International Conference on Social Protection for the Elderly

Selasa, 22 May 2018
Jakarta, Indonesia
Situation analysis of older people

International Conference on Social Protection for the Elderly

Jakarta, Indonesia
22 May 2018
Overview

- Demographic patterns

- Sources of income and support
  - Working in old age
  - Support from family
  - Social protection

- Poverty among elderly population
Demographic patterns

- Indonesia is home to approximately 22.5 million people aged 60 years and above (9% of population)

- More than one in four households have an older person aged 60 years and above

### Percentage of households with an older person, by age

<table>
<thead>
<tr>
<th>Age of older person</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>60+</td>
<td>26%</td>
</tr>
<tr>
<td>65+</td>
<td>17%</td>
</tr>
<tr>
<td>70+</td>
<td>11%</td>
</tr>
<tr>
<td>75+</td>
<td>6%</td>
</tr>
<tr>
<td>80+</td>
<td>3%</td>
</tr>
</tbody>
</table>

Data source: Susenas 2016.
Indonesia is home to approximately 22.5 million people aged 60 years and above (9% of population).

More than one in four households have an older person aged 60 years and above.

Country is undergoing a demographic transition:

- The child population is peaking and starting to decline.
- The working-age population will continue to grow until mid-century.
- The number of older people is rising and accelerating.

Income security during old age

Income flows (cash and in-kind support)
- Income from work
- Income from capital and assets
- Private transfers
- Public transfers

Wealth stocks
- Non-financial assets
- Financial assets
- Debts

Affordability and availability of social services, including health care and long-term care
The likelihood of being economically active declines sharply with age.

Percentage of people aged 50+ years who are economically active, by age and by sex.

Data source: Susenas 2016.
The likelihood of being economically active declines sharply with age.

The intensity of work also reduces, but still 28 hours per week on average among workers above 75 years old.

Data source: Susenas 2016.
Working in old age

→ The likelihood of being economically active declines sharply with age

→ The intensity of work also reduces, but still 28 hours per week on average among workers above 75 years

→ Disability and ill health are key reasons for reducing or stopping work

Percentage of people experiencing difficulties in undertaking basic activities, by age

Data source: SUPAS 2015.
Working in old age

- The likelihood of being economically active declines sharply with age.
- The intensity of work also reduces, but still 28 hours per week on average among workers above 75 years.
- Disability and ill health are key reasons for reducing or stopping work.
- Older people, especially women, more likely to be in ‘vulnerable employment’ (own-account and family workers) and agricultural sector.
- Implications for income security

Percentage distribution of workers according to type of job, by age and by sex

Data source: Susenas 2016.
Older women are much less likely than men to be able to rely on support from a spouse.
Older women are much less likely than men to be able to rely on support from a spouse.

Adult children are an important source of support.

- Co-residence: Six in ten people aged 60+ years live with their children.

### Percent distribution of people 60+ years according to their living arrangement, by sex

<table>
<thead>
<tr>
<th>Living arrangement</th>
<th>Males</th>
<th>Females</th>
<th>All</th>
</tr>
</thead>
<tbody>
<tr>
<td>Living alone</td>
<td>5</td>
<td>15</td>
<td>10</td>
</tr>
<tr>
<td>With spouse only</td>
<td>25</td>
<td>15</td>
<td>20</td>
</tr>
<tr>
<td>With adult child (18+)</td>
<td>58</td>
<td>59</td>
<td>59</td>
</tr>
<tr>
<td>With grandchild (skipped generation)</td>
<td>4</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Other arrangements</td>
<td>7</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>

Data source: Susenas 2016.
Older women are much less likely than men to be able to rely on support from a spouse.

Adult children are an important source of support.

- **Co-residence:** Six in ten people aged 60+ years live with their children.
- **Transfers:** Many older people who are living independently also rely on their offspring as main source of income.

The importance of family support increases with age.

**Percentage of older people living independently who have transfers from their children as main source of income, by age**

Data source: Susenas 2016.
Most older people worked in informal sector and were unable to save for retirement.

Only 13% of older persons receive contributory pensions, ranging from less than 2% among poorest decile to a third among wealthiest decile.

Inclusion of older persons in PKH increases coverage by only 3%.
Main sources of income for older persons

Percent distribution of people 60+ years according to main source of household income

- **Savings, interest, rent**
- **Pensions**
- **Support from others**
- **Support from children**
- **Income from work**

**Older persons’ living arrangement**

- Alone: 9% (38% Income from work), 7% Support from children, 45% Support from others, 7% Pensions, 9% Savings, interest, rent
- With spouse only: 11% (69% Income from work), 18% Support from children, 18% Support from others, 18% Pensions, 11% Savings, interest, rent
- With adult child (18+): 5% (89% Income from work), 4% Support from children, 5% Support from others, 4% Pensions, 5% Savings, interest, rent
- Skipped generation: 8% (63% Income from work), 8% Support from children, 8% Support from others, 8% Pensions, 8% Savings, interest, rent

Data source: Susenas 2016.
Main sources of income for older persons

Percent distribution of people 60+ years according to main source of household income

<table>
<thead>
<tr>
<th>Older persons’ living arrangement</th>
<th>Among those still working</th>
<th>Among those not working</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Income from work</td>
<td>Support from children</td>
</tr>
<tr>
<td>Alone</td>
<td>76%</td>
<td>19%</td>
</tr>
<tr>
<td>With spouse only</td>
<td>88%</td>
<td>8%</td>
</tr>
<tr>
<td>With adult child (18+)</td>
<td>94%</td>
<td>3%</td>
</tr>
<tr>
<td>Skipped generation</td>
<td>79%</td>
<td>17%</td>
</tr>
</tbody>
</table>

Data source: Susenas 2016.
Poverty increases sharply as people grow older

Percentage of people below the poverty line, by five-year age group

When using alternative methods for measuring economic well-being, old-age poverty is even higher

Data source: SUSENAS 2016