CHAPTER 5

CONCLUSION AND POLICY IMPLICATIONS

5.1 SUMMARY OF FINDINGS

While the population of Malaysia is relatively youthful by international standard, the continuing decline in fertility and mortality will result in the aging of her population. Concomitant with demographic transition from high levels of fertility and mortality to low levels of fertility and mortality, the elderly will become more numerous both in absolute and relative terms. The proportion of population aged 60 and over has increased from 5.7 per cent in 1980 to 6.1 per cent in 1990 and is expected to reach 12.6 per cent by 2025. Likewise, the aging index has also increased from 14.3 per cent in 1980 to 16.5 per cent in 1990 and in the year 2025, it is projected that there will be one elderly aged 60 and over to one young person below 15 years. Population aging is expected to be more rapid in Peninsular Malaysia and Sarawak than in Sabah as the latter is still having fairly high fertility rates. Among the three main ethnic groups in Peninsular Malaysia, the Chinese (female more than male) have the highest aging index.

There has been a gradual increase in the old dependency ratio; from 10.4 per cent in 1980 to 10.6 per cent in 1990. However, with a more rapid pace of aging, the old dependency ratio will increase steadily such that every 100 persons in the working age group will have to support 20 elderly persons aged 60 and over in the year 2025. The
expected increase in old dependency ratio indicates that there will be a greater demand in responsibilities of the families, the community and the government.

What is the major determinant of population aging? Application of a modified decomposition technique to the Malaysian data shows that fertility decline is 19.6 times more dominant compared with mortality decline in explaining population aging in Peninsular Malaysia in the period 1957-1992. This can be explained by the fact that fertility decline results in relatively fewer young persons, while mortality decline particularly in infant mortality may result in a younger population. Hence, further decline in fertility and adult mortality is expected to be the principal propellant of population aging in Malaysia.

Population aging will affect the type and cost of health services needed, and impose a growing financial strain on public medical programmes. Hence, it is relevant to focus attention on the health status and health care of the elderly. From the welfare and developmental perspectives, the continued participation of the elderly in society and the care and support for them must also be accorded due considerations.

This study uses the MFLS-II survey data to examine the health status and socio-economic support of older Malaysian. Data show that about 90 per cent of the senior respondents aged 50-79 consider their health as good or fair. A composite index on health status shows that the Malays, currently married elderly and those with higher education generally perceive themselves with better health than the non-Malays, those
who are not currently married and those with little or no schooling even after controlling for age and other variables.

Almost all senior respondents in the MFLS-II sample are able to do basic self-care and the majority are still physically fit. The survey shows that a large number of elderly are still or capable of contributing to society. Hence, concerted efforts should be taken to utilize this human resource and encourage the elderly to remain in the mainstream of society. Bivariate analysis shows that younger elderly, male, Malay, Chinese and highly educated elderly seem to be more physically active than their other counterparts. A multivariate analysis confirms that younger elderly, male, Chinese, those with higher education and who perceived themselves in good or fair health are more likely to remain physically active. As such, specific programmes should be implemented to cater to the needs of the different groups of elderly persons, according to their level of fitness.

More than half of the elderly in the sample were in good health the one month reference period prior to the survey, and hence did not require any health care services. Of those who utilized health care services, differences in the type of health service were found across age group, male and female elderly, urban and rural residents, ethnic group, perceived health status and educational level. The logistic regression model confirms that the older elderly, urban, Chinese elderly and those who perceived themselves in good or fair health are more likely to use private than public health
providers. However, gender and education differences are not statistically significant in influencing type of health care utilization.

The average medical cost paid by the elderly who used a health service in the reference month is about RM34. Medical cost is generally higher in private than government facilities, and this has profound implications on the health care of older elderly as they tend to use private rather than public health care facilities compared with their younger counterparts.

