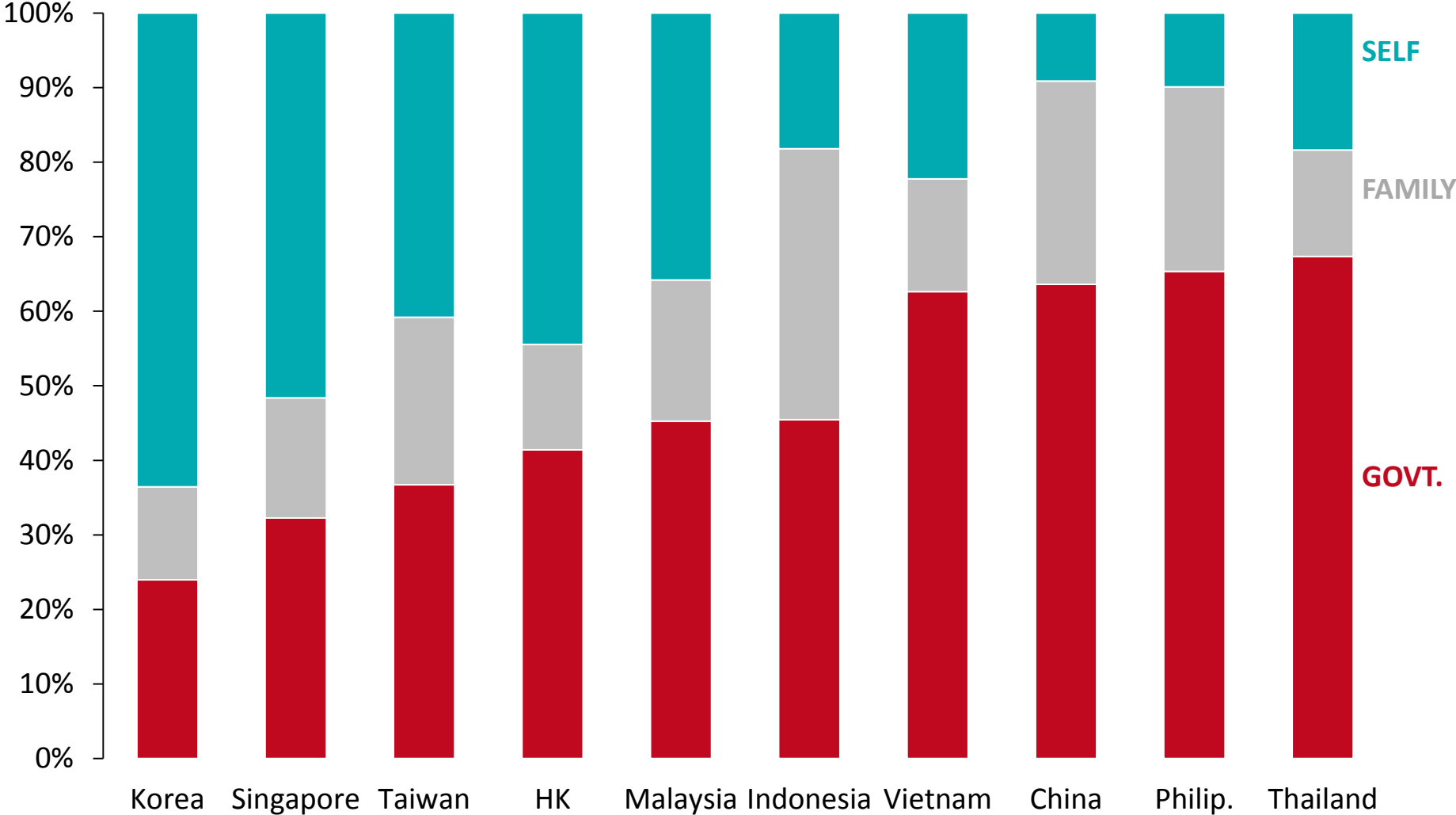


# 1. INTRO: FISCAL AND ECONOMIC IMPERATIVE FOR SOC SEC

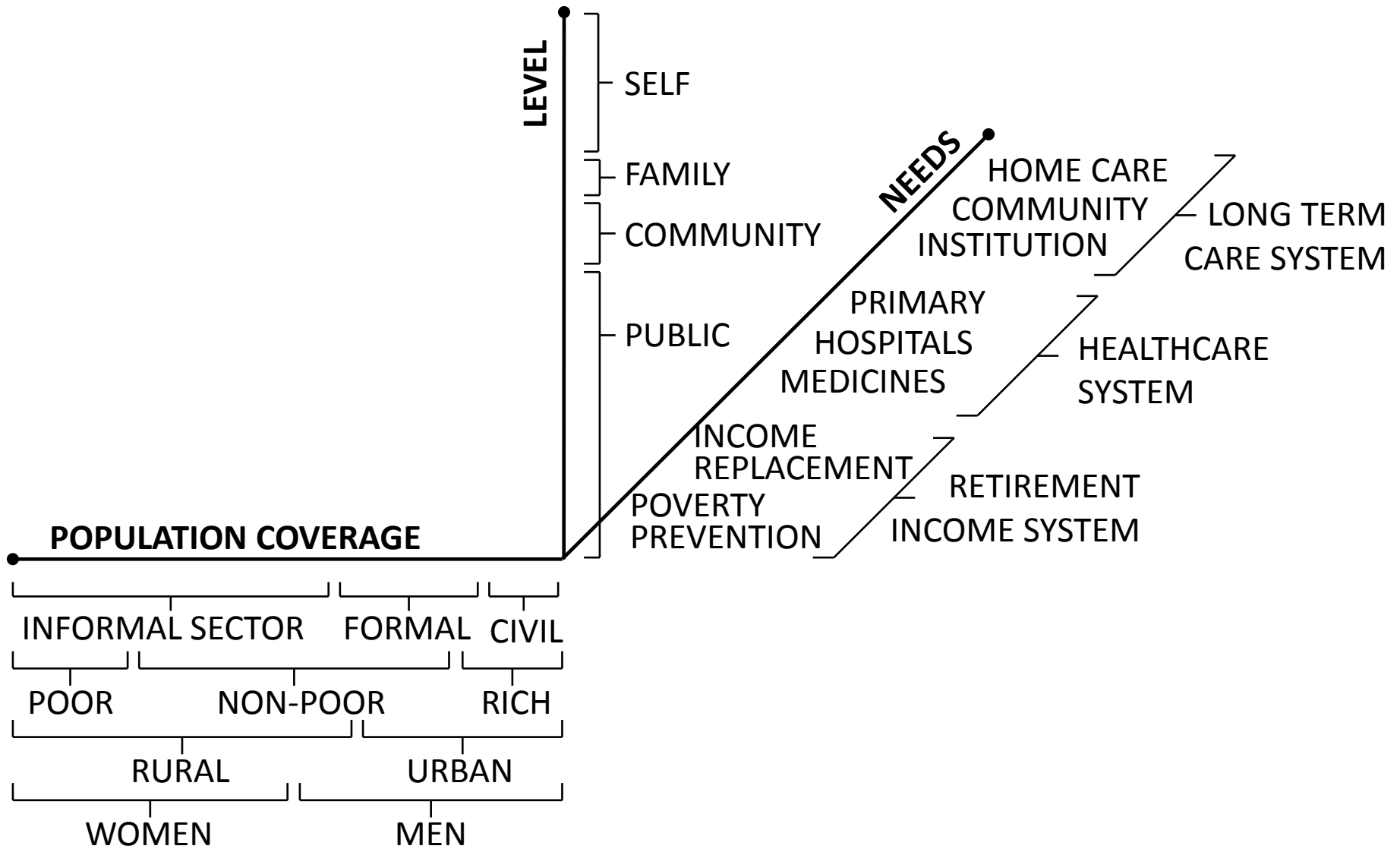


# 1. INTRO: POLITICAL IMPERATIVE FOR SOC SEC

Survey question, 2014: Who, ideally, should be mostly responsible for providing income to the retired?



