

## PRODUCTIVE AGEING: THE OPPORTUNITIES AND CHALLENGES FACED BY THE LABOUR WORKFORCE IN MALAYSIA

Aslinda Ramely,  
Yarina Ahmad,  
Nor Hafizah Mohamed Harith

### ABSTRACT

*In Malaysia, the victory of social and economic development, public health and modern medicine have attributed to the longer life expectancy of its people, thus resulting in an increase of the elderly population. Consequently, this situation propels Malaysia into becoming an aged nation by 2030, where it is estimated that 15% of its overall population comprises people aged 60 and above. Thus, in stimulating the philosophy of 1Malaysia - people first, performance now; optimising the well-being of the elderly has become one of the primary objectives of the government. Hence, the involvement of elderly in economic dimensions that concentrate on productive ageing urged by the government is immensely important. This concept paper reviews relevant literature on initiatives implemented by the government to increase the opportunities for elderly to be a constituent in Malaysian labour workforce by carrying out productive activities. Optimising and utilising the employment opportunities for the elderly is crucial in utilising human resources in this country alongside reducing burdens encircling them (e.g. monetary problems, isolated by family, and loneliness). Also, two exemplary countries, Japan and Singapore, in terms of on creating working opportunities for their elderly, it is highlighted as best practices in enhancing productive ageing in developed countries. These practices can be the good examples for Malaysia in implementing the same. Then, besides opportunities, this concept paper also focuses on the challenges, which act as barriers to healthy elders to participate in the labour workforce, which are inclusive of ageism and stereotyping. Lastly, this concept paper suggests a number of viable recommendations in enhancing productive ageing in Malaysia; simultaneously to promote their participation in society through employment.*

Keywords: productive ageing, labour workforce, employment, opportunities, challenges

### Introduction

In Malaysia, the victory of social and economic development, public health and modern medicine have attributed to the longer life expectancy of its people, thus resulting in an increase of the elderly. Consequently, this situation propels Malaysia into becoming an aged nation by 2030, where it is estimated that 15% of its overall population comprises people aged 60 and above. The statistics of the elderly in Malaysia have increased 3.9% since 2000 and the population of this pool is expected to increase to 8.7% in 2025 and stagnantly increase to 16.3% in 2050 (United Nation, 2009). The population of the elderly in this country can be divided into genders. Since the 1970s, the population of male elders is higher than female. Starting from the 1980s until recently (2016), the number of female elders has outnumbered male elders (Hamid, 2012). This is consistent with the life expectancy of Malaysia women as reported by the Department of Statistics Malaysia (2015), where the average life expectancy (duration) for female citizens is 77.4 years as compared to 72.5 years for older men.

In stimulating the philosophy of 1Malaysia - people first, performance now; optimising the well-being of the elderly has become one of the primary objectives of the government. In the aspect of their wellbeing, the National Policy for Old People 2011 emphasises on five dimensions, which includes health dimension (healthy ageing), social dimension (active ageing), spiritual dimension (positive ageing), environment dimension (supportive ageing), and economic dimension (productive ageing). The policy also mentions that in order to optimise the well-being of the elderly, all these dimensions need to be fulfilled equally. In relation to the aspect of economic dimension, the policy promotes productive ageing; by participating in both paid and unpaid activities. Referring to the involvement of the elderly in paid activities, their participation, and engagement in labour market should be considered. Unfortunately, Yusof and Zulkifli (2014) mentioned that the job opportunity for the elderly is limited and thus, restrain the elderly from participating and engage in the labour market. Therefore, while participating and engaging in the labour market are among the examples of activities for productive ageing that underpinning under the dimension of the economy, thus scrutinising further on this issue is immensely important.

Hence, this concept paper explores the participation and engagement of the elderly in Malaysia. This paper reviews several initiatives taken by Malaysia government in enhancing the participation and engagement of the elderly in the local labour market. Realising on an equal employment opportunity that needs to be offered to the elderly, several improvements need to be undertaken. For this purpose, this paper discusses the best practices that have been implemented by developed countries, i.e Japan and Singapore that also can be learned by Malaysia in implementing the same. Meanwhile, the existence of ageism and stereotype in labour market as the challenges that always hunting the elderly to remain or re-enter as labour workforce also have been highlighted. Finally, this paper concludes the discussion by providing a few recommendations that can be considered immensely by the Malaysian government in developing and maximising equal employment opportunity for the elderly.

