

Protect, Promote and Prevent

“Spearheading Social Protection Initiatives for All”

SWRC SOCIAL PROTECTION BULLETIN



PUSAT PENYELIDIKAN KESEJAHTERAAN SOSIAL
Social Wellbeing Research Centre (SWRC)

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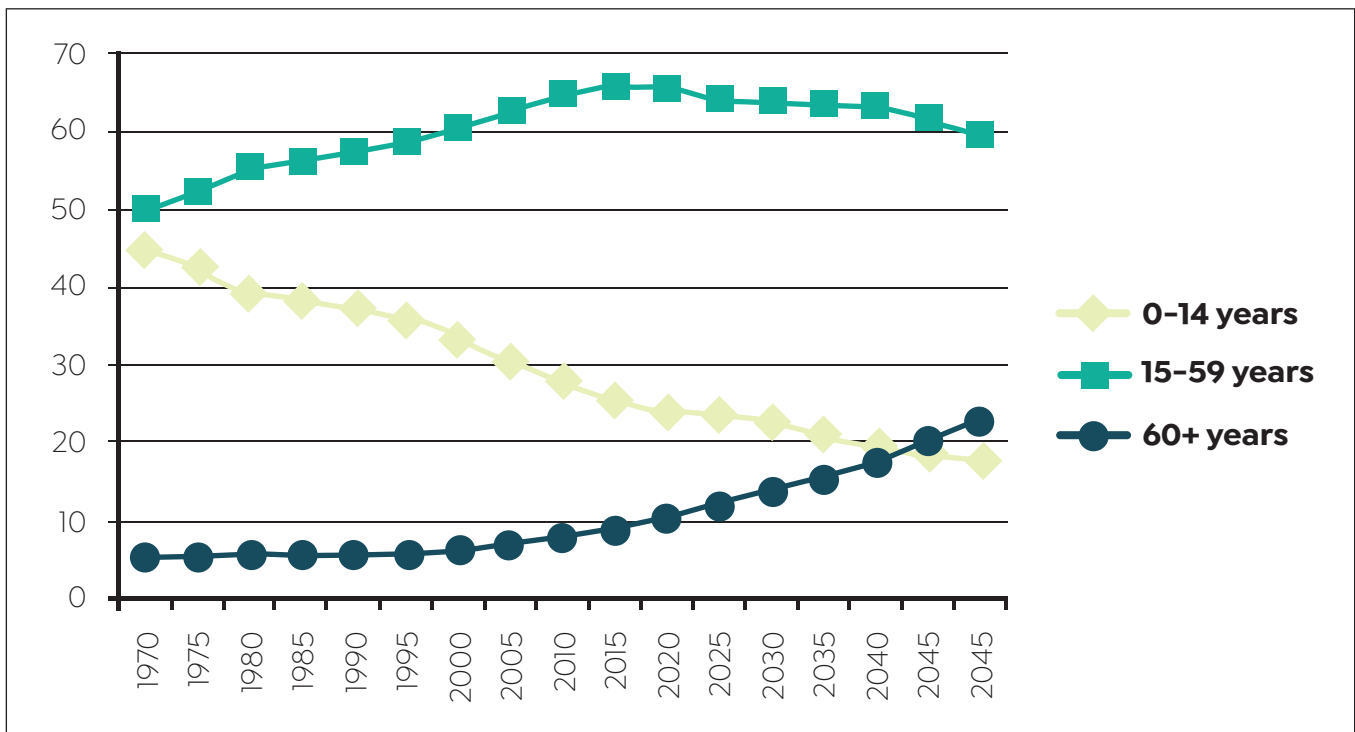
The Perspective

Extending Labour Force Participation in an Ageing Society

Malaysia is rapidly ageing. In 2020 the country became an ageing society, with 7% of its population aged 65 and older. This rapid ageing trend, faster than many developed countries is driven by declining fertility rates and increasing life expectancy. By 2030, Malaysia is projected to become an aged society, with 14% of the population aged 65 and older. By 2050, the proportion of older people, 60 years and older is expected to outnumber the young population of 14 years and younger (Figure 1).

This demographic transition led to an increase in the proportion of elderly people and a decline in the proportion of children below 15 years in the country. Therefore, the dependency burden has shifted from children to older people. This demographic transition has also led to a shrinking proportion of people in the actual labour force group since 2020 (age 15-59 years, based on the mandatory retirement age of 60 years).

Figure 1: Population Age Structure, Malaysia, 1970-2050



Source: UN. (2016). Department of Economic and Social Affairs, Population Division. World Population Prospects: The 2010 Revision, CD-ROM Edition.

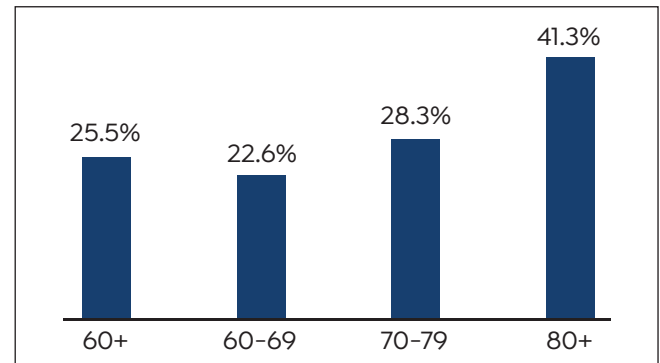
This change in demographic structure has led to a few economic challenges. First, the proportion of the labour force is getting smaller, thus indicating the end of benefits from the glory days of the first demographic dividend owing to the younger population. However, the benefits from the second demographic dividend, also known as the longevity dividend, are ripe for conquest but demand sound policy support. Unlike the first demographic dividend, it is not automatic.

The second demographic dividend can be realised by enhancing capital productivity, particularly human capital. For the older generations, having accumulated capital wealth during their working years, are expected to dissave their savings for retirement consumption. Simultaneously, they have accumulated a wealth of human capital. With sound policy support, it would be possible to reap the benefit of a second demographic dividend by improving productivity while helping the older generations cope with their senior years.

The second challenge is to establish and maintain an efficient social protection system. A solid social protection floor needs to be ascertained to minimise the vulnerability of individuals throughout their lives. Inadequate replacement income during retirement will leave the elderly vulnerable to poverty risk. SWRC's Malaysia Ageing and Retirement Survey (MARS) data shows that a quarter of seniors aged 60 and older have no retirement income in 2022 (Figure 2). About half of them depend on the help of family members, especially their children (Figure 3). This will increase the burden on the current working people as they have to bear the burden of taking care of their parents and children at the same time, hence becoming the sandwich generation.

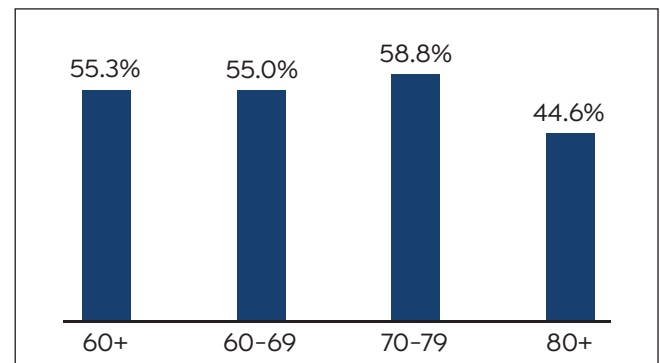
Social assistance is a likely alternative to family network support to accommodate the absence of retirement income among the elderly. Social assistance can be in the form

Figure 2: Senior Citizens Without Monthly Income, by Age (%)



Source: SWRC (2023)

Figure 3: Senior Citizens Receiving Financial Support from at Least One Child, by Age (%)



Source: SWRC (2023)

of cash transfers or in-kind. While necessary, this will increase the government's fiscal burden as the working-age population declines and the tax base shrinks. In this context, the economy's ability to reap the benefits of a second dividend through effective policy support is invaluable as it will strengthen economic growth. Strong economic growth, in turn, will boost the government's revenue through higher tax collections.

