



BUILDING INCLUSIVE SOCIETIES-AGING: INCLUSIVITY; AGENDA FOR THE ELDERLY

Management of Social Transformations (MOST)
UNESCO Senior Officials Meeting

20 March 2017

Outline

- Definition
- Steps to Promote Social Inclusion
- Ageing as an Agenda
- Inclusive Society – Malaysia
- Existing Pension Scheme
- Issues and Challenges
- The Establishment of the Malaysia Social Protection Council (MySPC)
- Conclusion

Definition

What is meant by an Inclusive Society?

An inclusive society is a society that over-rides differences of race, gender, class, generation, and geography, and ensures inclusion, equality of opportunity as well as capability of all members of the society to determine an agreed set of social institutions that govern social interaction (Expert Group Meeting on Promoting Social Integration, Helsinki, July 2008).

Elements necessary for creating an Inclusive Society (cont.)

- Respect for all human rights, freedoms, and the rule of law, both at national and international levels
- Maintaining the security of all individuals and their living environment
- All members of society are able and motivated to participate in civic, social, economic and political activities, both at the local and national levels
- The existence of a strong civil society is fundamental for active participation and making public policies and institutions accountable

Elements necessary for creating an Inclusive Society (cont.)

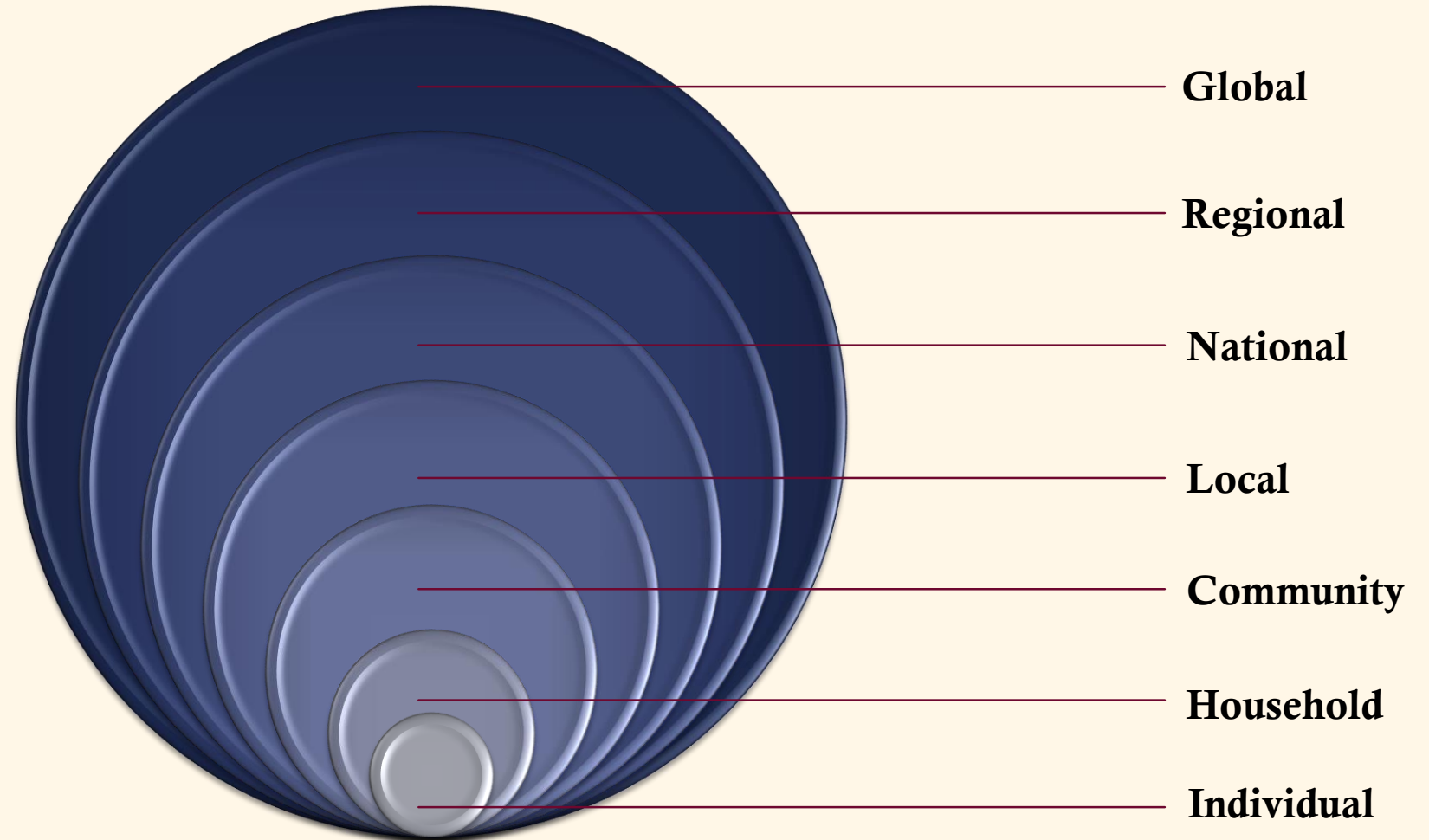
- Universal access to public infrastructure and facilities
- Equal access to public information
- Equity in the distribution of wealth and resources
- Tolerance and appreciation of cultural diversity
- Education to instill values of respect and appreciation of diversity
- Effective leadership
- Create positive narratives of an inclusive society of the future, and enable each member of society to share, understand and contribute to those narratives