Fortunately, the evidence indicates that a large portion of medical expense for the elderly still come from family members, particularly spouse and children in the household. In the context of shaping a caring Malaysian society, there is a need to strengthen family support of the health cost of the elderly through various measures such as increasing income tax relief. There is also a need to look for alternative measures such as providing social security as the population ages.

About 90 per cent of the elderly in the sample have less than secondary education. Male elderly have higher educational attainment as compared to their female counterparts. Given the positive correlation between education and income, male elderly are financially more independent than female elderly.

A high proportion of the elderly in the sample are found to be still working after age 55, particularly the young-old, male, Malay, the rural elderly and those who perceived themselves in good or fair health. This may stem from the individual's past
working experience, skills, qualifications and socio-economic background. It would be of policy concern if financial consideration is the main reason for work. A logistic regression model finds that the younger elderly, male, rural resident, Malay and those in good or fair health are more likely to continue working.

The majority of the elderly workers, particularly those who have low educational attainment, are engaged in agriculture, with the rest in sales, service and production sectors. There is a higher concentration of female than male workers in agriculture. It is found that most elderly workers are self-employed or own account workers, which may indicate a rather insecure financial position since income may not be regular. The mandatory retirement age in the formal sector means that more older elderly are found in this vulnerable position compared with the younger elderly.

This study further finds that more than half of the elderly are not covered by provident fund or other fund or pension. The evidence seems to indicate that the large majority of the elderly do not have financial resources to support themselves, especially among the female, the older, those with low education and living in rural areas and working in marginal jobs. Hence, the implication of aging and the welfare of an increasing number of elderly must be accorded due attention.

The present study indicates that while the majority of the Malaysian elderly still live with spouse and adult children, a small but increasing proportion of them are staying alone. Although coresidence with family members facilitates physical, financial
and emotional support of the elderly, it should not be concluded that less family support is available for the elderly who live alone. Nevertheless, there is a need to ensure that the elderly as a group do not become neglected, and hence policies and programmes to enhance and improve family ties and support of elderly cannot be over-emphasized. A multivariate analysis confirms that female elderly, those who stay in urban areas, the Indians, those with more surviving children and current not working have a higher probability to coreside with their adult children. This means that socio-economic, demographic and ethnic background do have some impact on the coresidence of elderly with adult children.

Coresidence with spouse declines with age among female elderly but the reverse is true of male elderly. This is due largely to age difference at marriage, with the male usually 3-5 years older, and a higher female life expectancy. Hence, female elderly would require a special focus since unlike the male elderly many have to rely on children and others when they themselves grow old.

The strong family support is illustrated by many Malaysian elderly who receive support from adult children including those living elsewhere. Thus, children are undoubtedly the most valuable and significant source of support for the elderly in Malaysia. Bivariate analysis shows that female elderly, the Chinese, those who stay in the rural area, those widowed, divorced or separated, those currently not working and those with more children living elsewhere are more likely to receive remittance from such adult children.
On the other hand, the elderly in Malaysia also provide financial support for aged parents and children living elsewhere. Data show that 87.9 per cent of the elderly have children living elsewhere, and of these, 14.3 per cent provide financial support to their children living elsewhere. Of the 19.4 per cent of the elderly who have aged parents living elsewhere, 48.2 per cent of them provide financial support to their aged parents. The elderly also carry out household activities, assist in child care generally until very old age. Elderly women are more likely than elderly men to provide assistance in household tasks and child care. The Indian and rural elderly have higher probability of providing such assistance to their adult children living elsewhere compared to their other counterparts.

5.2 CURRENT AND EMERGING ISSUES

With declining fertility, family size will become smaller and hence reduce the number of kin within and across generations for the elderly to rely upon during old age. This problem will worsen in view of the rising proportion of single households and those who never marry (Tan et al., 1992e: 10), which may result in uncertainty of old age care and support since many would not have children or those of younger generations with them.