There has been a lot of discussion on the topic of an ageing society lately, especially among OECD countries, most of them have been classified as aged societies and some are even super-aged societies. There are concerns especially related to the shrinking labour force and the sustainability of the social protection system. Some countries

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particularly those in the category of super-aged society have resorted to some drastic policies such as promoting fertility growth and extending the employment age with the overarching goals of eventually expanding the size of labour force and boosting retirement income replacement.

Malaysia can learn from the experience of the other ageing societies and address its demographic challenges. By extending the employment age, with the primary objective of addressing the lack of retirement incomes among the older generations, the country can strengthen retirement security. At the same time, this will contribute to potential productivity enhancement by tapping the wealth of accumulated human capital of the older generations. Drawing on the experiences of other nations, to reap the full potential of older workforce, countries must invest in targeted interventions. These include, adequate incentives and training

upskilling opportunities and supportive age-friendly work environment. Factors such as a healthy workforce, skills matching between labour demand and supply are crucial for encouraging continued workers' participation beyond their retirement years.

There are two strategies to entice workers to re-enter the labour market after their mandatory pension, either by extending the retirement age or re-employment after their mandatory retirement. Some countries have already practiced the adjusted age mandatory retirement based on life expectancy at birth, for example, the Netherlands, Singapore, United Kingdom and Germany (Table 1). Some other countries, like the USA and France, already have high retirement age for pension entitlement. This will motivate people to work longer, although there is no mandatory age to cease work. Extending the retirement age can increase individual retirement savings while reducing

Table 1: Retirement Age for Selected Countries

Country	Retirement Age* (years)
 Netherlands	<ul style="list-style-type: none"> 67 years
 Singapore	<ul style="list-style-type: none"> 63 years (reemployment age: 68 years) In 2025: 64 years (reemployment age: 69 years) In 2030: 65 years (reemployment age: 70 years)
 United Kingdom	<ul style="list-style-type: none"> 66 years In 2028: 67 years In 2044: 68 years
 Germany	<ul style="list-style-type: none"> 65 years and 10 months In 2031: 67 years
 USA	<ul style="list-style-type: none"> 67 years
 Canada	<ul style="list-style-type: none"> 65 years
 France	<ul style="list-style-type: none"> 65 years or 67 years (depend on birth year)
 Japan	<ul style="list-style-type: none"> 60 years (rehiring contact, performance based)

Note: *Retirement age refers to the age at which a person may be entitled to receive their pension, not necessarily the age required to cease work.

the amount of social assistance distributed to senior citizens. Savings from senior citizen assistance can be channelled to other social assistance needs.

On the other hand, the mandatory pension age can be retained with relevant incentives to re-hire contract workers after retirement. This practice gives more flexibility for employers to reap the maximum benefits of the accumulated human capital of older workers. For instance, Japan is able to better utilise its human capital by shifting to more flexible employment and wage systems based on performance rather than age. Without extending the retirement age (60 years old), employees are able to prolong their careers because the link between wages and seniority has been reduced.

There is a general perception that older workers compete with younger workers for similar jobs. However, there is no clear evidence to support this perception. More evidence suggests that older and younger workers play different but complementary roles. For instance, the older workers could be given managerial, supervisory, or mentor roles, which are more beneficial for the younger workers while maximising the overall organisational performance. The scientific evidence shows that knowledge and expertise keep increasing with age, even beyond 80. Knowledge and expertise, in turn, are the main predictors of job performance.

Employers might be reluctant to hire older workers due to concerns about higher salary cost. Japan's pay equity system which rewards performance and skills rather than tenure will solve this issue.

It is increasingly evident that, the involvement of older workers in the labour market beyond the conventional age of the labour force is crucial for both economic prosperity and social wellbeing. The experiences of OECD countries demonstrate the positive impact of policies that support the continued employment of older

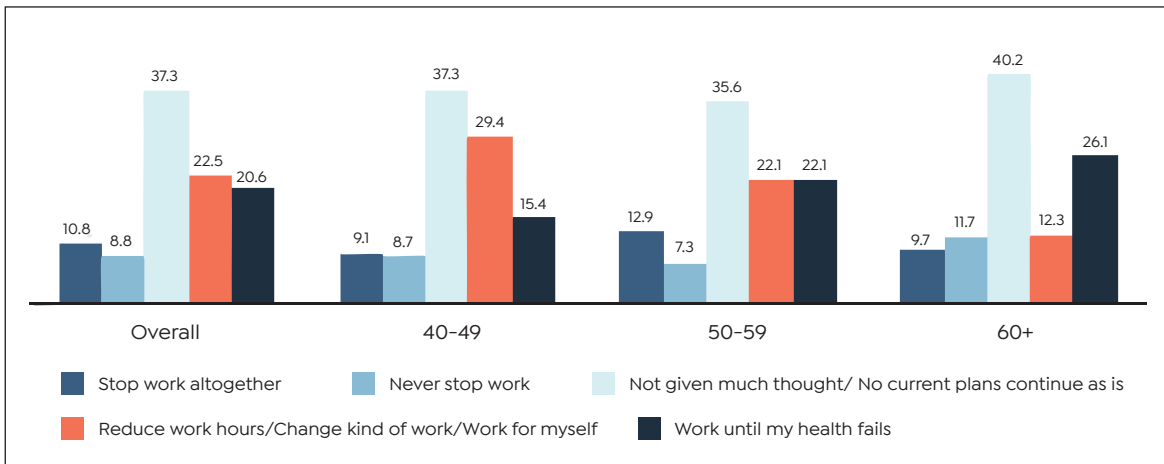
individuals. It is imperative that Malaysia adopts a similar approach for a prosperous and equitable future.





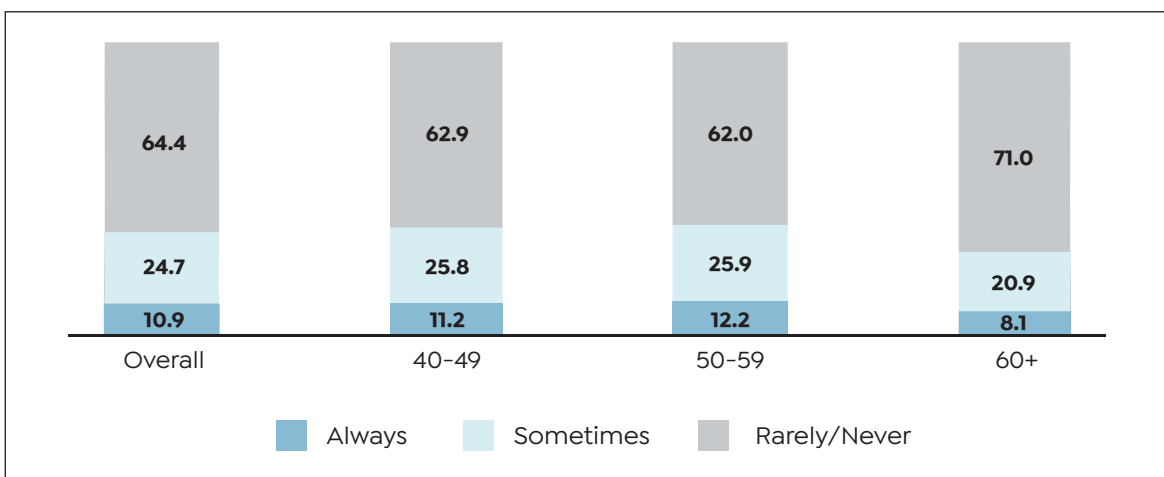
Do Older Malaysians Want to Continue Working?