Understanding Social Inclusion

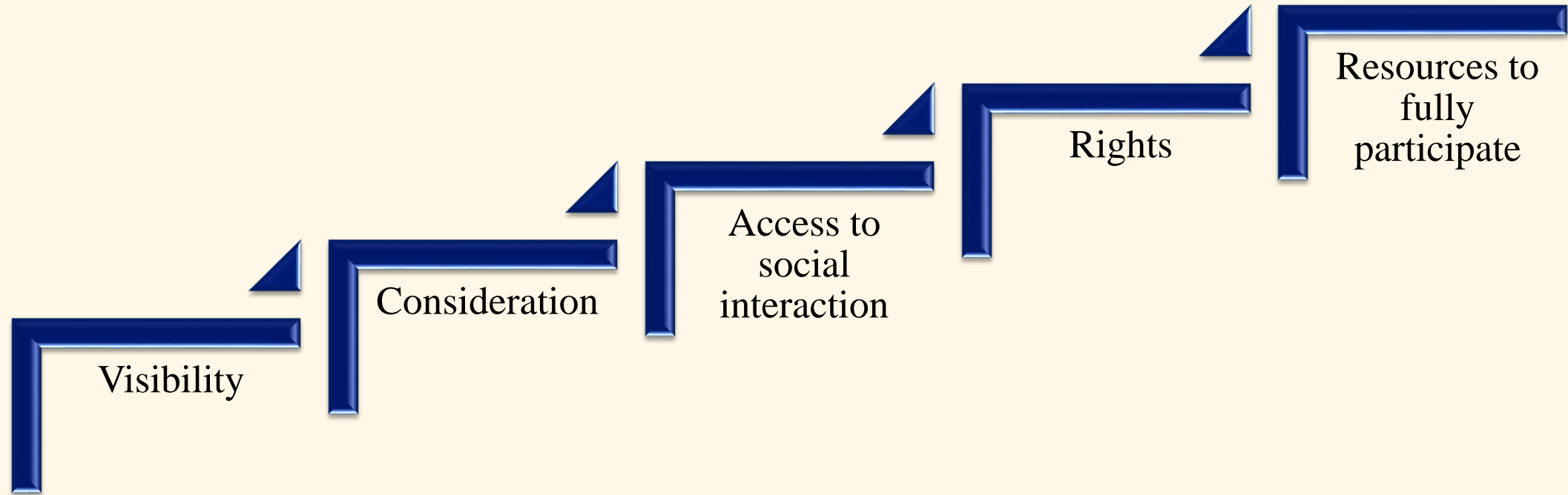
Inclusion is community. No one becomes included by receiving handouts, even if these handouts are given by public bodies and with public resources. No one becomes included by being treated by a program in which they are no more than a number or a statistic.

Inclusion is connection to the network of community development, it is to become more than a speck of dust, to have a forename and surname, with one's own distinctive features, skills and abilities, able to receive and give stimulus, to imitate and be imitated, to participate in a process of changing one's own life and collective life (Busatto, 2007: 4).

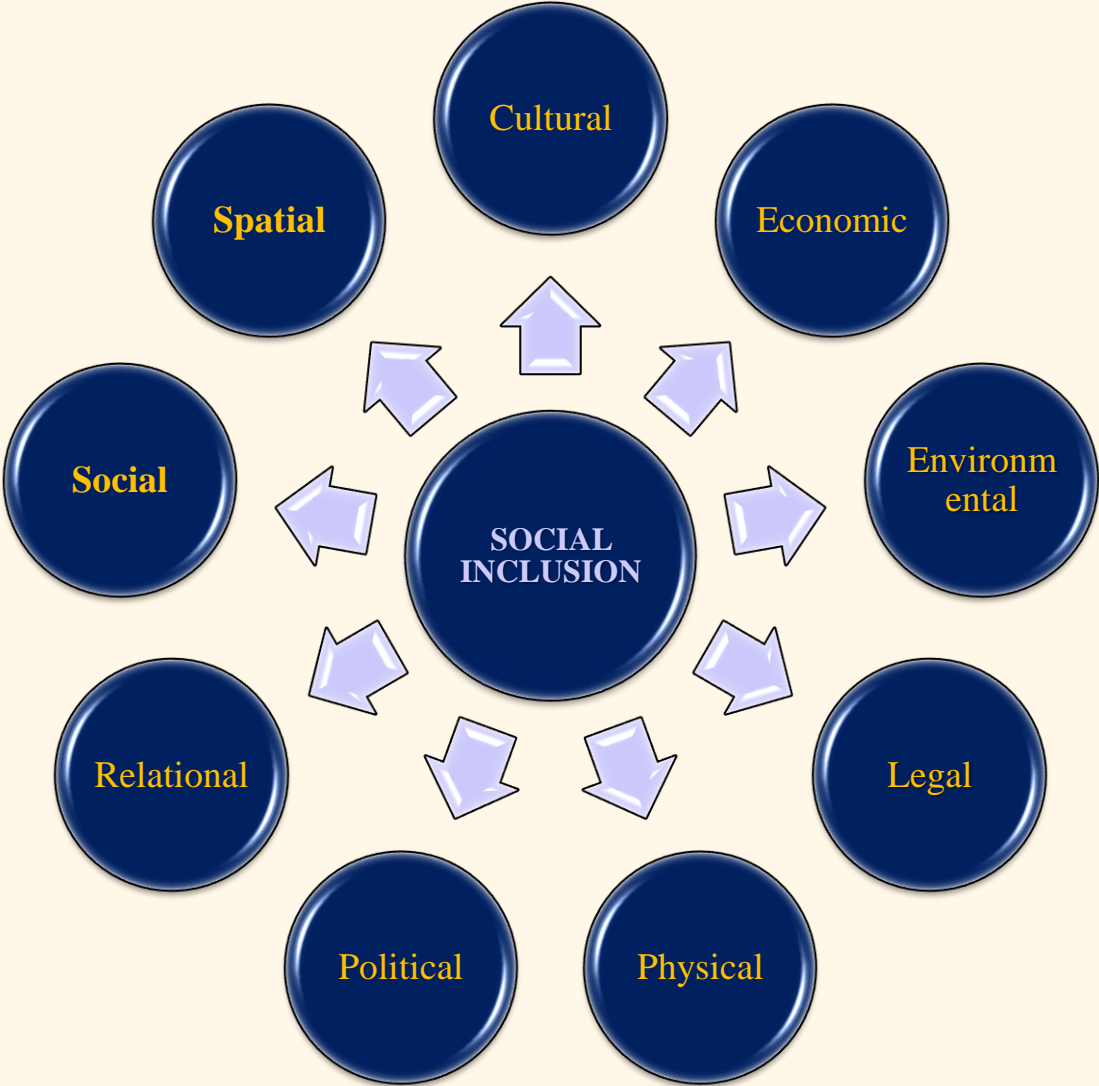
Dimensions of Social Inclusion and Exclusion