With the rapid increase in absolute number and proportion of elderly population, the old dependency ratio will rise in the future. Those in their middle ages may therefore have to support more than one generation of elderly. As health care for
the elderly is generally more costly than that for the youth, the financial burden on the family of an aging population will become more imposing. It may be beyond the capacity of many adult children to shoulder such burden, especially as they have fewer siblings. Hence, welfare responsibility for the elderly may shift increasingly to the community and the government.

With the extension in life expectancy, many of those who survive to very old ages are likely to be female. The increasing imbalance in the sex ratio, with women outnumbering men at older ages poses serious implications. Females are less likely to be economically independent compared with males and hence they are more vulnerable. It is therefore of paramount importance to identify and highlight the special needs of female elderly. Besides, increasing life expectancy will also increase the probability of an elderly having to care for his or her aged parents.

Despite the existence of a number of employment-related security schemes, many workers in the formal sector have yet to be covered, not to mention the informal sector workers. Hence, there is a need to identify the group who are currently not covered by any security scheme so that appropriate programmes can be formulated.

Although there is no evidence from this study to show an erosion of traditional family support and care for the elderly, there are many pressures on families and they may not be able to provide continued and adequate care and support to the elderly. Increased education, urbanization and socio-economic development have resulted in
increased social mobility. Rural-urban and international migration of the younger generation reduces the availability of adult children and middle age females to provide care for the elderly (Chan, 1982, 1985; Tan, 1992c).

For the formulation of appropriate policies and programmes, data on the reasons for the elderly continuing to work must be obtained. It should be of policy concern if financial consideration is the main reason for work. There is also a strong case for undertaking research on those who are not covered under the EPF or any security scheme and on ascertaining viability and sustainability of providing greater coverage. Future surveys should also include information of caregivers and problems faced by them in taking care of the elderly, as such information is necessary for designing an appropriate health care and socio-economic support system that can meet the needs of both the elderly and care providers. There is very little discussion of the elderly as a resource. It would be fruitful to develop coordinated strategies to involve the elderly in the mainstream activities of society by also looking at the changing pattern of household structure, the flow of support across generations and the social and economic characteristics of the elderly.

5.3 POLICY IMPLICATIONS AND RECOMMENDATIONS

The effects of population aging often emerge at the final stage of the demographic transition. As such, they have yet to pose serious problems in Malaysia. Nevertheless, continuing decline in fertility and adult mortality are likely to result in an
aging population in Malaysia in the future. Therefore, effective long-term development policies and programmes are essential, taking into consideration that future cohorts will be different from present elderly in terms of socio-economic and demographic characteristics. In line with Vision 2020, the family institution is to be strengthened and made more resilient to provide the necessary care among family members so that a fully caring society is established, which revolves around a strong family and kinship support system.

Malaysia does not have specific policies and programmes for the elderly. The needs of the elderly are incorporated in the National Social Welfare Policy along with the disabled and other disadvantaged groups (Government of Malaysia, 1991: 380). To call for public efforts in expanding resources for the elderly, policy makers and planners themselves have to be convinced that aging problems are indeed real and significant. With a growing awareness of the impending aging of population and the need to provide for an ever increasing number of elderly in the future, the need for specific policies and programmes for this target group has become imminent.

While Malaysia has a comprehensive health and medical services which provide a wide range of preventive, curative and rehabilitative services for the general population, the geriatric service and counseling for the elderly population is still at an infancy stage. There are now 3 geriatricians, 3 gerontologists and 5 rehabilitative physicians in Malaysia. There is only a functioning geriatric unit at present in Hospital Seremban (Ministry of Health, 1994). In view of the fact that health generally
deteriorates with age, it is of vital importance to establish facilities that provide services at low cost for the early diagnosis of illness, health maintenance and therapeutic health care required by the elderly.