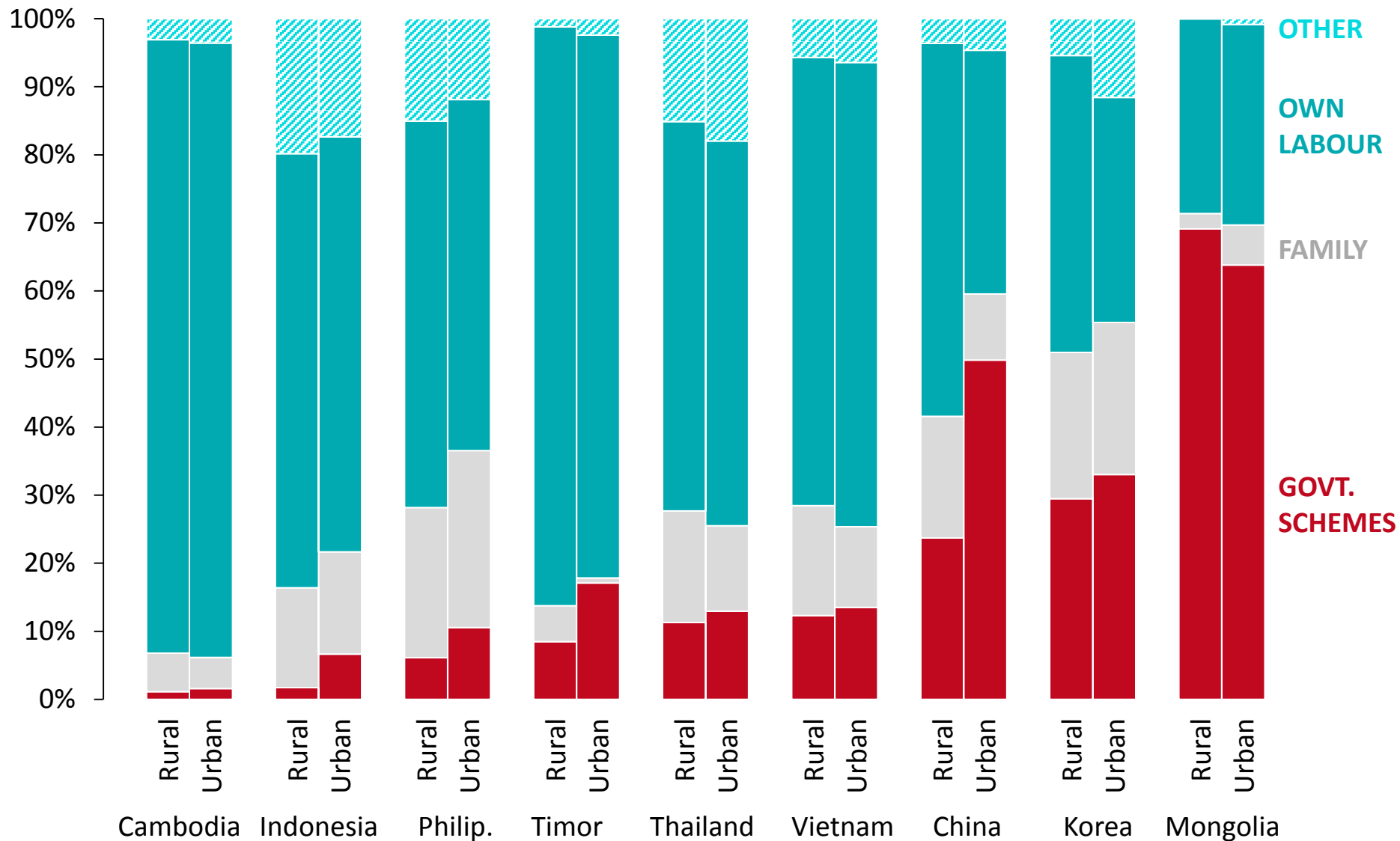
# 1. INTRO: THINKING ABOUT SOC SEC



## **2. RETIREMENT INCOME**

## 2. RETIREMENT INCOME – CURRENT PROVISION

Current source of income, age 60+, 2007-2011



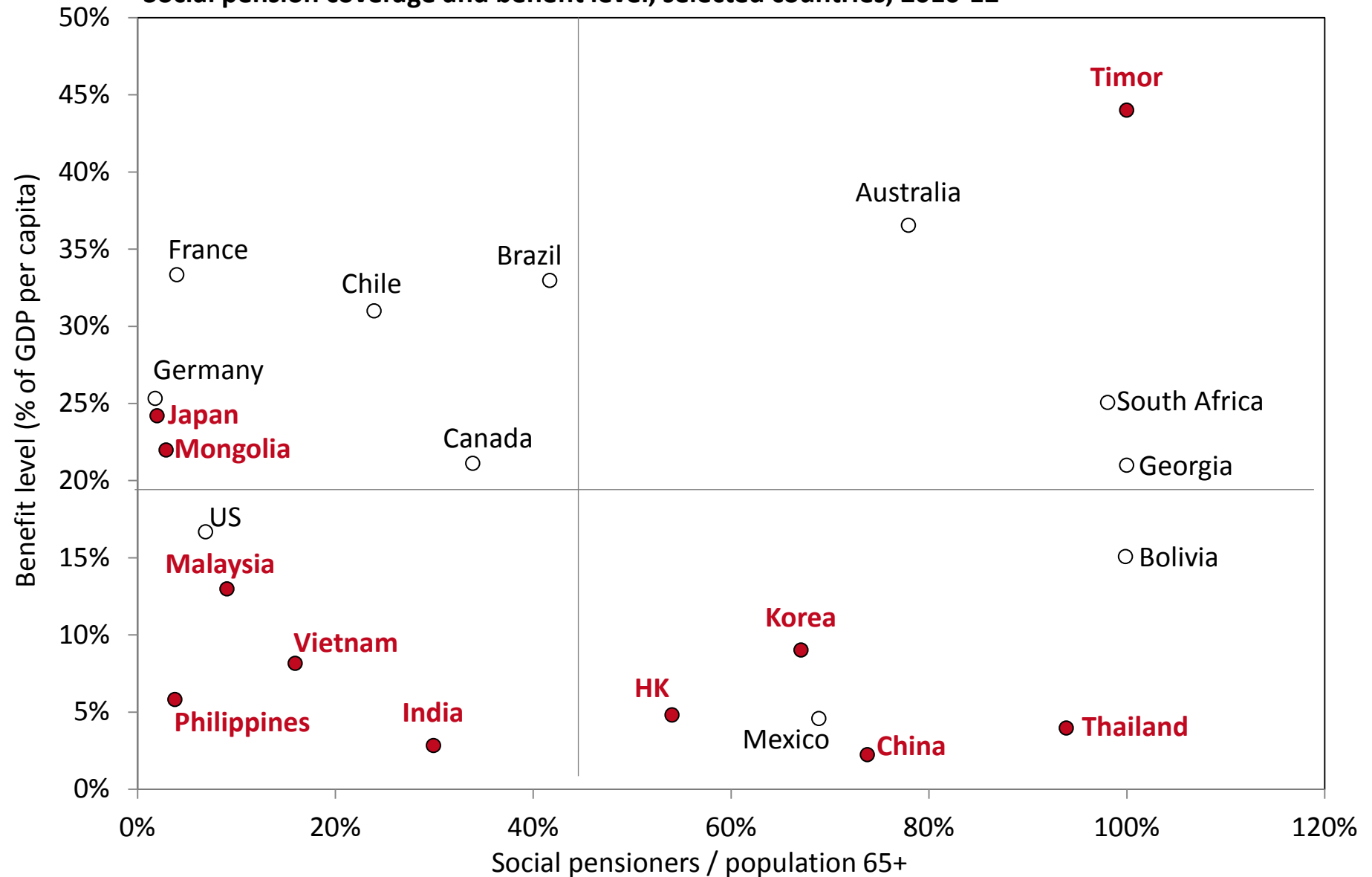
## 2. RETIREMENT INCOME – CURRENT STRUCTURES

	Social (Poverty alleviation)	Contributory (Income replacement)
Cambodia	NONE	NONE
China	<b>Universal (Rural)</b>	<b>DB/DC</b>
Hong Kong	<b>Targeted (65-69) Universal (70+)</b>	<b>DC</b>
Indonesia	NONE	<b>DC (adding new DB)</b>
Japan	<b>Targeted</b>	<b>DB</b>
Korea	<b>Targeted</b>	<b>DB</b>
Laos	NONE	<b>DB</b>
Malaysia	<b>Targeted</b>	<b>DC</b>
Mongolia	<b>Targeted</b>	<b>DB (soon NDC)</b>
Myanmar	NONE	NONE
Philippines	<b>Targeted (60-79) Universal (80+)</b>	<b>DB</b>
Singapore	NONE	<b>DC</b>
Timor	<b>Universal</b>	NONE
Thailand	<b>Universal</b>	<b>DB</b>
Vietnam	<b>Targeted (60-79) Universal (80+)</b>	<b>DB</b>