Steps to promote Social Inclusion

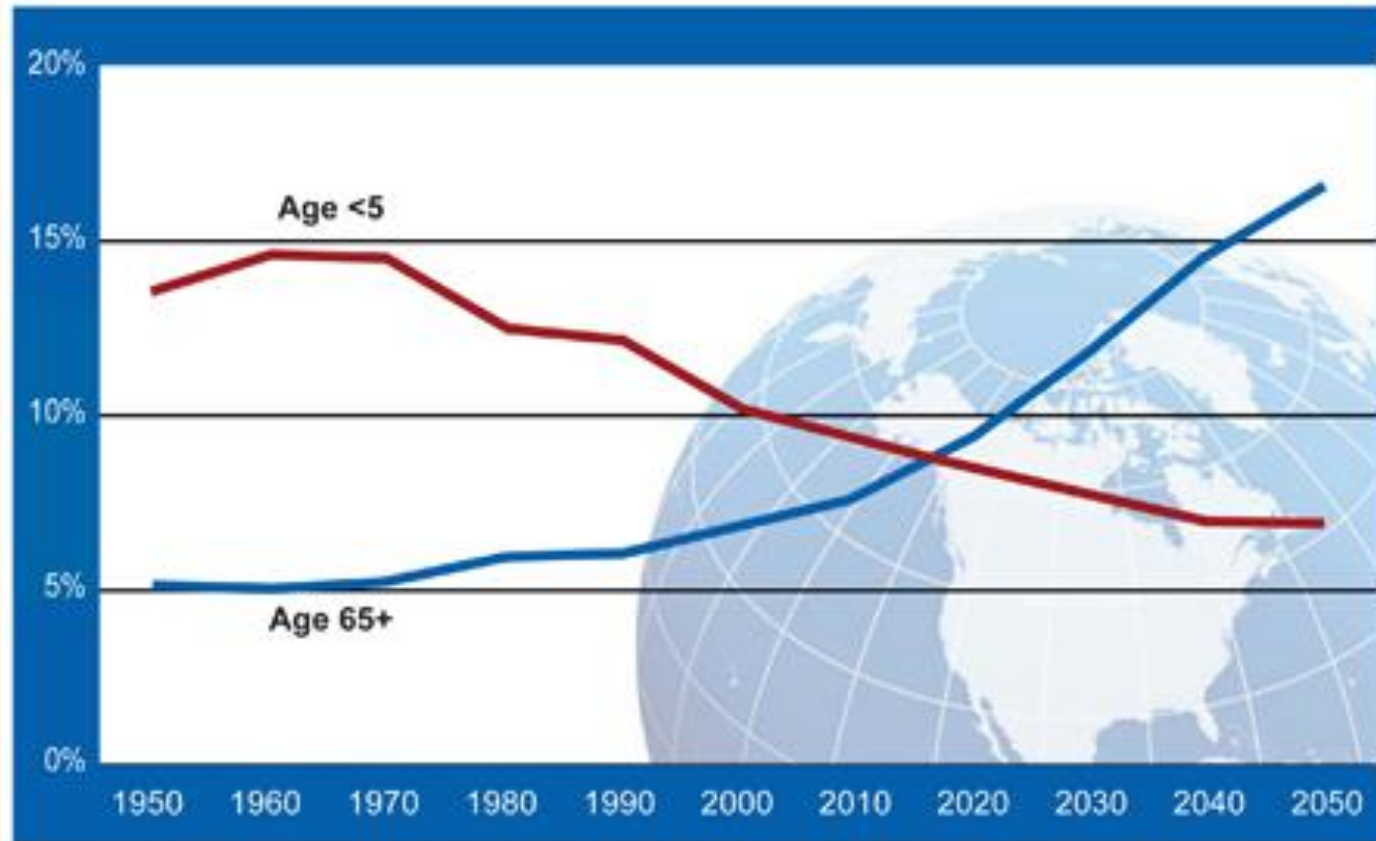


Dimensions and elements of Social Inclusion and Exclusion