### Initiatives to enhance labour force participation in Malaysia

In Malaysia, there are several initiatives have been implemented by the government to promote and increase the participation of the elderly in labour markets. These initiatives include the enforcement of Employment (Part-Time Employees) Regulation 2010, the Minimum Wage Order 2016 and the implementation of Minimum Retirement Age Act 2012.

#### **i) Employment (Part-Time Employees) Regulation 2010**

Employment (Part-Time Employees) Regulation 2010 has been enforced since 15 October 2010 by the government in an attempt to ensure the rights and security of part-time employees. The primary objective of the Employment (Part-Time Employees) Regulation 2010 is to encourage and attract marginalised groups of people such as single mothers, people with disabilities and the elderly to be involved as part-time workers. According to Malaysia Human Right Commission (2013), the implementation of this regulation is aimed to increase opportunities for the elderly to re-enter formal employment with benefits such as the Employees Provident Fund (EPF), Social Security Organisation (SOCSSO), annual pay, and medical leaves. In other words, the implementation of this regulation benefits those who intend to partake in the labour markets as part-time employees by protecting them and are governed by the law. Therefore, this regulation may also increase the interest of the elderly to continue working and be productive.

The Prime Minister, Dato' Seri Mohd Najib bin Abdul Razak, in his speech during National Elders Day 2012, also supports the implementation of this regulation. According to him, this regulation will encourage Malaysian's aged citizens to continue their contribution to the country through their involvement in the labour force. This regulation indirectly promotes a productive environment among the elderly in Malaysia.

#### **ii) Minimum Wage Order 2016**

The enforcement of the Minimum Wage Order 2016 is also among the initiatives taken by the government for all employers regardless of the number of employees nationwide. This order is believed to reduce working poverty and provide social protection to vulnerable employees – including older workers. This is the latest amended order based on improvements from the Minimum Age Wages Order 2012, which was successfully implemented on 1 July 2016. Generally, this order has been enforced to prescribe minimum wage to employees in private sectors regardless of their age. In peninsular Malaysia, the minimum wage rates payable to an employee is MYR 1,000 and MYR 920 in Sabah, Sarawak, and the Federal Territory of Labuan (Attorney General Chambers of Malaysia, 2016). This new minimum wage order is believed to also encourage the participation of citizens in the labour workforce – job providers are prohibited providing salaries below the minimum wages stipulated by the government. This will ensure the rights of employees and avoid oppression on these workers. As the government has decided this minimum wage for the employee through the implementation of this order, hence, this could be one of the reasons to retain existing employees as well as hire new people, inclusive of the elderly.

#### **iii) Minimum Retirement Age Act 2012**

The government has also introduced the Minimum Retirement Age Act 2012, which has been enforced since 1 July 2013. According to the Ministry of Human Resource (2013), the primary purpose of this Act is to set the retirement age for private sector employees at 60 years. The implementation of this act can be seen as the starting point for the government to remain older workers in the workplace, which is aligned with the concept of productive ageing. By allowing the elderly to retire at a minimum age of 60, this will encourage them to continue their participation in the labour market. This is one way in encouraging the elderly to remain as productive labour workforce employees. However, if any employ forward a complaint to the General Director. Complaints must be made in writing within 60 days from the date of retirement (Ministry of Human Resource, 2013). This act protects the rights of the elderly to participate in labour workforce as well as their right to contribute and remain productive despite their age.