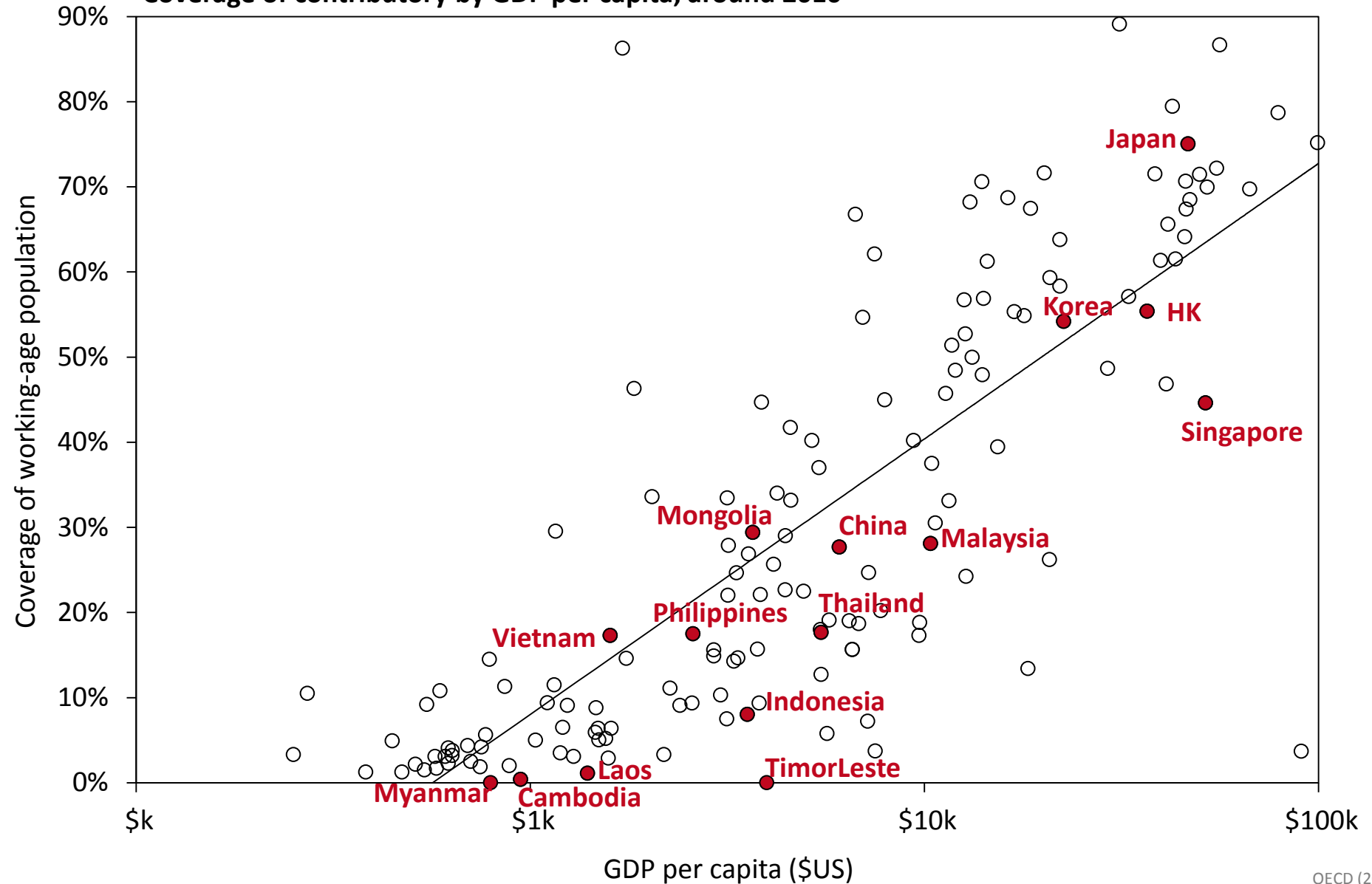
## 2. RETIREMENT INCOME – LOW BENEFIT & COVERAGE OF SOCIAL

Social pension coverage and benefit level, selected countries, 2010-12



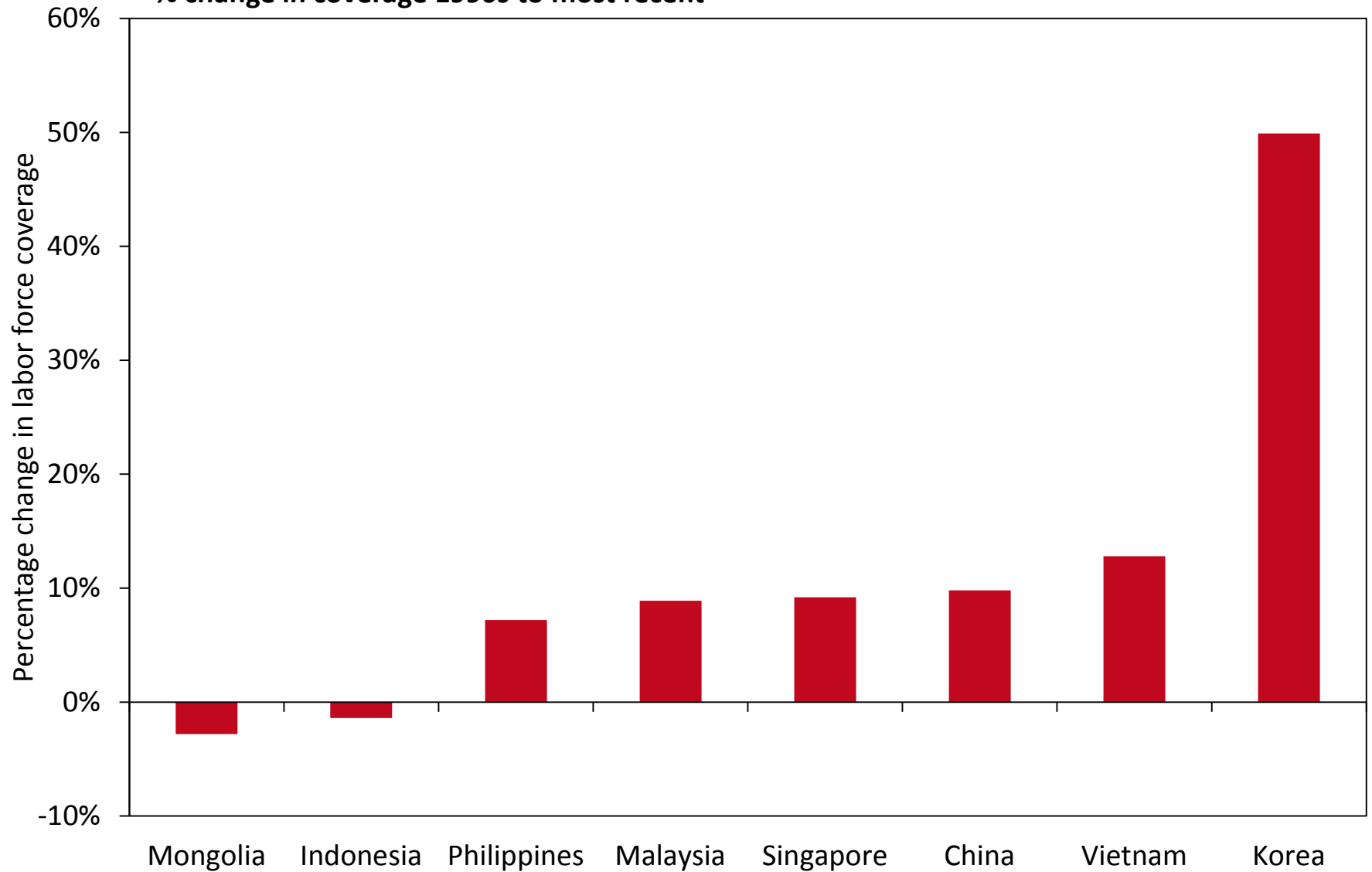
## 2. RETIREMENT INCOME – LOW CONTRIBUTORY COVERAGE