Figure 1: Retirement Plan by Age



Working respondents were asked about their retirement plans. About 37% of respondents said they had not yet given it much thought, 23% said they might change the nature and/or arrangement of their work, and about 21% said they would continue to work until their health fails. The percentage of respondents who said they would continue to work until their health fails increased with age. About 12% of respondents aged 60 and older stated they will never stop working, the highest across all age groups.

Figure 2: Thinking about Retirement by Age



More than 60% of respondents in all three age groups had rarely/never thought about retirement, especially among those aged 60 and older. Only 29% respondents aged 60 and older stated they always or sometimes think about retirement, the lowest compared to other age groups.

Health Capacity to Work among Older Malaysians

Mansor, N., Awang, H., & Park, D. (2024). *Health Capacity to Work among Older Malaysians*. *Asian Development Review*, 41(01), 147-168.

ABSTRACT

This paper uses two methodologies to explore the extent to which greater labour force participation among older Malaysians can expand Malaysia's labor supply. The Milligan-Wise method estimates the potential to increase the labour force participation rate of older Malaysians by estimating how much they would work if they were to work as much as those with the same mortality rate in the past. The Cutler, Meara, and Richards-Shubik (2013) method estimates the same potential by estimating how much older Malaysians would work if they worked as much as their younger counterparts in similar health. We made further simulations to quantify the capacity of older Malaysians to work after they are 60 years old. **The results show significant additional work capacity among older people in Malaysia, particularly males, urban dwellers and those with low educational attainment.**



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Featured Article 1

40 out of 100 Malaysians not covered by retirement schemes

as featured in NST on 15 September 2024, by Faiqah Kamaruddin

The Employees' Provident Fund (EPF) has targeted to raise the retirement coverage in Malaysia, initially through voluntary measures, and eventually through legislative action.

The EPF chief executive officer Ahmad Zulqarnain Onn said the country is fast becoming an ageing society.

It is already at seven per cent (of the population aged 65 years and over) and by 2043, the country will be 14 per cent aged.

"In Malaysia, out of every 100 people, only 60 are covered by a formal retirement scheme. Of these, around 50 are under the EPF, and about 10 are covered by the civil service pension scheme. That leaves 40 people, largely from the informal sector, without any retirement coverage.

"They are not covered by retirement schemes, because generally they work in the informal sectors, or they are migrant workers, or they work on something called contract for service, as opposed to contract off service.

"Over time, we aim to increase coverage in Malaysia through voluntary measures and eventually, through legislative means. This is crucial, as we should be targeting 80 per cent to 90 per cent coverage as a country, rather than the current 60 per cent," he said on TV3's 'Money Matters' programme.

To encourage more Malaysians to register and open EPF accounts, Ahmad Zulqarnain said the fund currently offers numerous outreach programmes.

These include allowing voluntary contributions, running financial literacy initiatives and enhancing the i-Akaun app for better user experience.

"Today, we are allowing people as young as 14 years old to open an account with the EPF. So we do see parents starting to save for their children's retirement account as well, which is really interesting and this has been growing as a portion of our portfolio," he said.

He noted that around 12 per cent of monthly contributions now come from voluntary channels, compared to the previous 100 per cent from mandatory contributions.

Ahmad Zulqarnain said the 12 per cent is also growing year-on-year, showing that more people are starting to contribute voluntarily to the EPF.

He also said raising the allocation for Akaun Persaraan from 70 per cent to 75 per cent has improved the overall adequacy for members.



Photo by Joey Huang on Unsplash

"In Malaysia, out of every 100 people, only 60 are covered by a formal retirement scheme. Of these, around 50 are under the EPF, and about 10 are covered by the civil service pension scheme. That leaves 40 people, largely from the informal sector, without any retirement coverage."

- Ahmad Zulqarnain Onn, CEO EPF



Featured Article 2

Workers' Social Protection is a Mirror of Collective Humanity

as featured in *The Star* on 27 August 2024, by Zakiah Koya

A gap in the lack of social protection is a gap in our collective humanity, says Social Security Organisation (Socso) chief executive officer Datuk Seri Dr Mohammed Azman Aziz Mohammed.

He called on the government to ensure that every worker has social security protection as rapid progress in technology has changed the world of work.

Azman, who is also International Social Security Association (ISSA) president, said this during his welcoming speech at the ISSA Technical Seminar at the World Trade Centre here Tuesday (Aug 27).

Deputy Prime Minister Datuk Seri Dr Ahmad Zahid Hamidi officiated at the seminar attended by 1,667 participants from 25 countries.

Azman further pointed out that while formal employees can rely on comprehensive benefits, self-employed and platform workers often find themselves excluded from these essential safeguards.

"The theme of this seminar, 'Social Security for the Self-Employed and Platform Workers', is not just a topic for discussion but a call to action.

"As we assess the landscape of work today, the disparities between formal employment and informal or platform work become clear.

"While formal employees often have access to social protections like unemployment insurance, health benefits, and pensions, self-employed and platform workers frequently find themselves excluded from these essential safeguards.

"The recent report by the International Labour Organisation (ILO), ISSA, and Organisation for Economic Co-operation and Development (OECD) shows these critical gaps in social protection.

"The Covid-19 pandemic highlighted these gaps in the harshest light. Many workers were left without access to basic protections such as unemployment insurance and sickness benefits. This discrepancy is not just a gap in

policy, rather it is a gap in our collective humanity. It is a gap in justice,” said Azman.

Commending Malaysia as the first country to safeguard self-employed workers including gig workers, he said that countries must share best practices and refine legal frameworks such as the Gig Worker Act to be tabled in Malaysian parliament soon.

“Malaysia’s initiatives go beyond traditional compensation models by incorporating prevention and rehabilitation efforts. This proactive approach is a beacon for other nations, demonstrating the importance of a holistic strategy to safeguard all workers.

“ISSA will continue to be a key partner in Malaysia’s journey towards enacting robust legislation, such as a potential Gig Worker Act. This collaboration ensures that Malaysia

remains at the forefront of social protection for all workers,” said Azman.

He also said that challenges in providing protection include portability of social security benefits when workers transition between jobs and addressing online and cross-border workers to ensure they do not fall between the cracks of the system.

“These areas are fundamental to ensuring that no worker, regardless of their employment status or location, is left unprotected.

“We (authorities on social security) are at a crossroads. The decisions we make today will echo for generations. We have the power to build a world where every worker, no matter their job title or employment status, is protected, respected, and valued,” said Mohammed Azman.

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“While formal employees often have access to social protections like unemployment insurance, health benefits, and pensions, self-employed and platform workers frequently find themselves excluded from these essential safeguards.

- Datuk Seri Dr Mohammed Azman
Aziz Mohammed. CEO SOCSO

”



Generasi Sandwic Tanggung Beban Berganda Implikasi Negara Menua

diterbitkan di Berita Harian pada 25 September 2024, oleh Dr Zulkipli Omar

Warga kerja pertengahan umur kini menjadi generasi sandwic, iaitu golongan tersepit antara tanggungjawab menjaga anak dengan ibu bapa disebabkan perubahan struktur penduduk tidak diharmonikan dengan pembangunan sosioekonomi.

Malaysia memasuki ke dalam kategori negara menua dengan 7.0 peratus penduduk adalah warga emas melebihi 65 tahun. Bukan itu sahaja, pertumbuhan warga emas meningkat dengan pantas dan dijangka mencapai negara tua dalam masa sedekad dengan bilangan golongan itu dijangka melebihi 14 peratus daripada jumlah penduduk.

Ini tentunya perkembangan positif melambangkan tahap kesihatan semakin baik dalam kalangan penduduk, diterjemahkan kepada peningkatan jangka hayat semasa lahir kini menjangkau 74.8 tahun, berbanding 58.6 tahun pada 1960. Ia menunjukkan tahap perkhidmatan kesihatan negara baik ditokok pendidikan tinggi dalam kalangan penduduk.