### **Best Practices in Developed Countries**

Japan and Singapore are among the countries in the world, which are currently experiencing a rise in the number of their older citizens. Hence, a number of initiatives have been implemented by these countries for the purpose of securing their economy as well as utilising their local labour forces by bringing their older citizens back into the labour market. Following subsections elaborates further on the initiatives implemented by these countries:

#### **i) Japan**

In Japan, the percentage of the older population has been increasing rapidly from year to year. According to the United Nations, the percentage of the older population in Japan reached 22.5% in the year 2010 and is forecasted to reach 37.8% in the year of 2050. This rapid increment will cause great pressure on Japan since dynamism of the economy and society will be affected by the retirement of experienced and knowledgeable local labour forces. Therefore, several initiatives have been implemented to overcome this shortage by fostering continued labour force participation among older Japanese in the labour market. Firstly, Japan introduced the Act Stabilisation of Employment of Elderly Persons, which has led to the extension of a mandatory retirement age – from age of 65 to 67 by 2017. According to Naoki (2012), labour demand for older workers has increased after the implementation of this Act by a sharp rise in the employment-population ratio of older workers aged 60 – 64 years old.

Other than that, this Act also promotes the continuity of employment after mandatory retirement age through the implementation of The Silver Human Resource Centres around the nation. The primary objective of these centres is to provide job opportunities

on non-regular employments such as temporary, contract, part-time, or other forms of paid work for healthy older people aged 60 years old and over who desire to work. The job opportunities offered by these centres include cleanup, weeding, bicycle parking area management, park management, addressing letters or cards, pruning garden plants, papering shoji or fusuma, welfare and also housekeeping assistance services. Furthermore, older people are given chances to get additional income by providing services such as becoming tour guides for pilgrims, child caregivers, as well as becoming tutors in small schools for both elementary and junior high school students. For instance, these centres are fully subsidised by the national and municipal governments (Williamson & Higo, 2007).

The implementation of The Silver Human Resource Centre by Japan is considered as helpful and effective for the elderly in seeking for any available jobs suitable for them. Through this initiative, their rich knowledge and skills can be utilised to the fullest for the benefit of all. Examples of the benefits include supporting and keeping the older people in their journey of ageing actively and productively, as well as maintaining their financial resources and avoid them to succumb into loneliness.

## ii) Singapore

Statistical data provided by the United Nations (2009) also shows the rapid growth of the percentage of the older population in Singapore. The percentage was forecasted to be 32.6% in 2050, from only 2.4% in 1950 and 7.2% in 2000. Therefore, this increment demands Singapore to come up with effective solutions in utilising their older citizens especially in terms of their involvement in the labour market. The older people in Singapore demand to work beyond the retirement age to remain financially independent and to age actively (Ministry of Health Singapore, 2016). The reemployment age in Singapore will be raised from 65 to 67 by 2017 (Toh, 2015) to support long-life employability. The Action Plan for Successful ageing also has been introduced on 24 February 2016 as a blueprint to enable older people to grow confidently and bring Singapore as a nation for all ages. This action plan highlights on how to create ageless workplaces and lifelong employability for their older citizens and thus, ten suggestions have been made. The suggestions include:

- i) Redesign jobs to offer older workers greater flexibility
- ii) Make training accessible and effective for older workers
- iii) Set up dedicated senior-only national job banks
- iv) Promote workplace health and safety
- v) Review or extend retirement age – some advocate the extension to 70, while others feel it should be abolished entirely
- vi) Provide good career guidance and transition programmes a few years ahead of the reemployment age
- vii) Promote mindset change among employers on the value of older workers
- viii) Allow older workers to try out jobs via internships or job trials
- ix) Recognise employers who treat older workers well
- x) Promote intergenerational workplace harmony

Other than that, Action Plan for Successful Ageing also implements several measures in facilitating lifelong employability. These measures are under the first phase of this action plan which is to create opportunities for all ages. Under this phase, Singapore is beginning to transform its nation as a place for all ages, including the elderly. Through this phase, the citizens have been demanded to learn, and optimise their self-potential regardless of their socio-economic profile, including empowering themselves by participating and engaging in the labour market. Table 1 provides further information on these measures and their underlying objectives.