Coverage of contributory by GDP per capita, around 2010



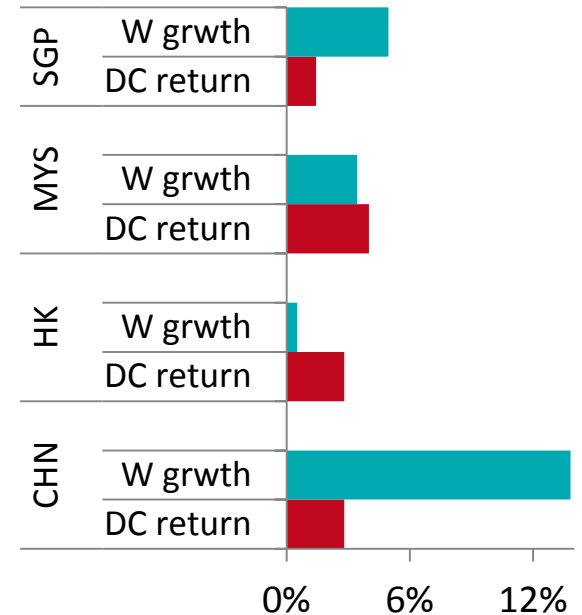
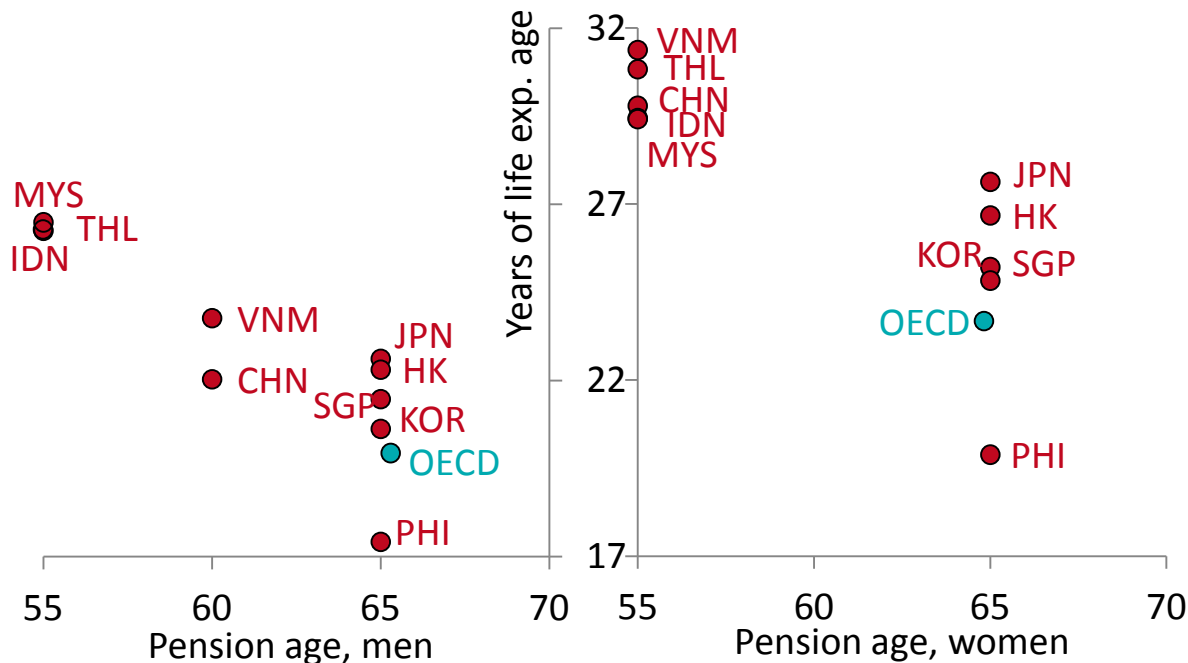
## 2. RETIREMENT INCOME: CONTRIB. COVERAGE EXPANSION SLOW

% change in coverage 1990s to most recent



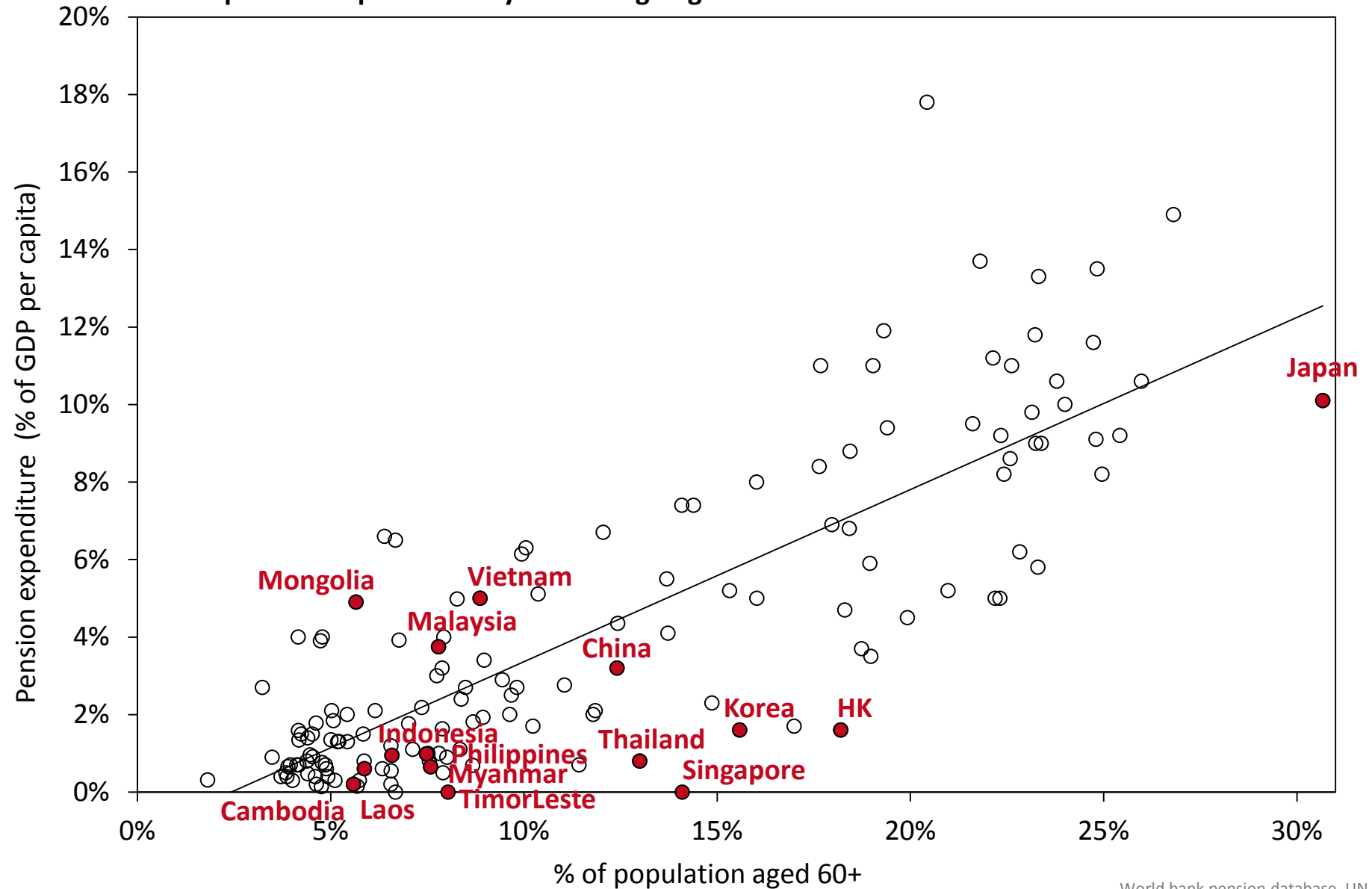
## 2. RETIREMENT INCOME – ADEQUACY (DC issues)

1. Low contributions (IDN; MYS temp ↓)
2. Low accessibility ages (55 in IDN)
3. Lower accessibility age for women (CHN)
4. Low returns (CHN, SGP)
5. Low preservation (SGP, IDN)
6. No longevity insurance (HK, IDN, MYS, CHN)