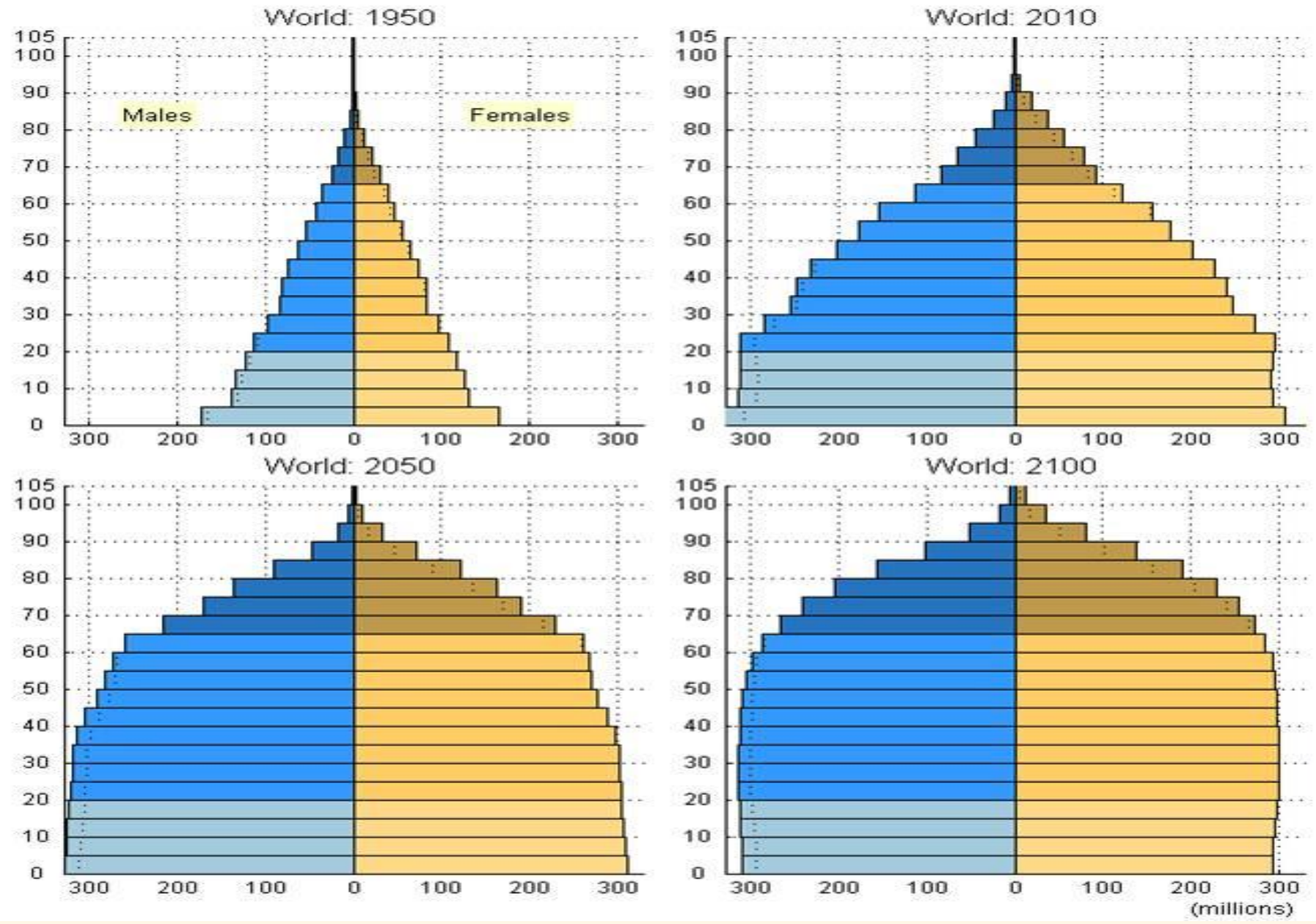


Ageing as an Agenda

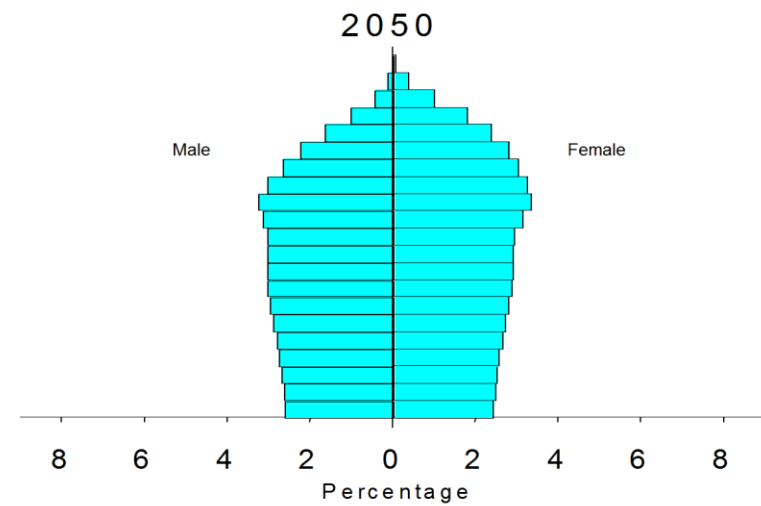