Table 1: Measures for lifelong employability and their objectives

Measure	Objective
Retirement and Reemployment Act (2012)	✓ to provide more opportunities for workers to work beyond the statutory minimum retirement age of 62 and up to the age of 65
Special Employment Credit (2011)	✓ to offset the monthly wages of Singaporean employees aged above 50 earning up to \$4,000 a month
The system of Continuing Education and Training (CET)	✓ to help Singaporeans reskill and upskill, as they progress in their careers or switched jobs
The Tripartite Alliance for Fair and Progressive Employment Practices (TAFEP) (2006)	✓ to encourage employers, employees and the general public to view older workers more positively ➤ In 2013, the tripartite partners introduced the <i>WordPro programme</i> to help employers put in place initiatives to improve work-life harmony and to recruit and retain older workers and back-to-work locals to meet their labour force needs
Centre for Seniors (CFS) Programmes	✓ to help older workers seek a career transition as well as those preparing for retirement

Source: Ministry of Health Singapore (2016)

## Challenges

There are a number of issues and challenges faced by older people in the labour force participation such as lack of job opportunities, discrimination (racism, sexism, and ageism), stereotyping, and many others. However, this paper concentrates on only two primary challenges that are believed to be mostly related to labour force participation among older workers; ageism and stereotypes. These challenges are argued to deny the chances for older people to participate in the labour market. Following subsections provide brief discussions on these challenges:

#### **i) Ageism**

An early work on ageism raised by Butler in 1975 stated that the term 'ageism' initially has been used to describe the process of systematic stereotyping and discrimination against people because they are old. However, Sax (1993) argued that the term 'ageism' has also been used to refer to any form of discrimination or stereotyping based on age, young or old. Furthermore, Carroll and Whelan (1994) believed that ageism in the labour market happens when many people believe that job opportunities should be given to the young. In short, the early ideas on ageism in the labour force focus on three main aspects: (1) age; (2) discrimination; and (3) job opportunities.

According to the Canadian Association of Retired People (2013), the existence of ageism or age discrimination was found to be a contributing factor in the decrease of opportunities in the labour market offered to the elderly. Black (2016) argued that ageism has evoked many negative consequences for older people. These consequences include generating and reinforcing fear, denigrating the ageing process and influencing the upsurge of negative stereotyping and presumptions regarding the competence of older people (Blytheway, 1994). Other than that, ageism may also influence older peoples' image of their own self-worth (Westhorp & Sebastian, 1997) and indirectly, deny them equal rights to be self-fulfilled through participation in the labour workforce (Atchley, 1991).

In Malaysia, ageism issue also being raised in the local labour force. For instance, a study conducted by Yip (2010) addressed that the existence of ageism in Malaysia which has proven to disrupt the opportunities for older people to be involved in the labour market. Therefore, this incidence has caused difficulty employees in their late 40s or 50s to find a company, which apprehends how valuable they are. Recently, during the Kuala Lumpur Declaration on Ageing in 2015, the government adopted the International Labour Organisation Discrimination (Employment and Occupation) Convention 1958 as one of the mechanisms to overcome age discrimination. According to Equal Right Trust 2012, Malaysia has taken an initiative to overcome the issue of age discrimination since the implementation of the National Policy for Older Person in 2011. However, despite legal redress and remedies of equality and non-discrimination are effectively enacted in this country, the enforcement of these mechanisms are inadequate and are insufficiently enforced. The population of the ageing in Malaysia is rising, thus eliciting the demand for more labour force participation for them. Hence, relevant parties should address the ageism issue holistically. This is to ensure that the older people receive equal rights to be involved in society, labour markets and to generate aged friendly cities

#### **ii) Stereotyping**

The existence of negative stereotyping in Malaysia also reduces the opportunities for the elderly to participate in the labour market. Even though there are much positive stereotyping of the elderly, such as them being caring grandparents as well as the sage of all wisdom and experience (Black, 2016), negative stereotyping of this pool people is apparent. According to Yusof and Zulkifli (2014), the example of stereotyping on the ageing workforce exists in this country, which includes questioning in the capacity and productivity of the ageing population. In other words, the society itself is unable to see the good in hiring older people since they believe that the productivity and working quality decreases as a person gets older. Therefore, the society is merely in favour in providing more job opportunities for the young. Meanwhile, according to UNESCO (2002), the existence of negative stereotyping occurs due to the lack of societal concern of older people.

Negative stereotyping from society will affect the willingness of older people in becoming more productive, participating in society, labour force and indirectly affect the country as a whole. In dealing with negative stereotypes, there is no magic solution. It requires a holistic approach to change the mindset of Malaysian citizens toward older people – they are not burdens, rather, assets to a country.