## 2. RETIREMENT INCOME – SUSTAINABILITY

Public pension expenditure by level of ageing

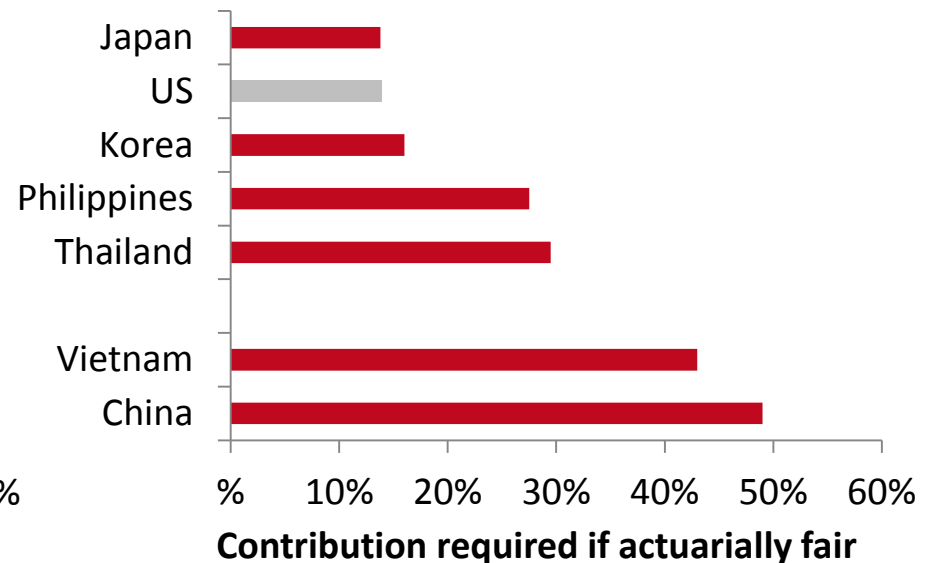
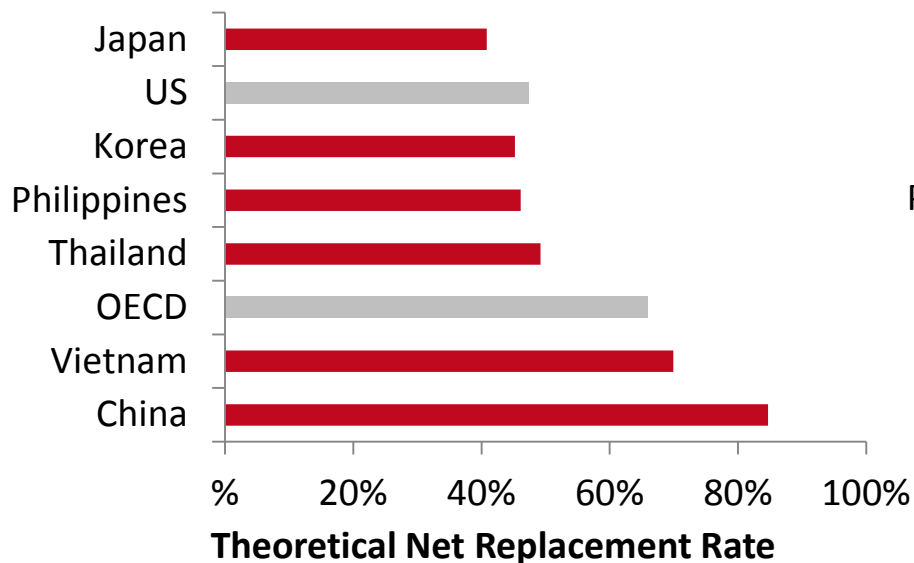


## 2. RETIREMENT INCOME – SUSTAINABILITY (DB issues)

1. Low contributions (THL)
2. Low & gendered pension ages (CHN, JPN, VNM)
3. High target benefits (CHN, VNM)
4. Final earnings instead of career avg. (PHI, THL)
5. Incentivise early retirement, punishing delays (PHL, VNM)

Also

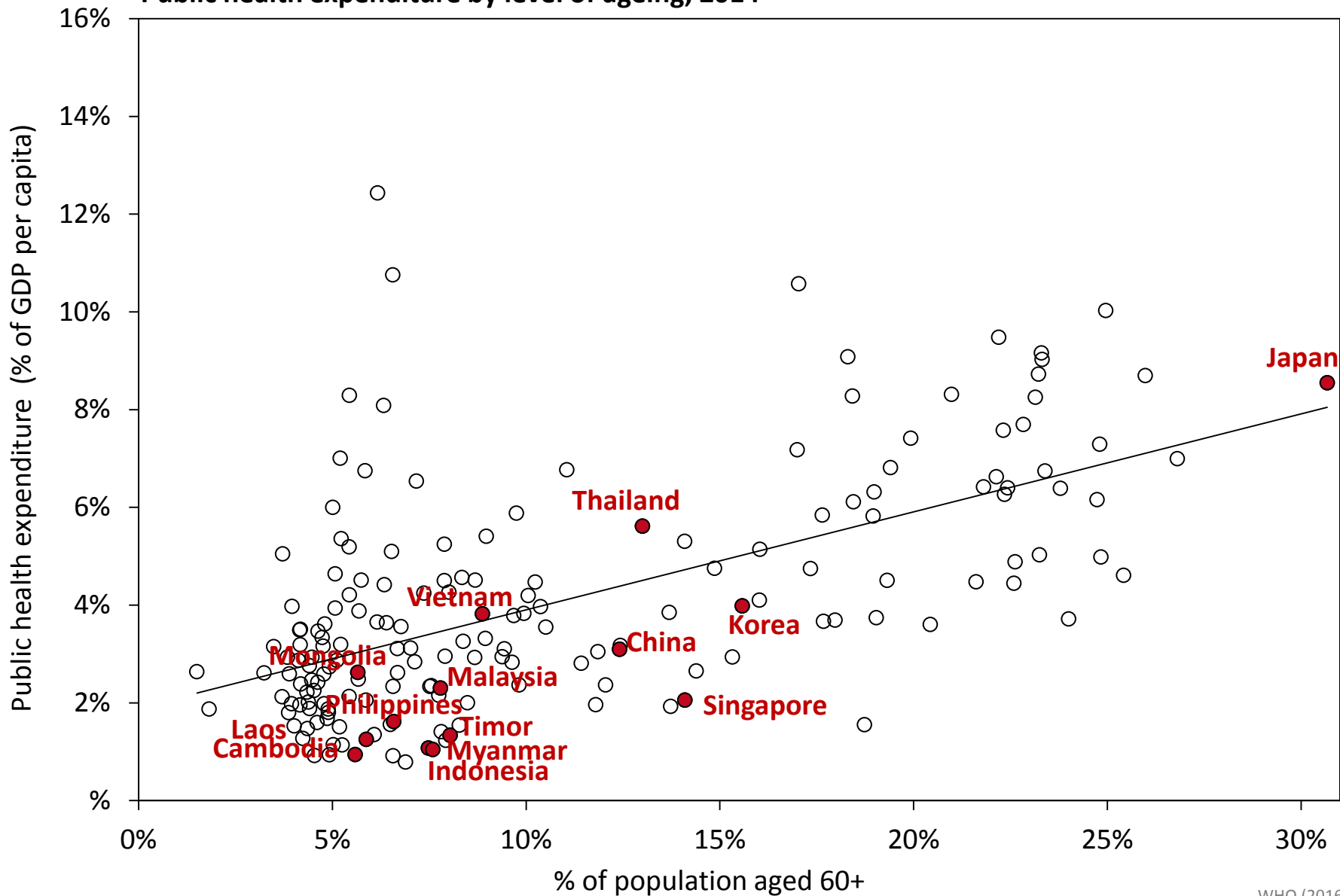
1. Valorisation and indexation issues
2. Poor portability (CHN)