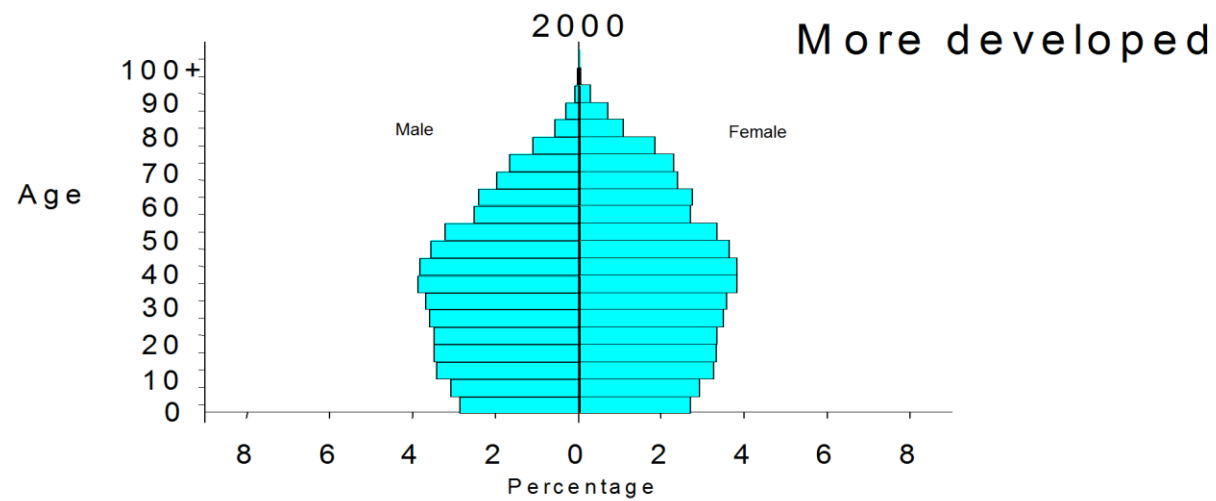
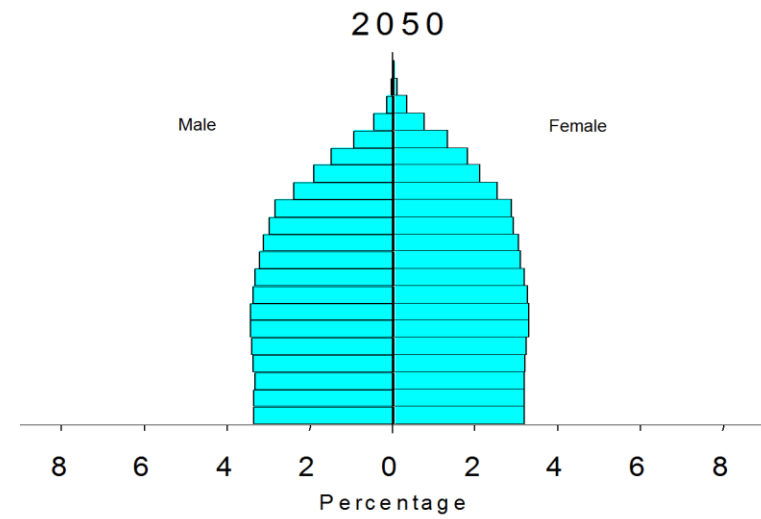
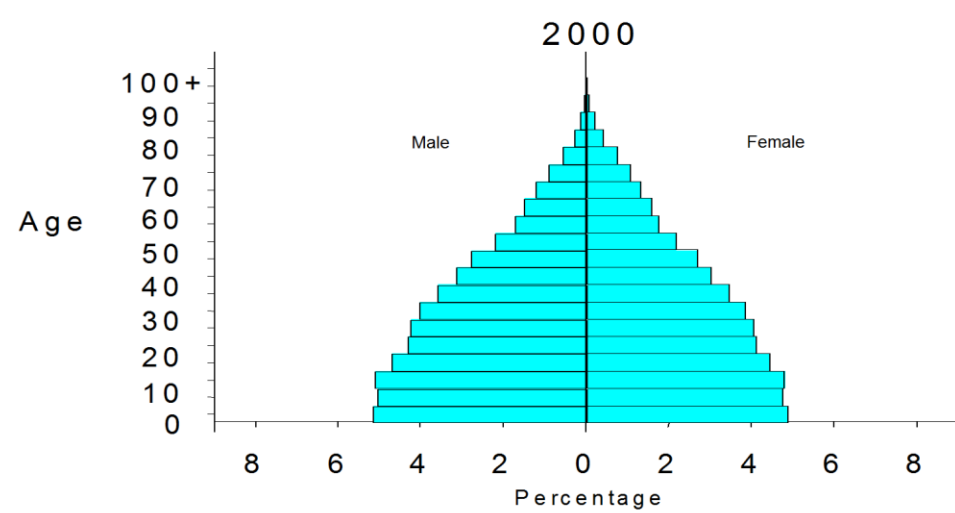
Why Aging?