Transisi demografi pantas ini memerlukan perancangan sosioekonomi responsif. Warga emas kini sebenarnya adalah golongan bertanggungjawab menyumbang kepada pembangunan ekonomi negara semasa di alam pekerjaan.

Mereka juga merintis transisi kehidupan ke arah pemodenan dikecapi masyarakat kini daripada kehidupan secara tradisional. Mereka penyumbang kepada dividen demografi membawa Malaysia ke tahap pembangunan sosioekonomi pesat. Transisi demografi pantas ini memerlukan perancangan perlindungan sosial baik.

Antara dimensi perlindungan sosial penting adalah memastikan setiap individu mempunyai pendapatan mencukupi sepanjang hayat mereka.

Pendapatan kanak-kanak semasa di bawah 15 tahun menjadi tanggungjawab ibu bapa kerana mereka belum memasuki alam pekerjaan.

Satu lagi peringkat kitaran hidup individu memerlukan perlindungan adalah ketika alam persaraan, iaitu apabila seseorang menjangkau peringkat umur warga emas. Tanpa perancangan baik untuk memastikan ada pendapatan gantian mencukupi untuk menampung kehidupan, mereka akan terdedah kepada risiko kemiskinan.

Ini adalah dilema dihadapi golongan warga emas kini apabila ramai tidak mempunyai pendapatan persaraan. Berdasarkan kajian Pusat Penyelidikan Kesejahteraan Sosial (SWRC) melalui Kajian Penuaan dan Persaraan Malaysia (MARS), 47.5 peratus warga emas berusia 65 tahun ke atas yang bersara tidak mempunyai sebarang sumber pendapatan.

Ini adalah golongan mungkin mengharap sumbangan anak untuk kelangsungan hidup atau terus bekerja bagi yang masih berkeupayaan. Bagi golongan bekerja, kurang 60 peratus daripada jumlah tenaga buruh dilindungi sebarang skim persaraan.

Statistik menunjukkan hanya 6.6 peratus golongan pekerja dilindungi skim pencen penjawat awam dan 51.1 peratus mencarum dalam Kumpulan Wang Simpanan Pekerja (KWSP) secara aktif.

Sebahagian kecil lain dilindungi skim persaraan swasta, Lembaga Tabung Angkatan Tentera (LTAT) dan sebagainya. Selebihnya, mereka tidak dilindungi sebarang skim persaraan termasuk individu bekerja sendiri serta tidak bekerja seperti suri rumah.

Dalam pada itu, sebahagian besar pencarum KWSP sudah bersara menghabiskan wang tabungan dalam masa kurang lima tahun. Maka, mereka turut termasuk dalam golongan pesara tanpa pendapatan selepas itu, manakala sebahagian pesara penjawat awam mempunyai jumlah pencen kecil di bawah gaji minimum.

Anak tanggung beban sara ibu bapa

Maka, beban menyara warga emas tanpa pendapatan kebanyakan ditanggung anak mereka daripada generasi sandwic, sama ada sebahagian atau sepenuhnya. Nisbah kebergantungan warga tua negara kini adalah 10.9 peratus berbanding dengan 6.4 peratus pada 1957.

Keadaan ini memberi tekanan berat terhadap generasi sandwic kerana turut menanggung kos tinggi untuk membesarkan anak pada masa kini. Kos sara hidup juga turut meningkat bersesuaian masyarakat Malaysia menempuh transisi ke arah negara maju dengan pantas.

Jadi bagaimanakah untuk merungkai permasalahan ini? Kaedah terbaik adalah menyelesaikan masalah semasa untuk jangka pendek sambil melaksanakan perancangan jangka panjang bagi perlindungan sosial masa hadapan.

Penyelesaian masalah semasa adalah dengan meringankan beban ditanggung warga emas tanpa pendapatan mencukupi sambil turut meringankan beban generasi sandwic seperti bantuan sosial, iaitu dengan pemberian tunai oleh kerajaan secara langsung kepada golongan terbabit, iaitu warga emas.

Kaedah paling baik adalah melalui pencen sosial seperti diperkenalkan di beberapa negara. Setiap warga emas berhak menerima pencen sosial dengan jumlah ditetapkan, kecuali golongan dikecualikan jika perlu.

Pencen sosial ini menggantikan bantuan warga emas (BWE) sedia ada yang berdasarkan kelayakan pendapatan. Sumbangan tunai secara langsung ini adalah terus daripada tabung kerajaan, sama ada hasil cukai atau pinjaman.

Bagi mengelakkan hutang berlebihan, kerajaan perlu meningkatkan hasil cukai, termasuk melalui peluasan dasar, iaitu penambahan jenis cukai dan peningkatan kecekapan pungutan cukai.

Kini, Malaysia antara negara mempunyai pungutan cukai terendah di dunia berbanding tahap pembangunan ekonomi sebagai negara hampir mencapai taraf negara berpendapatan tinggi.

Pungutan cukai negara kini adalah sekitar 12 peratus daripada Keluaran Dalam Negara Kasar (KDNK) di

bawah purata dunia 15 peratus dan purata negara Pertubuhan Kerjasama dan Pembangunan Ekonomi (OECD) sebanyak 34 peratus.

Antara lain, Malaysia boleh memperkenalkan semula cukai tambah nilai penggunaan umpama Cukai Barang dan Perkhidmatan (GST) yang dimansuhkan. Segala cukai dikenakan mestilah tidak membebankan masyarakat.

Pemberian tunai secara langsung seperti pencen sosial dan bantuan termasuk pemberian barangan diberi kepada mereka berhak akan meringankan beban berkaitan cukai penggunaan. Ini adalah di samping pengecualian cukai terhadap barangan tertentu dikenal pasti seperti dilakukan semasa GST.

Perancangan masa hadapan adalah membabitkan generasi berada dalam tenaga kerja sekarang, melalui simpanan hari tua lebih efisien. Kaedah paling baik adalah secara pay-as-you-go (PAYG) umpama KWSP, iaitu menabung mengikut pendapatan semasa bekerja.

Penambahbaikan perlu adalah dengan meluaskan dasar caruman dan memperkenalkan anuiti wajib apabila seseorang bersara untuk pengeluaran bulanan semasa bersara.

Peluasan dasar caruman adalah dengan memaksimumkan pekerja mencarum. Semua pekerja perlu diwajibkan mencarum termasuk pekerja sendiri. Kaedah lebih baik perlu difikirkan untuk mengoptimumkan caruman sukarela kini termasuk usaha meningkatkan celik kewangan masyarakat bermula daripada bangku sekolah.

Kerajaan juga perlu menghapuskan pertindihan, iaitu tiada skim persaraan lain melainkan KWSP termasuk skim pencen penjawat awam sekarang.

Perbelanjaan untuk perlindungan sosial adalah pemangkin pertumbuhan ekonomi. Jadi perlindungan sosial bukan perbelanjaan tetapi adalah pelaburan. Kesejahteraan masyarakat mendapat perlindungan sosial baik akan meningkatkan produktiviti ekonomi. Ini akan menjana pertumbuhan masa hadapan dengan mampan.

Di samping itu, simpanan hari tua dijana mampu meningkatkan pelaburan masih perlu ditingkatkan untuk meningkatkan pengeluaran potensi negara, terutama dalam kalangan perusahaan mikro kecil dan sederhana (PMKS).



Ageing Malaysia Must Build Cradle-to-Grave Care Economy Now

as featured in *The Edge* on 18 June 2024, by Norma Mansor, Lee Min Hui and Calvin Cheng

Malaysia is ageing at a pace far quicker than many other countries have in the past. By 2040, the country is set to see a threefold increase in the old age dependency ratio. This means that for every working age Malaysian adult, there will be three elderly people needing support. Coupled with rising life expectancies and evolving family structures, these shifts will propel an unprecedented surge in care demand in the coming decade.