# 3. HEALTHCARE

# 3. HEALTHCARE – CURRENT SPENDING

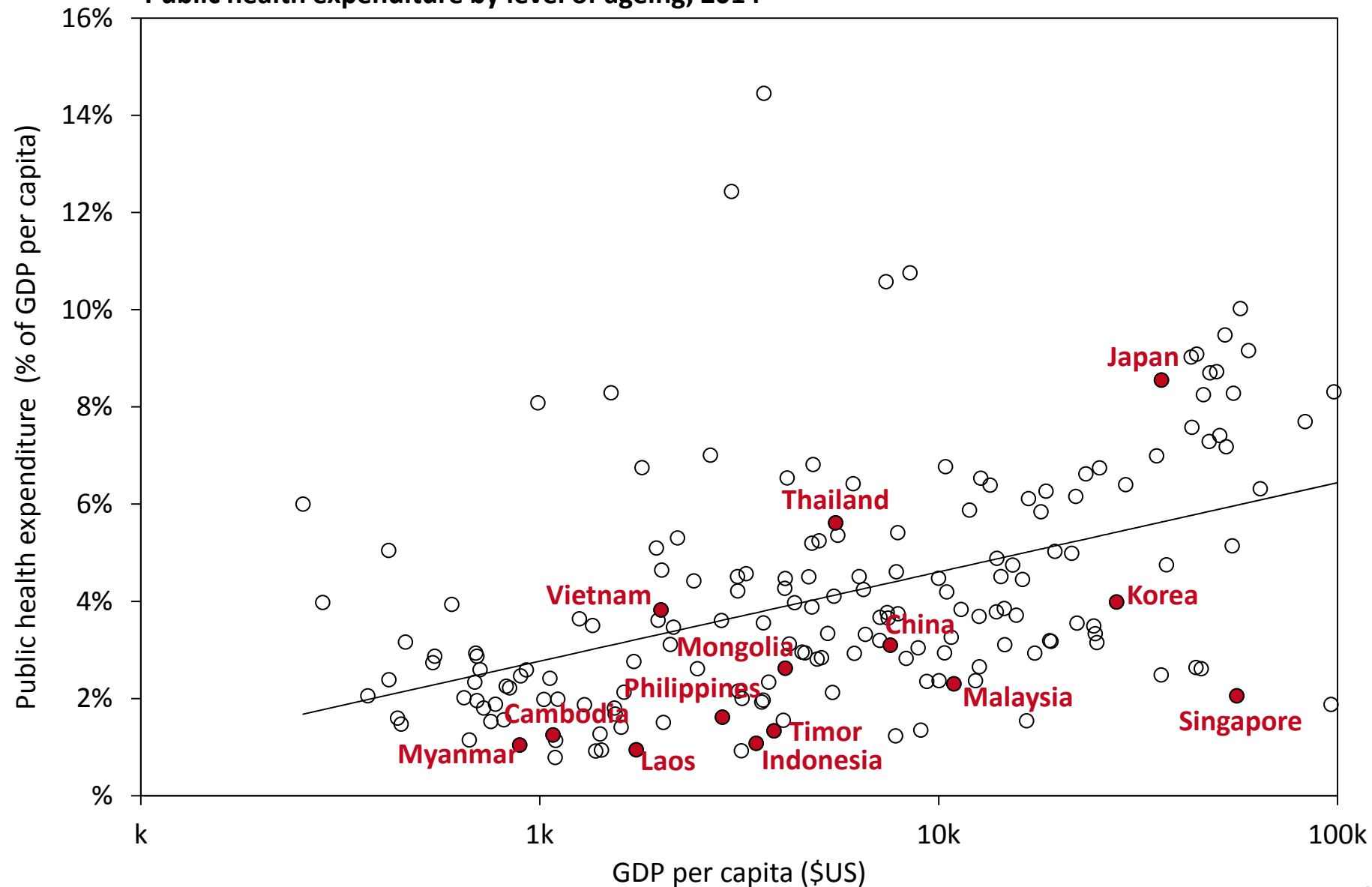
Public health expenditure by level of ageing, 2014





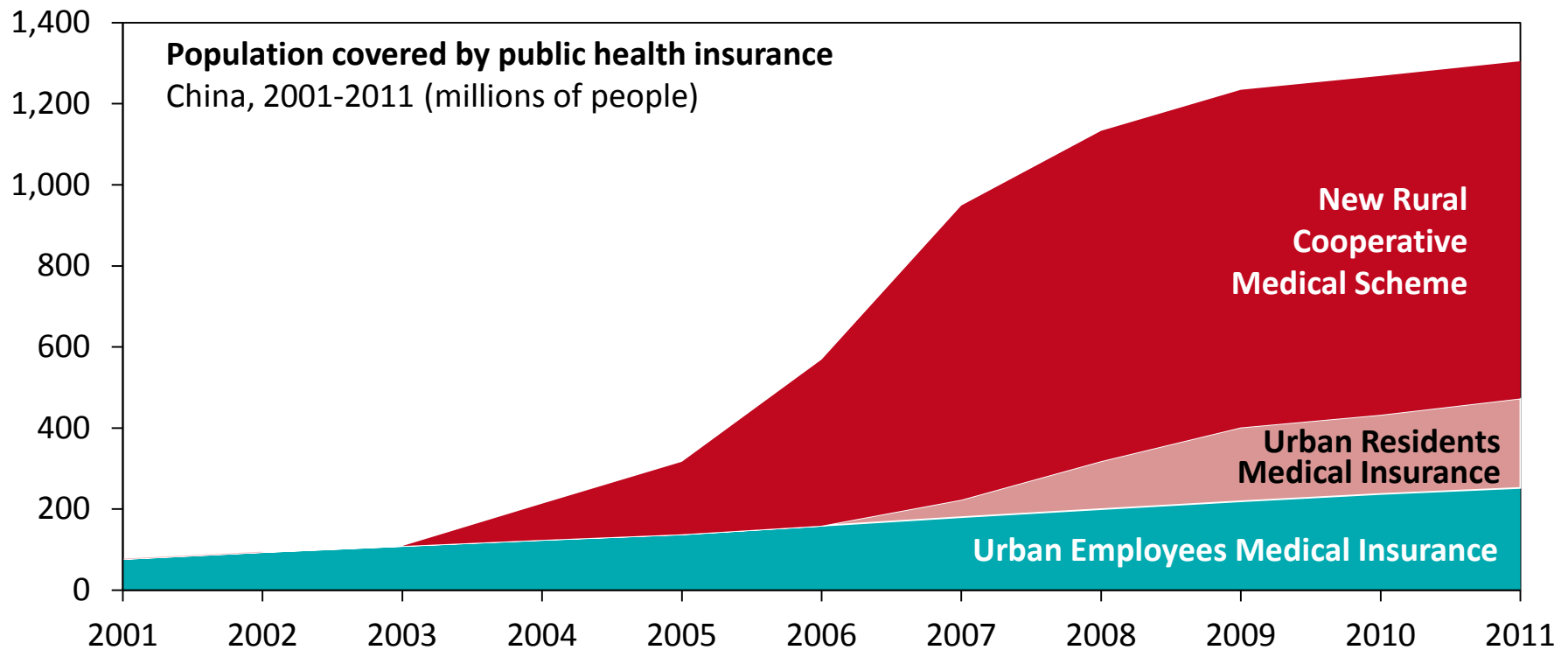
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Public health expenditure by level of ageing, 2014



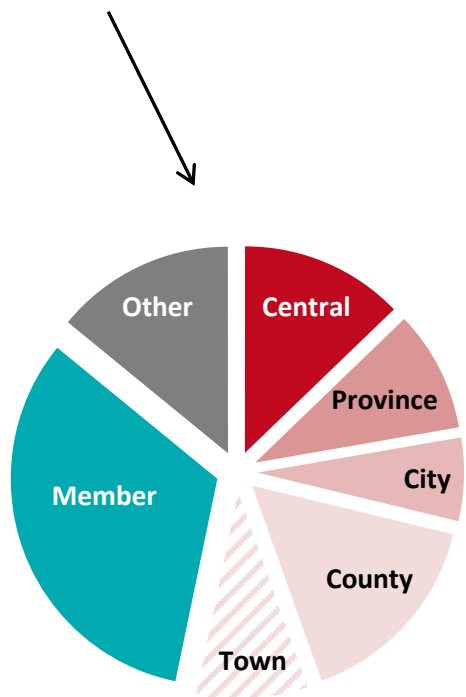
### 3. HEALTHCARE – STRUCTURES & COVERAGE OF INSURANCE

1. Tax financed single systems (MYS)
2. Social insurance single systems (JPN)
3. Parallel for formal and informal (CHN, THL)
4. Hybrid (SGP)
5. Insurance coverage ranges (15% in Laos to univ. CHN, JPN, KOR, MYS, SGP, THL)