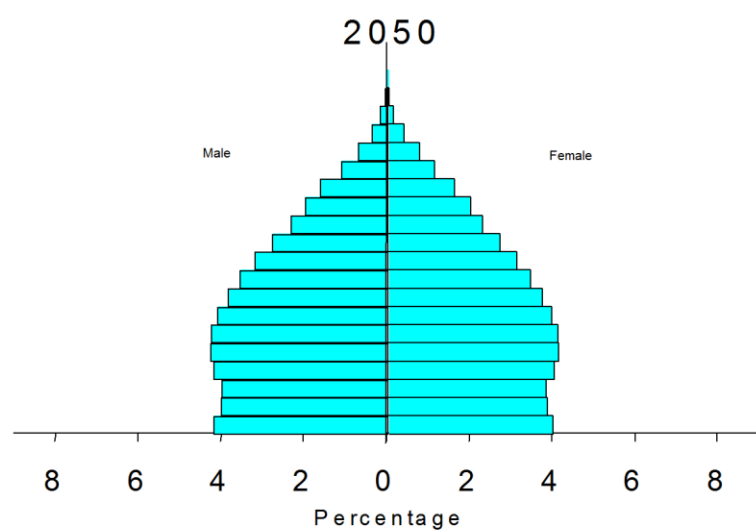
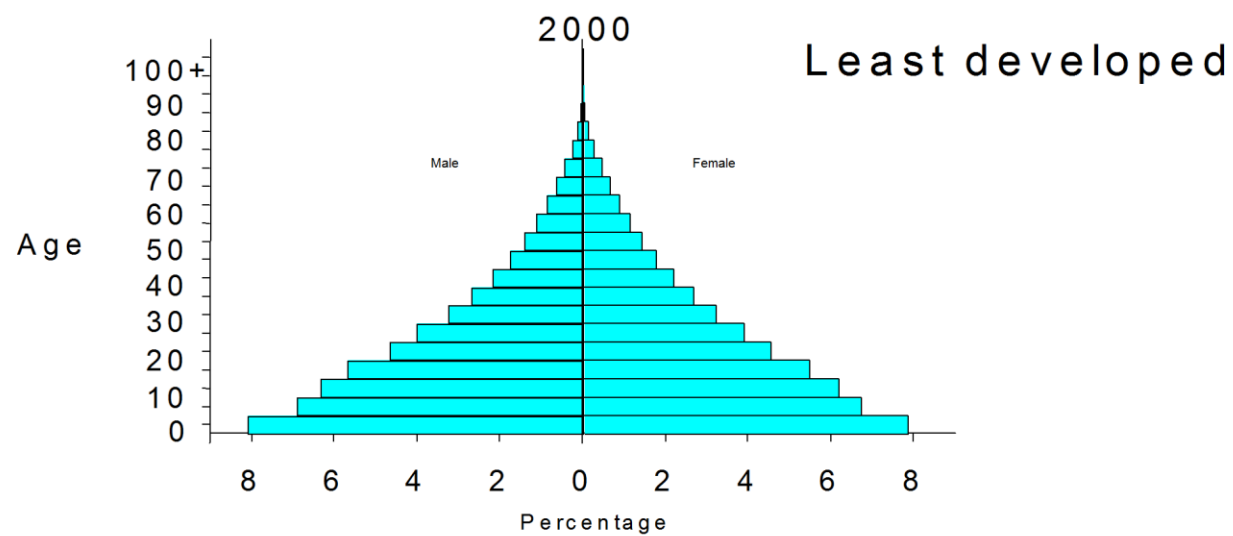
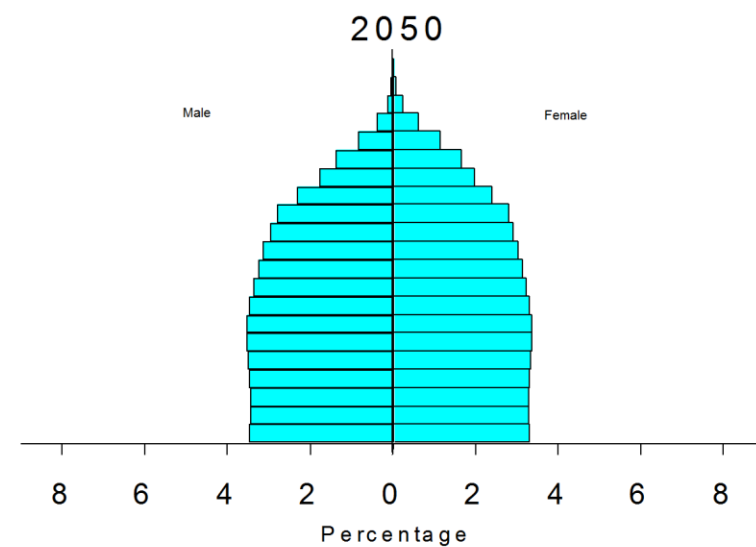
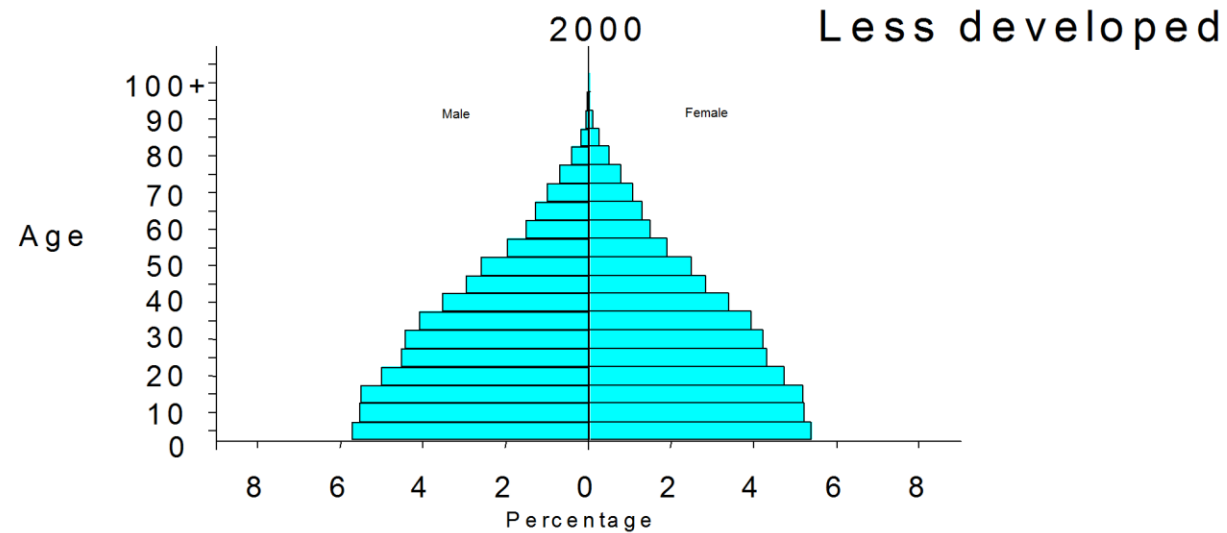
Source: National Institute on Aging, U.S. Department of Health and Human Services