This signals an urgent need to change how we see care. As a nation, we need to redefine care as a collective responsibility rather than just a women's or welfare concern. We need to recognise that meeting our growing care needs represents a central development priority – one that Malaysia can ill-afford to abandon as it chases its twin goals of sustainable development and economic prosperity. The task for Malaysia is to invest in the care economy and make it both inclusive and responsive to the care needs of families across the country.

Grounded in these values, the care economy – sometimes termed the “purple economy” – draws attention to the care work that is performed invisibly within the home and aims to value both paid and unpaid care work as labour, essential not only to the well-being of individuals but to the functioning of any economy.

This is a crucial response to a problem plaguing nearly every society: a global survey based on time-use data from 64 countries representing

67% of the world's working age population, revealed that a staggering 16.4 billion hours are devoted daily to unpaid care work. This is equivalent to two billion people working eight hours a day without compensation. The value of unpaid care work constitutes 9% of global gross domestic product, with women's contribution at around 6.6% of GDP compared with men's at 2.4%.

Case for care

From child to elderly care, care work in Malaysia is primarily undertaken informally by families – meaning that it often goes unpaid – with the bulk of the burden traditionally falling on women and girls. This reliance on informal care is unsustainable in the context of a rapidly ageing society.

Already, Malaysian women are suffering the brunt of unpaid care work. In 2022, there were more than three million people outside the labour force because of family and care obligations, 98% of whom were women. This translates into Malaysian women having less time for paid employment, education and leisure – impacting not only their well-being and long-term economic outcomes but also undercutting the country's economic potential.

In fact, the Institute of Strategic and International Studies (ISIS) Malaysia's latest policy paper on “Building a cradle-to-grave care economy” projects that if the unpaid care work produced in Malaysian homes each day were valued in national GDP figures, it would generate about

RM379 billion. That would make unpaid care work account for a fifth of the services sector, making it the largest standalone sector after manufacturing.

Further, removing the constraints of care work would enhance gender equality. It could enable women outside the labour force greater choice to engage in paid employment. In this way, investing in the care economy not only unlocks opportunities for sustainable growth but also fosters employment and establishes the foundations for long-term economic resilience.

Vision for future of care

To bridge this gap equitably, Malaysia needs a cradle-to-grave care economy which recognises that care lies on a spectrum of needs, spanning child to elderly care. This means adopting a lifecycle approach to care by acknowledging that people face varying risks and needs across their lifetime and offer support across these stages.

The ideal end goal is for an equitable and inclusive care economy. As such, care work should no longer be reduced to a commodity or a family obligation – but established as a public good that generates benefits beyond the immediate care recipient, with impacts that extend into broader society and the future. This requires ensuring that there is a baseline of care support that is broadly accessible to all, especially vulnerable groups.

In essence, public investment in the care economy is needed urgently, not least because it has the potential to generate thousands of care-related jobs annually. To this end, public spending on the care economy should be regarded not merely as a fiscal expenditure but as a strategic investment.

Our primary policy recommendations to guide public investment in the care economy involve considering care as a basic right and integrating it into the social protection framework as well as establishing regulatory frameworks and legislative foundations.

The care economy will also need to be met with effective governance. In line with the recognition of care as a strategic issue, it is important that the care economy be approached as a multisectoral issue – with responsibility mainstreamed across several ministries rather than limiting it to the purview of the Ministry of Women, Family and Community Development (MWFCD). This should include the Ministry of Economy to value the contribution of care to national GDP and act as the central planning agency, compelling other agencies to act; Ministry of Human Resources to oversee skills training of care workers; Ministry of Health to integrate health and care systems; and Ministry of Education, where early childcare and education is concerned. MWFCD remains to ensure that policies are gender-sensitive and meet the needs of vulnerable groups.

Beyond that, we need to professionalise the care workforce to ensure workers receive professional training and qualifications alongside entitlement to social security, thus aligning them with other professional occupations. This could attract more young Malaysians to seek employment in this sector while improving the quality of care. On this front, a key move would be to secure the Social Work Profession Bill – slated to be tabled this year after delays since the 2010s. By recognising and regulating social workers – of which care workers are a subset – the bill would mark an important first step towards building a viable cradle-to-grave care economy. Building off this foundation, a similar act aimed at professionalising care workers would extend these benefits to all forms of care workers across the spectrum of services.

A cradle-to-grave care economy is a gargantuan task requiring widespread reforms and whole-of-government efforts. Yet, the cost of inaction might be larger. By sitting on our hands, we risk not only undermining the well-being of families across the country but also failing to harness the full potential of our collective human capital. After all, investing in the care economy is not just a social imperative but a strategic necessity for Malaysia's future.



SWRC In the News

Private Sector Urged to Stand with Government to Face Ageing Population Issue

as featured in The Edge on 5 June 2024, written by Luqman Amin

Photo by Nadine Shaabana on Unsplash



The private sector has been urged to collaborate with the government to tackle the growing concerns over the anticipated ageing population in the country.

Collective participation from various segments of the society includes communities, non-governmental organisations (NGOs) and individuals themselves is essential to curb these issues, according to Professor Datuk Norma Mansor, the director of the Social Wellbeing Research Centre at Universiti Malaya.

Norma emphasised that relying solely on the government is "insufficient" as private companies can also do their part by investing in the ageing space, supporting communities and developing innovative solutions for older individuals.





SWRC In the News



The Sandwich Generation:

The case for a consumption-based contributory pension

as featured in *The Edge* on 10 September 2024, written by Amjad Rabi and Norma Mansor



MARS data shows that in 2022, individuals aged 40 to 50 allocated an average of RM234 to their parents, representing 7.4% of the average monthly income for the same year. This burden is further compounded by the rising cost of living in Malaysia.

This situation forces many sandwich-generation families to allocate a substantial portion of their income to housing expenses, further reducing their capacity to support both their children and ageing parents.

Given the pressing challenges faced by the sandwich generation, the introduction of a consumption-based contributory pension (CBCP) offers a sustainable and equitable solution. Unlike traditional pension schemes that rely on direct payments from labour income, CBCP introduces a 2% contribution linked directly to consumption, harnessing the economic activity of all residents, regardless of employment status.

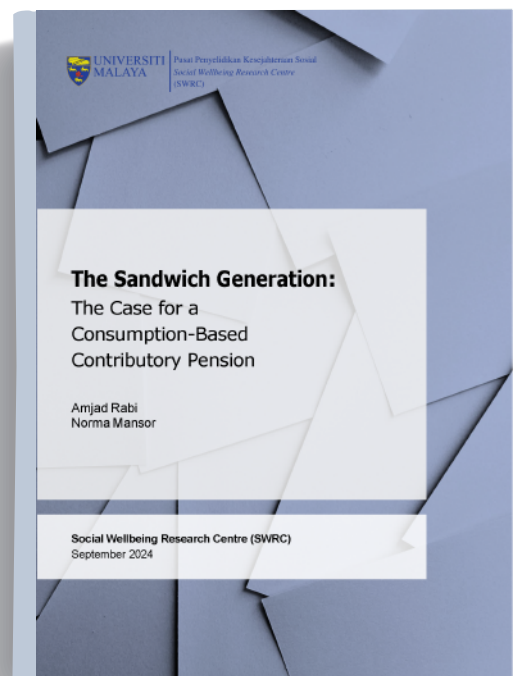
Featured Book

The Sandwich Generation: The Case for a Consumption-Based Contributory Pension

In Malaysia, the rising financial pressures on the "sandwich generation"—adults caught between supporting their aging parents and their own children—have brought to light the significant shortcomings in the nation's pension system. The current structure, heavily reliant on saving based on contribution record and career wage, is leaving many elderly Malaysians without adequate income security. As a result, a substantial number of senior citizens are forced to depend on financial support from their children, creating a burden on middle-aged adults who are already stretched thin by their multiple responsibilities.