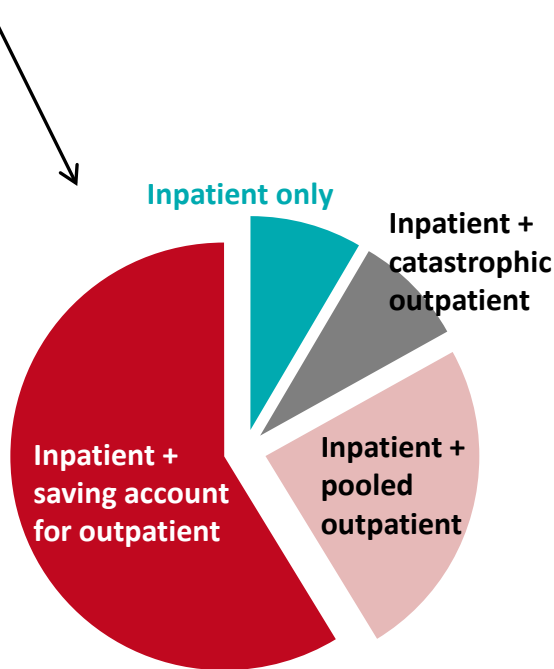
### 3. HEALTHCARE – EXPERIMENTATION & FRAGMENTATION