Source: Huffington Post



Source: Holzmann, 2013



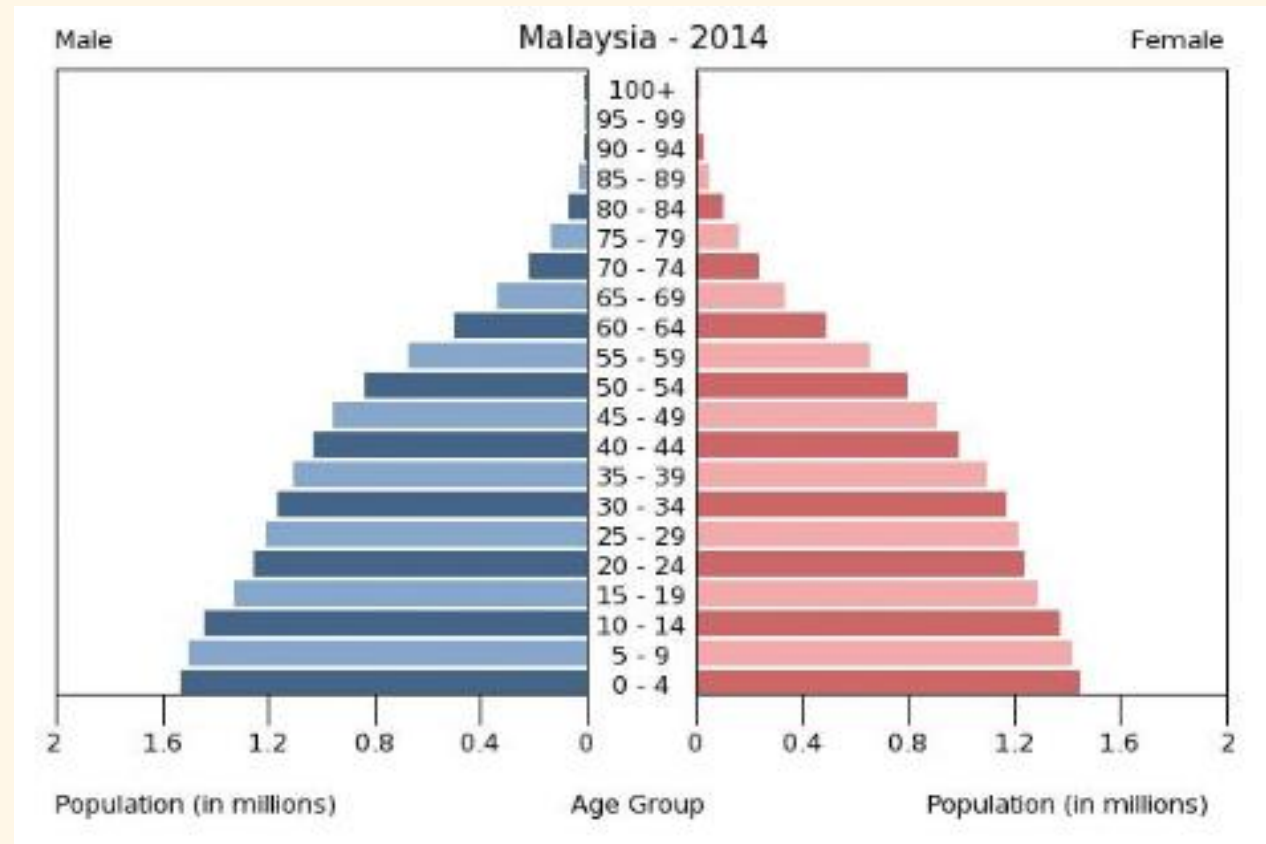
Source: Holzmann, 2013

Building Inclusive Society – The Case of Malaysia

Ageing Population

- The median age of the population has increased from 21.4 years in 1991 to 28.0 years in 2016
- The proportion aged 60 and over had increased from 5.6 percent in 1991 to 9.2 percent in 2015.
- The declining fertility opens up the window of opportunities for the nation to reap the demographic dividend, as a high proportion in the labor force age group means that more resources could be channeled for human and national development