Against this backdrop, this paper proposes the introduction of a Consumption Based Contributory Pension (CBCP) as a sustainable and equitable solution. Unlike traditional pension schemes that rely on direct payments from labour income, the CBCP introduces a 2 percent contribution linked directly to consumption, harnesses the economic activity of all residents, regardless of their employment status. As all citizens contribute to the CBCP, coverage can be extended to all senior citizens, with or without employment record, benefiting especially women and those who are in unstable forms of employment that are currently excluded from any form of old age income security.

The CBCP offers a distinct advantage by directly linking the 2 percent consumption contribution to a tangible social benefit—a flat-rate pension for senior citizens. This direct connection between contributions and benefits could make the CBCP more palatable to the public, positioning it as a progressive policy that not only addresses old-age income security but also alleviates the financial pressures on the sandwich generation.



For more info: please visit our website

<https://swrc.um.edu.my/Reports%20and%20Books/Sandwich%20generation.pdf>



or scan the QR code

Activities and Gallery

Highlights of SWRC's Activities from October - December 2024



2nd Regional Social Policy Conference East Asia and Pacific

22-23 October 2024 | Hilton Kuching, Sarawak

→ The 2nd Regional Social Policy Conference, East Asia and Pacific held on 22-23 October 2024 in Kuching, Sarawak, brought together diverse stakeholders to discuss pressing regional issues under the theme, “Prioritizing Investments in Children in a Changing Region.” This impactful two-day event was co-organised by the United Nations Children’s Fund (UNICEF) and the Social Wellbeing Research Centre (SWRC), Universiti Malaya, in collaboration with the Ministry of Women, Early Childhood, and Community Wellbeing Development (KPWK), Sarawak.

The conference attracted over 250 participants, including 100 international delegates from 14 countries across East Asia and the Pacific, reflecting its significance as high-level dialogue and collaboration.

The conference officially began with welcoming remarks delivered by Dr Myo-Zin Nyunt, Deputy Regional Director for UNICEF East Asia & Pacific and Professor Datuk Norma Mansor, Director of the Social Wellbeing Research Centre (SWRC), Universiti Malaya. During her speech, Professor Datuk Norma Mansor, emphasised the critical importance of investing in children to ensure a resilient and prosperous future for the region. This was followed by an officiation ceremony led by The Honorable Datuk Amar Douglas Uggah Embas, Deputy Premier of Sarawak.

The first expert presentation by Professor Naohiro Ogawa of the Asian Development Bank Institute (ADBI) explored ageing trends in East Asia and the Pacific. This was followed by a panel discussion moderated by Professor Datuk Norma Mansor, with speakers addressing demographic shifts and social policy challenges, while drawing relevant examples from China, Thailand and Malaysia. Session 2 began with an expert presentation by Ms. Grace Chynoweth, Director of Welfare Services, Ministry of Internal Affairs, Cook Islands on a universal approach to social protection. The session transitioned into another engaging panel discussion moderated by Ms. Patrizia Di Giovanni, UNICEF Representative, Timor-Leste on building inclusive and age-sensitive social protection systems. The first day of the conference concluded with Session 3: Gender and Family Life in Social Policies. Expert presentations were delivered by Ms. Sinta Satriana of UNICEF East Asia and the

Pacific Office (EAPRO), Ms. Daixin Li and Ms. Peilin Li from China. This is followed by a panel discussion featuring experts from Vietnam, Indonesia and Malaysia.

The second day began with a session focusing on sustainable financing and child-friendly social protection systems. Dr Amjad Rabi, a Visiting Expert from SWRC and Ms. Apinya Chompumas, Director General, Department of Children and Youth, Thailand opened the day with expert presentations. This is followed by a panel discussion moderated by Dr Amjad Rabi, featuring high-profile speakers from Malaysia, Cambodia, Thailand and China.

For Session 5, the focus shifted to climate change and shock-responsive social protection. Experts such as Mr. Selim Barkan from UNICEF EAPRO and Ms. Asha Williams from the World Bank delivered insightful presentations on sustainable policies and adaptive mechanisms. The final panel discussion featured Datu Lester Matthew, Director of Economic Planning Unit (EPU), Sarawak, Malaysia as the moderator, with a list of outstanding panellists from Mongolia, Tonga, Indonesia and Fiji.

In the afternoon, a session on expert support networks, coordinated by Dr Juanita Vasquez Escallon, provided an interactive platform for collaboration. The conference concluded with closing remarks by The Honorable Datuk Mohamad Razi Sitam, Deputy Minister for Community Wellbeing Development, and Mr. Robert Gass from UNICEF Malaysia, highlighting key takeaways and setting the stage for future regional collaborations. This two-day event was a convergence of knowledge-sharing, policy innovation and cross-border networking, fostering meaningful dialogues on social policies across East Asia and the Pacific.

“While social protection has yielded impressive results for families and the economy, many countries still struggle to secure the resources and the political will to introduce or expand such investments. Each country is at a different stage of achieving comprehensive social protection and is adopting different routes and strategies”

- Professor Norma Mansor, Director of the Social Wellbeing Research Centre (SWRC), Universiti Malaya



SWRC RESEARCH SEMINAR 2024

27 November 2024 | Dewan Serbaguna FEP, Universiti Malaya



→ The SWRC Research Seminar 2024 was held on 27 November 2024 at the Dewan Serbaguna FEP, Block H09, Universiti Malaya. Organised by the Social Wellbeing Research Centre (SWRC), the seminar focused on significant topics related to social protection, labor markets and the care economy.

The event began with a welcoming speech delivered by Professor Datuk Norma Mansor, Director of SWRC, who set the tone for the day's discussions. The seminar featured four insightful presentations by prominent speakers. SWRC's Senior Research Fellow, Dr Zulkipli Omar spoke on "Social Protections for Informal Workers," emphasising the importance of extending coverage to all segments of the labour market. Following this, Dr Amjad Rabi, Visiting Expert SWRC, discussed "Malaysia's Ratification of Convention C102: Opportunities and Challenges," shedding light on the potential benefits and complexities of adhering to international social security standards.

SWRC's Senior Research Associate, Dr Haniza Khalid, presented on "Integrating Care into Social Wellbeing Considerations," highlighting the role of the care economy in promoting social welfare and economic resilience. For the final presentation, Dr Matthew Dornan from the World Bank Malaysia delivered an engaging talk on the "Future of Work," addressing labor market challenges and the transformative changes shaping Malaysia's future workforce.

SWRC Community Outreach Programme

12 November 2024 | Dewan Serbaguna FEP, Universiti Malaya

→ The SWRC Community Outreach 2024 took place on 12 November 2024, at the Dewan Serbaguna FPE, Universiti Malaya. Organised by the Social Wellbeing Research Centre (SWRC), the event aimed to enhance financial literacy among participants, offering practical knowledge on personal finance and social security.

The program commenced with the welcoming remarks by Professor Datuk Norma Mansor, Director of SWRC. The first session, titled "Urus Wang Minda Tenang," was conducted by Encik Mohd Khairil Ashraf Mohamad Karid from the Credit Counselling and Debt Management Agency (AKPK), who provided insights into effective money management strategies. This was followed by a presentation on the "Skim Caruman PERKESO by Puan Mastura Rambli from SOCSO, which highlighted the importance of SOCSO contributions to manage the risks of disability, injury and unemployment.

The third session, "Menyimpan untuk Persaraan," was delivered by Puan Farizan Kamaluddin from EPF, focusing on retirement savings and their role in ensuring financial stability. The final session, "Belanjawanku," was presented by Puan Nik Noor Ainoon Nik Osman from SWRC, who introduced practical budgeting tools to help participants manage their expenses effectively.

SWRC Community Outreach 2024 successfully empowered attendees with knowledge and resources to improve their financial well-being, fostering a culture of informed financial decision-making.