From this study, it is found that at least half of the elderly are still physically active and capable. Community-based programmes should therefore be implemented to increase the participation of the elderly in politics, community and social activities. This will keep the elderly healthy as well as realize their potential as a socio-political force and ensure their continued contribution to national development. Non-governmental organizations, religious, voluntary and societal institutions should facilitate the elderly to continue to play their roles. Institutions of higher learning can provide life-long education for the elderly to further their studies or to acquire skills or knowledge by relaxing the conditions of admission and reducing the rate of admission fees (Hamid et al., 1989). On the other hand, special programmes should also cater to the needs of elderly who have physical disability. For instance, the Ministry of Transport should provide special facilities which are easily accessible to the elderly, especially those who are disabled to facilitate their mobility.

Concerted efforts should be made to ensure more efficient and equitable distribution of health facilities, by reducing the concentration of private health care providers in the cities. With escalating medical cost, it is necessary to look into alternative ways of financing health services, such as establishing a national health security fund. This would shift part of the burden of financing from government to
consumers who can afford to pay. However, government subsidies should continue to be provided to the elderly who cannot afford to pay. National health insurance may be another way for the elderly to have access to quality medical services and thus maintain their good health and functional capacity for continued contribution to society.

Increased life expectancy and improved health coupled with a rising proportion of elderly and a tightening of labour market in certain areas suggest that serious consideration should be given to increasing the retirement age to encourage self-support of the elderly, and help overcome problems of labour shortage. Retirement should be made more flexible (Chan, 1995) to allow the elderly to continue working if they are willing and physically fit to do so. This will not only reduce cost of financing retirement but also provide psychological benefits for the elderly. As proposed by Tey and Tey (1995), measures such as a reduced EPF rate could also be considered to reduce the cost of employing elderly workers.

The future elderly are likely to be better educated, healthier and equipped with occupational skills that would extend the potential years of active working life. Hence, appropriate formal and informal programmes should be implemented to enhance and upgrade the skills of pre-retiring and retiring manpower through a series of vocational training programmes using existing universities and colleges. In this regard, the Ministry of Education, the Ministry of Human Resources, Ministry of Entrepreneur Development and other relevant agencies have important roles to play. They should create public awareness that the elderly can contribute to socio-economic development.
and facilitate their participation in the labour force. The recent steps taken by the Ministry of Education and the Ministry of Health in relaxing the recruitment procedures of retired teachers and nurses may pave the way for greater employment of older workers (Tey and Tey, 1995).

Provision for old-age security should also be carefully studied. In view of the fact that about half of the labour force are not presently covered by any provident fund, such as EPF (Asher, 1994), steps should be taken to increase coverage especially those in the informal sectors. Such programmes should be formulated in anticipation of socio-economic changes of the elderly to ensure that there is at least some form of financial security for old age.

Since physical and financial support of the elderly are left almost entirely to families and coresidence with children is a common practice, there is a need to design a comprehensive policy for maintaining this tradition. Incentives, such as increased tax rebates and monthly allowances should be provided for those who are taking care of aged parents. Public housing should also be made more conducive for the elderly to coreside with children.

Intensive health education and training programmes for care-givers such as family members, medical and paramedical staff, community and social workers should be developed to improve the quality of services and care to the elderly. There should be home visitors' services to provide advice, counseling and help to families having
problems with caring for their elderly members (Tan, 1992a). Special attention should also be paid to the very old, the rural elderly, and elderly with no children or relatives to care for them.

In Malaysia, institutionalization is considered as a last resort and only for elderly who are destitute or without families (Martin, 1988). There are a number of private nursing homes. However, according to Jalal (1994), many of these are not properly organized; the facilities are inadequate, ventilation is poor and staff are inadequately trained and fees are high. Hence, legislation and regulation covering the running of voluntary and commercial old folks homes should be implemented to improve the quality of care and service in such homes.

As health is a life-long process, proper nutrition and exercise should be promoted from young. In this way, more elderly will remain fit and healthy and will be able to contribute and participate actively in all aspects of social and economic activities in society. Promotion of a healthy life-style therefore should be emphasized as of foremost importance as a healthy population is the most valuable resource of any nation.