Fragmented financing



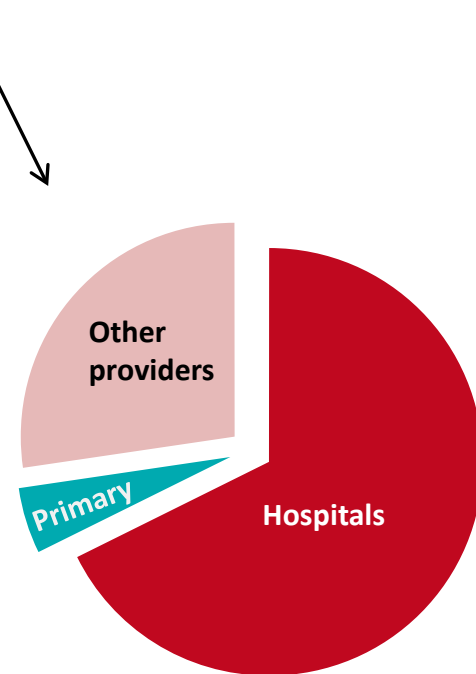
FINANCING, RURAL CHINA

Varied reimbursement, quality & service access



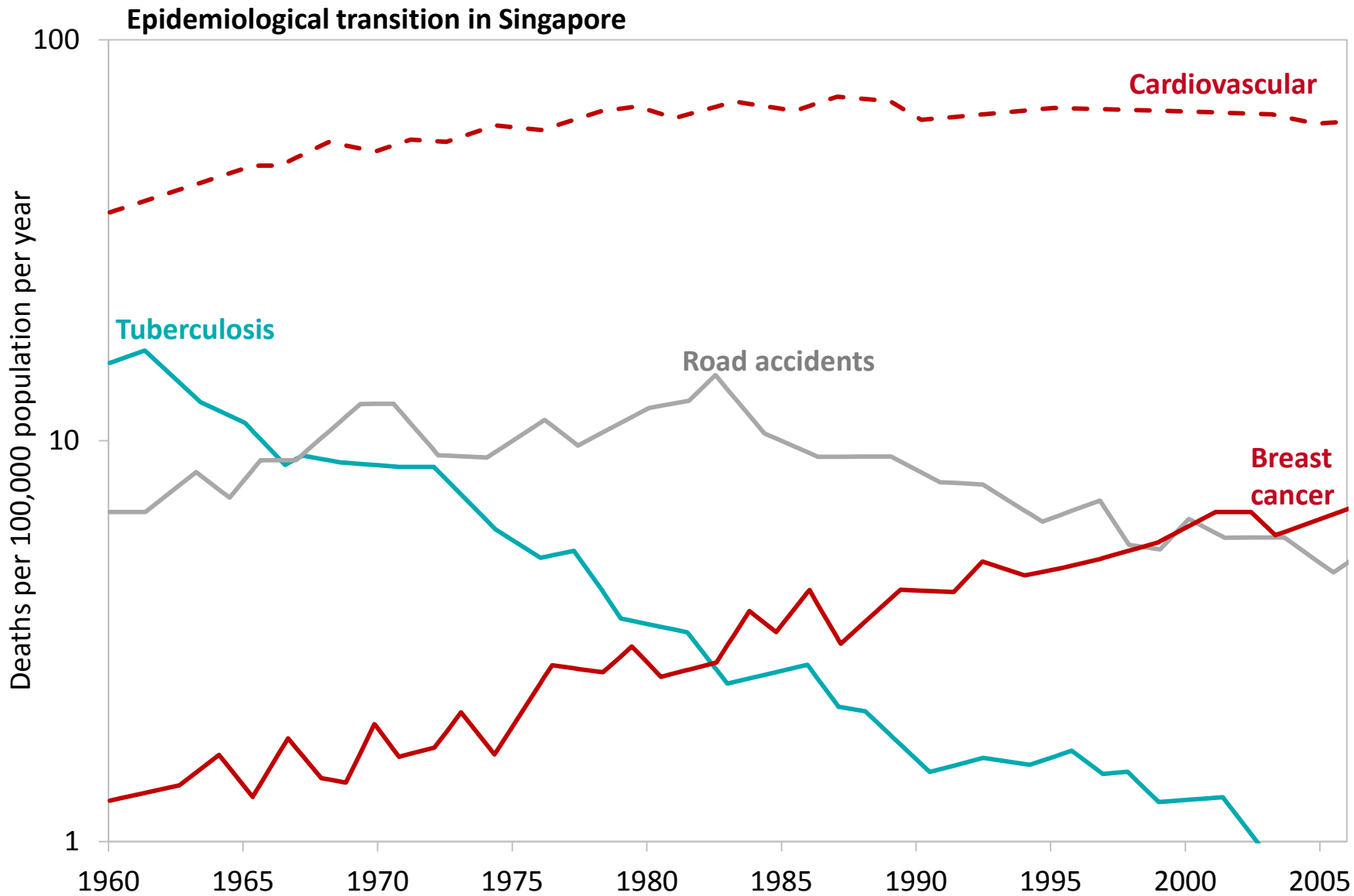
REIMBURSEMENT, RURAL CHINA

Weak primary health: Poor coordination & gatekeeping



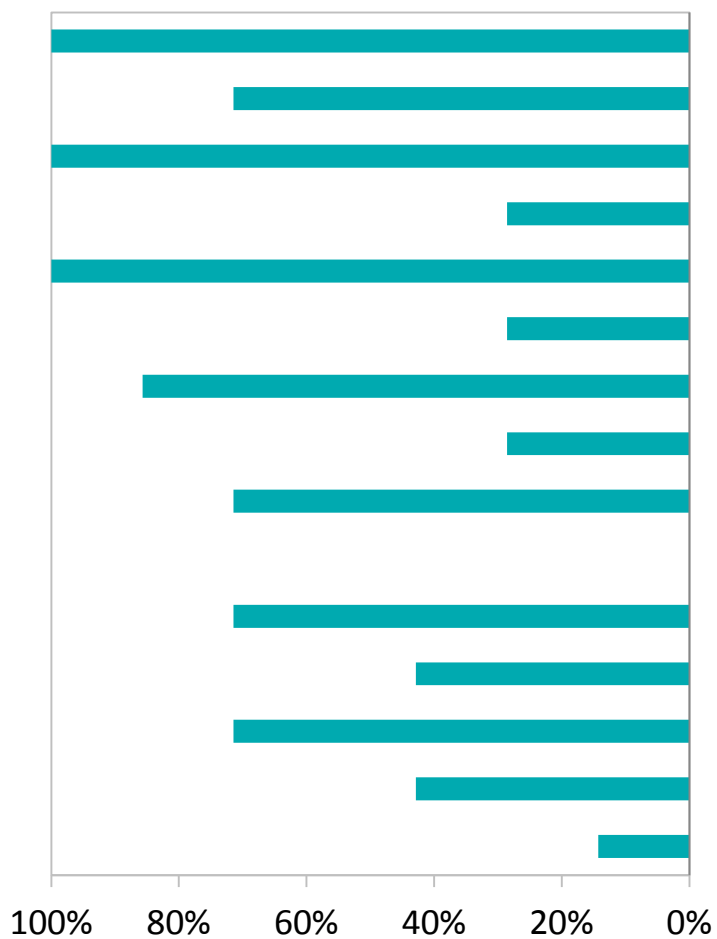
EXPENDITURE, ALL CHINA

### 3. HEALTHCARE – NEEDS

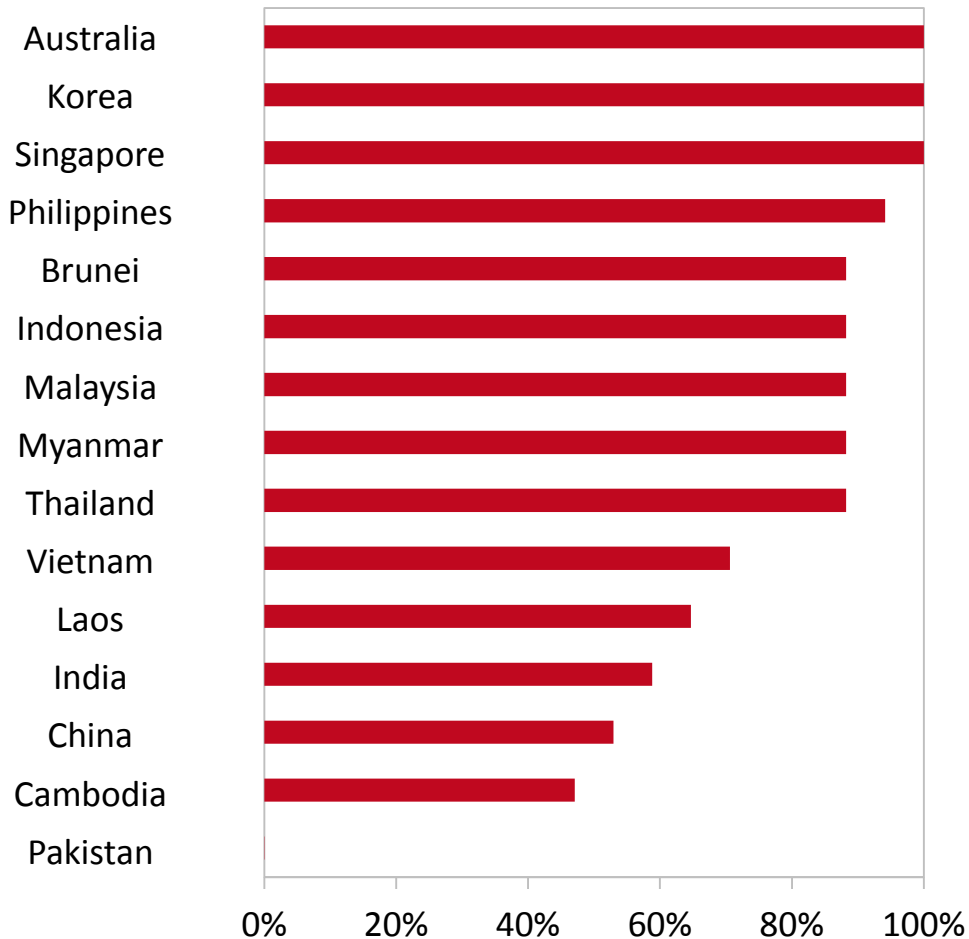


### 3. HEALTHCARE – NEEDS

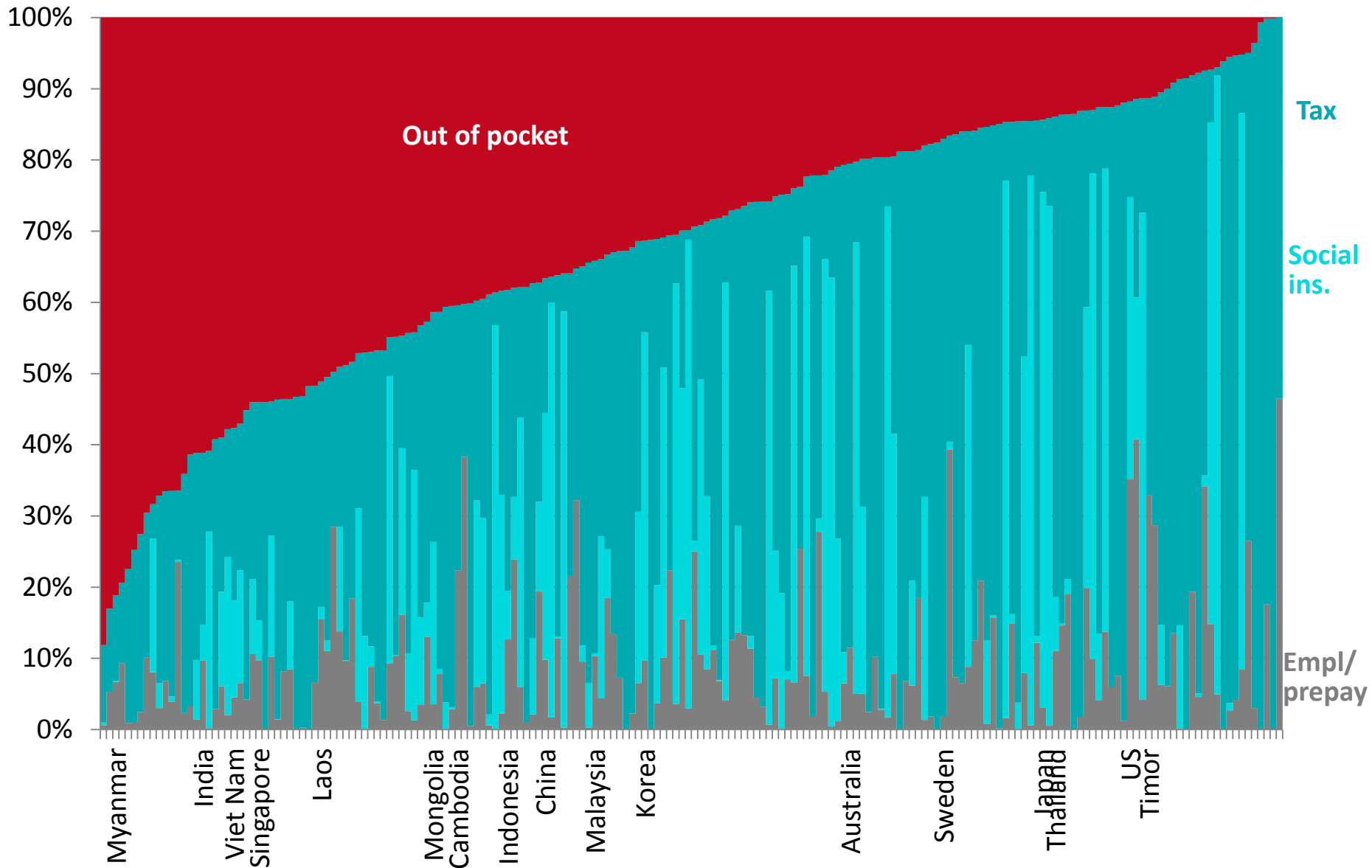
NCD-related screening



NCD-related medicines



### 3. HEALTHCARE – COVERAGE OF COSTS



## 4. LONG TERM CARE

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### **Developed:**

1. JPN, KOR via health insurance
2. SGP private insurance, subsidies for poor
3. HK subsidies to institutions, not home/community

### **Elsewhere:**

1. Residual public provision
2. Pilots in China (carved out of local health insurance)
3. Community schemes
4. Innovations (e.g., China time bank)



## 4. LONG TERM CARE

1. Access (e.g., gateway, info, assessment)
2. Modality of care (home, community, institution)
3. Financing (public insurance / tax; means testing)
4. Policy responsibility (central v devolution)
5. Benefits (cash v in-kind)
6. Informal care (support progs; labour market)
7. Provision (efficiency / tech; workforce)
8. Quality (regulation; market mechanisms)
9. Interventions (prevention & rehabilitation)

# CONCLUSION

- 1. Progress, disparity, but overall Asia not ready:**  
Family values rhetoric may be detrimental
- 2. Could leap-frog bad policy choices:**  
But often repeating OECD mistakes
- 3. Needs progress on both policy *and* institutions:**  
Even good design still faces implementation  
institutional issues



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