SESI CELIK KEWANGAN

PROGRAM JALINAN MASYARAKAT SWRC

TARIKH:
12 November 2024

MASA:
2.00-5.30 Petang

TEMPAT:
DEWAN SERBAGUNA,
Blok H09 FPE, UM

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Roundtable Discussion

“Asian Development Policy Report May 2024: Aging Well in Asia, Implications for Malaysia”

The poster features a dark blue background with a faint, light-colored map of Asia. At the top, a yellow banner reads "ROUNDTABLE DISCUSSION". Below this, the main title "Asian Development Policy Report May 2024" is written in large white font, followed by the subtitle "Aging Well in Asia, Implications for Malaysia" in a smaller white font. The date "27 Sept 2024" is prominently displayed in yellow, with the time "9.30 a.m - 11.30 a.m" below it. The location "@ Wyndham Grand Bangsar, Kuala Lumpur" is listed in white. At the bottom, two circular portraits are shown: one of Prof. Datuk Norma Mansor, labeled "MODERATOR", and one of Ms. Aiko Kikkawa, labeled "SPEAKER".

→ The roundtable discussion titled “Asian Development Policy Report May 2024: Aging Well in Asia, Implication for Malaysia” was held on 27 September 2024 at the Wyndham Grand Bangsar, Kuala Lumpur. Organised jointly by the Social Wellbeing Research Centre (SWRC) at Universiti Malaya and the Asian Development Bank (ADB), the event brought together experts and stakeholders to discuss the policy implications of ageing populations in Asia, with a focus on Malaysia.

The programme officially began at 9:30 AM, with a welcome address by Prof. Datuk Norma Mansor, Director of SWRC. Her speech emphasised the importance of addressing the challenges posed by ageing populations in the region.

Ms. Aiko Kikkawa, Senior Economist at the Asian Development Bank’s Economic Analysis and Operational Support Division, presented the highlights of the Asian Development Policy Report 2024. Her presentation focused on the theme of "Aging Well in Asia" and examined the implications for Malaysia, offering key insights into economic and developmental strategies to address ageing-related challenges.

The discussion continued with a Q&A session. The roundtable served as a valuable platform for sharing knowledge and fostering collaboration to address the implications of ageing populations in Malaysia and across Asia.

Panel Session

“Investing in Care and Building a Resilient Care Economy”

26 September 2024 | Grand Wyndham Bangsar KL

KWSP
EPF

UNIVERSITI MALAYA

Pusat Penyelidikan Kesejahteraan Sosial
Social Wellbeing Research Centre (SWRC)

PERKESO

Panel Session

Investing in Care and Building a Resilient Care Economy

26 September 2024
2.30 p.m - 4.30 p.m
@ Wyndham Grand Bangsar KL

MODERATOR

NORMA MANSOR
Director, Social Wellbeing Research Centre (SWRC)

PANELLIST

AIKO KIKKAWA
Senior Economist, Asian Development Bank (ADB)

SIMON BRIMBLECOMBE
Chief Technical Adviser and Head, International Labour Organization (ILO)

SHAHRUL BAHYAH
Professor, Faculty of Medicine, Universiti Malaya

→ The panel session titled “Investing in Care and Building a Resilient Care Economy” was held on 26 September 2024 at the Wyndham Grand Bangsar, Kuala Lumpur. The event features prominent speakers including Aiko Kikkawa (Senior Economist, ADB), Simon Brimblecombe (Chief Technical Adviser and Head, ILO) and Shahrul Bahyah (Professor, Faculty of Medicine, Universiti Malaya).

The panel session served as a platform to discuss the importance of investing in care in building a resilience care economy to foster an inclusive development. The event was joined by more than 30 participants from various ministries, government agencies, industries and academics.



Simposium Kebangsaan Menoktah Kemiskinan 2024

30 September 2024 | Putrajaya International Convention Centre (PICC)

→ Simposium Kebangsaan Menoktah Kemiskinan 2024 was organised by the Ministry of Economy on 30 September 2024 in PICC Putrajaya. The symposium brought together experts and stakeholders to discuss strategies and initiatives for poverty alleviation in the country.

SWRC's Director, Professor Datuk Norma Mansor, moderated a session titled "Peranan dan Pendekatan Kerajaan dalam Menoktah Kemiskinan: Perlukan Penyusunan Semula?". She was joined by Associate Professor Datuk Ts Dr Ramzah Dambul (CEO Institute for Development Studies Sabah) and Professor Dr Yeah Kim Leng (Member of the Policy Advisory Committee to the Prime Minister) as panelists. The symposium contributed to the development of effective policies and programmes aimed at addressing poverty and improving the lives of Malaysians. The Prime Minister, Datuk Seri Anwar Ibrahim officiated the symposium.

Consider This:

Social Security – Broadening Protections for Tomorrow

17 October 2024 | Astro Awani

**SOCIAL SECURITY
BROADENING PROTECTIONS
FOR TOMORROW**

BALQAIS YUSOFF
Head, Policy and Strategy Department,
Employees Provident Fund (EPF)

**PROF DATUK
NORMA MANSOR**
Director,
Social Wellbeing Research Centre,
University of Malaya

**consider
this.**

THURSDAY • 17 OCT 2024 • 10 PM
Watch it on CH 501 | Live TV - astroawani.com & Astro AWANI App

→ Consider This: Social Security – Broadening Protections for Tomorrow was an engaging discussion aired on Astro Awani in anticipation of the tabling of Budget 2025. The session examined how effectively the social security measures introduced in last year’s national budget had shielded Malaysians from economic vulnerability. Key questions explored included whether these measures had truly delivered on their promise or if there was a pressing need for more targeted reforms.

Melisa Idris hosted the discussion and spoke with two prominent experts: Professor Datuk Norma Mansor, Director of Universiti Malaya’s Social Wellbeing Research Centre (SWRC) and Puan Balqais Yusoff, Head of the Policy and Strategy Department at EPF. Together, they provided insights into the performance of current policies and the potential for reforms to strengthen social security protections for Malaysians in the future.

Forum on Elderly Rights to Economic, Social and Cultural Rights

2 October 2024 | Kuala Lumpur



→ The Forum on Elderly Rights to Economic, Social and Cultural Rights was held on 2 October 2024 in Kuala Lumpur, in conjunction with World Elderly Day, which is celebrated every year on 1 October. Organised by SUHAKAM, the forum was attended by nearly 80 participants in person and over 100 participants online. The event began with an opening speech by YBhg. Dato' Seri Mohd Hishamudin Md. Yunus, Chairman of SUHAKAM, followed by a keynote address delivered by Professor Datuk Norma Mansor, Director of the Social Wellbeing Research Centre (SWRC) at Universiti Malaya. The forum aimed to address the challenges and opportunities related to elderly rights and to prepare Malaysia for its transition to becoming an aged nation by 2030.

The forum was divided into three discussion sessions:

1. **“Issues Facing the Elderly in Malaysia: An Overview”**, moderated by YBrs. Dr. Chew Chee Ming (SUHAKAM Commissioner) and featured three panellists: Associate Professor Dr. Rahimah Ibrahim (Director of the MyAgeing UPM), Datuk Dr. Soon Ting Kueh (President of the National Council of Senior Citizens Organisation (NACSCOM)) and Professor Nathan Vytialingam (Dean of the School of Occupational Therapy at Perdana University).
2. **“Empowering Elderly Rights Towards Malaysia as an Aged Nation by 2030”**, was moderated by YBrs. Prof. Dato' Noor Aziah Mohd. Awal (SUHAKAM Commissioner) and included three panellists: Tuan Haji Rosli Nordin (Deputy Senior Director of DBKL), Puan Nur Syahidah Abdul Jalil (Fellow at IKIM) and Encik K. Siladass, a lawyer at K. Siladass & Partners.
3. **“The Way Forward: Is Malaysia Ready to Thrive as an Aged Nation by 2030?”**, was moderated by YBrs. Dato' Hasnal Rezua Merican (SUHAKAM Commissioner) and featured four panellists: Mr Chua Choon Hwa (Deputy Secretary-General (Strategic) of KPWKM); Puan Balqais Yusoff (Head of the Policy and Strategy Department at EPF), Ms Gs Lily Hamaddah Ramle (Senior Principal Assistant Director of the Research and Development Division at PLANMalaysia, KPKT) and Dr. Noraliza Noordin Merican (Public Health Specialist in the Family Health Development Division, MOH).