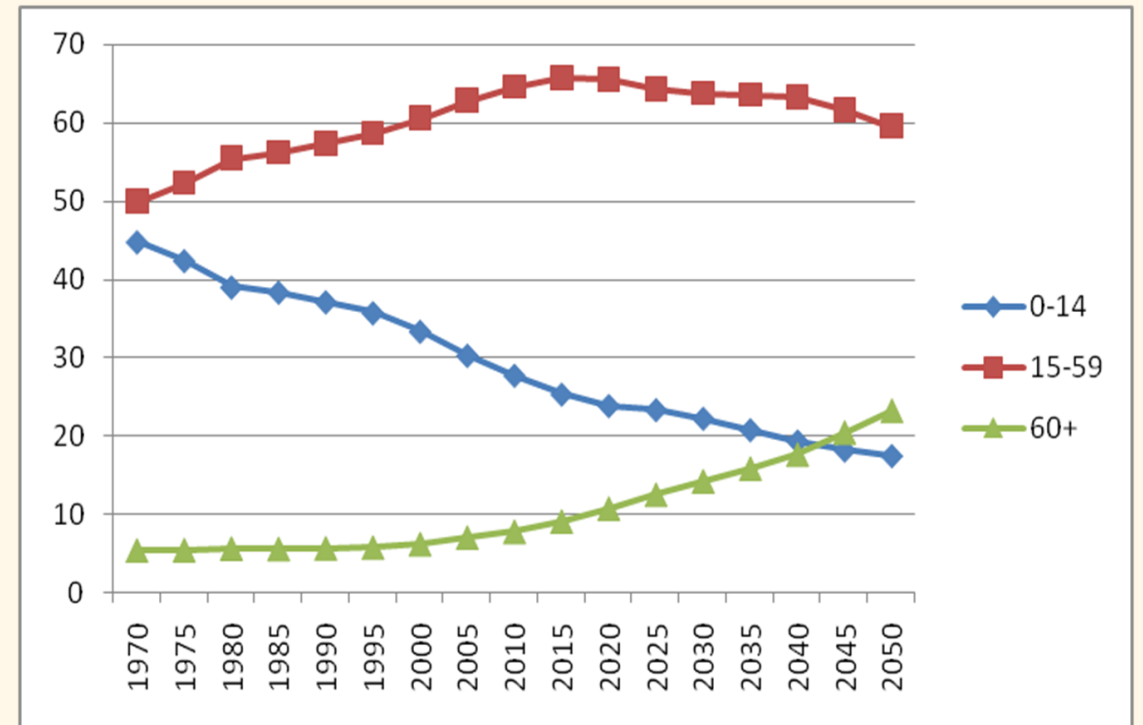
Population Pyramid for Malaysia



Source: Index Mundi

The Changing Age Structure, 1970-2050

- The proportion aged 60 and over will criss-cross the young population aged below 15 around 2045, and will surge ahead beyond that.
- The proportion aged 15-59 will begin to descend after 2020, resulting in rapid increase in old age dependency burden.



Source: United Nation World Population Prospects; Tey (2014)

THE NEW ECONOMIC MODEL 2010-2020

What it Means to be an Advanced Nation

❖ HIGH INCOME

- *GROWTH + WEALTH CREATION*

❖ SUSTAINABILITY

- *FIXING THE FOUNDATIONAL ISSUES*

❖ INCLUSIVENESS

- *NARROWING DISPARITY*

Rakyat ~
Quality of
life

Sustainable Development Goals (SDGs)



Eleventh Malaysia Plan (2016-2020)



Empowering communities for a productive and prosperous society

- Strengthening the family institution
- Nurturing the potential of youth
- Enhancing the role of women in development
- Upholding the needs and interests of children
- Enhancing the living environment for elderly
- Empowering persons with disabilities

Existing Pension Scheme

Mapping of Pension – WB Multi Pillar Approach

	Name of Program Institution	Benefit Type	Financing Type
Pillar 0: Basic benefits through social pensions or at least social assistance	Bantuan Orang Tua (Cash benefits)	Basis cash benefit of RM 300 per month	General revenue
	Ruhmah Seri Kenangan (retirement homes)	In kind benefit	General revenue
	Pusat Jagaan Harian Warga Emas (Elder daycare centers)	In kind benefit	General revenue
Pillar 1: Mandated, unfunded, defined benefit or contribution schemes	Civil Service Pension Fund SOCSSO	Old-age, disability, survivorship Work injury, disability, survivorship	General revenue Employer contribution; Employer and employee contribution
Pillar 2: Mandated, fully funded, occupational or personal schemes	LTAT (armed forces) EPF (private sector)	All benefits Lump sum/phased Withdrawal.	Employer and employee contribution Employer and employee contribution Voluntary contribution by self-employed
Pillar 3: Voluntary, fully funded, occupational or personal schemes	PRS: Private Retirement scheme	Lump sum, (fixed term)	Voluntary premium, tax incentives RM 3,000
Pillar 4: Access to informal and other formal provisions, and personal assets	Family Basic health care Public housing	Cash and in kind benefits	Family members, budget-financed, budget support

Issues and Challenges

❖ The residual role of government

- Old age financial protection is the responsibility of an individual and family.

❖ Fragmentation across sectors

- Public and Private
- Several Ministries and Agencies

❖ Incompleteness

- Pillar 0 is incomplete

❖ No Central Co-ordination

- Ministries and Agencies work in silos

❖ No single database and no interface

- Data is across agencies

❖ Inclusion and Exclusion Issues

- Targeting errors

❖ Coverage

- A small percentage are included

❖ Inadequate

- Sum is too small

The Establishment of the Malaysia Social Protection Council - MySPC

- October 2016
- The objective of MySPC is to formulate a Social Protection Policy that is integrated, holistic and comprehensive and chaired by the Prime Minister.
- Assisted by Technical Committee and chaired by Minister in the Prime Minister's Department in charge of Economic Planning Unit (EPU)

Conclusion

- Social Protection Policy for elderly is to create an enabling environment, which offers everyone an opportunity to make informed choices about active, healthy and positive aging.



THANK YOU