Join us @ Pension and Retirement Professional Programme (PRPP) 2025!

The Pension and Retirement Professional Programme (PRPP) is a three level course designed by the Social Wellbeing Research Centre (SWRC), Universiti Malaya. The programme equips social social protection practitioners to become specialists in the retirement and pension industry.



Programme Objectives



Promote economic development and social wellbeing



Prepare practitioners to meet the evolving needs of an ageing society



Develop a robust and dynamic workforce in the field of pension and retirement services

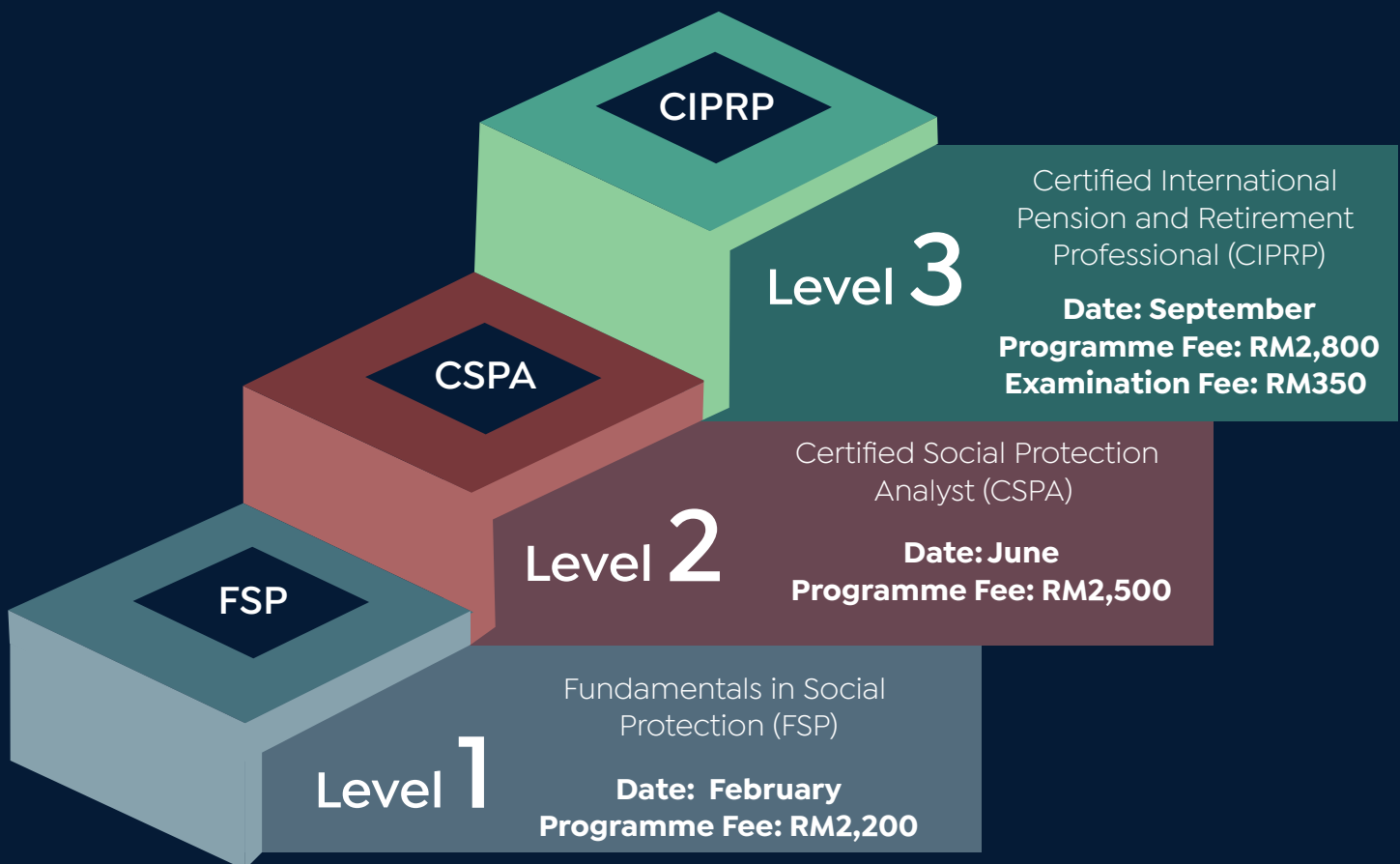
Programme Delivery

- engaging face-to-face lectures
- hands-on practical sessions
- immersive case studies
- interactive workshops

Participants will benefit from the expertise of both local and international academics, as well as industry professionals specialising in retirement and social protection

Levels of Certification

To ensure a dynamic learning experience, SWRC has developed three progressive levels* of certification, which are:



*daytime course over **three days**

About Social Wellbeing Research Centre (SWRC)

The Social Wellbeing Research Centre (SWRC) is an academic multi-disciplinary research entity, focusing on conceiving and implementing research in social security and old age financial protection.

SWRC has been providing evidence-based expertise and consulting in the aforesaid domains to elevate economic development on social cohesion in Malaysia.

The Centre supports research in social protection in general and old-age financial protection, in particular. The Employees Provident Fund (EPF) of Malaysia has graciously provided an endowment fund to create the nation's first endowed Chair in Old Age Financial Protection (OAFPC), now known as Social Wellbeing Chair (SWC) at Universiti Malaya.

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FLAGSHIP PROJECTS



MALAYSIA AGEING AND RETIREMENT SURVEY

Malaysia Ageing and Retirement Survey (MARS) is a major research undertaking by the Social Wellbeing Research Centre (SWRC) to produce nationwide longitudinal micro-level data relating to ageing and retirement involving personal interviews of individuals aged 40 years and older in Malaysia.

MARS is carried out every 2 years and is part of the harmonised database parallel with leading international family studies, namely, Health and Retirement Survey, USA; Survey of Health, Ageing, and Retirement Europe (SHARE); and Japanese Study of Ageing and Retirement.

MARS collects information on vital issues impacting their lives which include personal (background characteristics, etc.), family (relationship with spouse, parents, children, siblings, transfers, etc.), health (health status, diagnosed illness, healthcare utilisation, physical measurement, etc.), economic (work, employment, retirement, income, etc.) and other social factors (friends, social participation, etc.).

Interested in MARS dataset?

Data request is available through SWRC website (swrc.um.edu.my/mars) and the Gateway to Global Aging Data (<https://g2aging.org/>).



Belanjawanku is an expenditure guide that provides estimated minimum monthly expenses on various types of goods and services for different family sizes in Malaysia. It is a budget that can be used for information or as a guide for personal finance. It is known as a reference budget or a budget standard, that contains household expenditure, basket lists of goods and services and their cost thereof, a guide for a family of a specific size and composition to attain a decent standard of living.

The first wave of Belanjawanku (2019) covers the cities and districts in Klang Valley. The second and third wave of Belanjawanku was conducted between 2019–2022 and covered the additional cities including Alor Setar, Kota Kinabalu, Johor Bahru, Kuala Terengganu, Kuching, Georgetown, Kuantan, Kota Bharu, Ipoh, Seremban and Malacca City.

Belanjawanku App was launched in 2023. The app provides a medium for users to track their expenses and plan their budget smartly to achieve a dignified standard of living.



Belanjawan*ku*

Belanjawan kini lebih mudah



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