#### **Conclusion and recommendations**

According to the Malaysian Country Report (2012), 307.3 thousand of those aged 60 to 64 in 2011 are still working. A survey conducted in 2007/2008 found that the majority of older people (which receive different levels of monthly incomes) perceive that they are still eligible to work. Even though the elderly in this country are willing to pursue working at their age, employment opportunities for them in Malaysia are very limited (Yusof & Zulkifli, 2014). Therefore, sound mechanisms need to be undertaken and formulated by the government to enhance job opportunities for the elderly.

Learn and taking into account renowned practices implemented in Japan, Malaysia should also establish one job-bank for older people. By taking the Silver Human Resource Centres as an example, Malaysia should also implement a similar concept of this centre that is able to offer necessary jobs to older people which suit their abilities, skills and capabilities. Corporations, households and public organisations which intend to offer jobs to the elders, either full-time or part-time, may use this centre as an intermediary to reach the elderly who are interested. Therefore, the existence of these centres as job banks for the elderly might speed-up their job-seeking process, help them secure financial resources as well as avert them from loneliness. This may also assist the government in reducing demand from employers to hire foreign labour workforces. According to Yusof and

Zulkifly (2014), too much labour supply of foreign workers might affect the growth of a country, allowing more money outflow and opening up more problems in the future, such as health-related problems associated with foreign workers.

Furthermore, the government also need to learn and introduce similar mechanisms implemented by Singapore to create ageless workplaces and lifelong employability. For example, revising and improving related policies, regulations or guidelines which contribute to greater chances for older people to be involved in the labour market. Several measures introduced by Singapore such as the Retirement and Reemployment Act (2012), the system of Continuing Education and Training (CET) and Centres for Seniors (CFS) Programmes are worth to be referred to.

Other than that, considering all have parts to play, we should not only depend on the government per se. Roles of both employers and society as supporting actors also need to be enhanced. Empowering and promoting roles of the job providers and the society in stimulating and catalysing older people in being involved in the labour market also need to be given serious attention by the government through holistic support. Measures such as the Act Stabilisation of Employment of Elderly People introduced by Japan and of both Special Employment Credit (2011) and the Tripartite Alliance for Fair and Progressive Employment Practices (TAFEP) (2006) implemented by Singapore act as good examples on how to enhance the roles of employers and society in this matter.

In conclusion, realising Malaysia will become an aged nation by 2030; the government should take the involvement of older people seriously. One of the aspects that should be emphasised is to promote productive ageing that can be done through the involvement of older people in labour market. Therefore, Malaysia should provide more job opportunities for the elderly and encourage more participations and engagement among them. Issues and challenges encircling older people such as ageism and stereotyping need to be eradicated. Examples of best practices from developed countries such as Japan and Singapore should be considered to boost labour force involvement and participation among older people in Malaysia. This will ensure Malaysia's aim in becoming an inclusive and aged friendly country in the near future.

#### Acknowledgement

This paper would like to show the gratitude for coordinator and members of Graduate Research in Print (GRiP) Program, from Faculty of Administrative Science and Policy Studies, UiTM Shah Alam, Selangor, Malaysia for their guidance in assisting the authors to write this paper academically and their full support in the publication of this paper.

#### References

- Atchley, R. C. (1991). *Social forces and aging* (6th ed.). United States: Wadsworth.
- Attorney General Chambers of Malaysia (2016). Federal government gazette: Minimum Wages Order 2016. Retrieved August 23, 2016, from [https://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=1&ved=0ahUKEwj85eu54dzPAhUWSY8KHdg5BacQFggeMAA&url=http%3A%2F%2Fwww.mohr.gov.my%2Fpdf%2Fpua\\_20160429\\_P.U.%2520\(A\)%2520116%2520%2520Perintah%2520Gaji%2520Minimum%25202016.pdf&usg=AFQjCNE44VJicPdZXW7yePJOVlnAavknTw&cad=rja](https://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=1&ved=0ahUKEwj85eu54dzPAhUWSY8KHdg5BacQFggeMAA&url=http%3A%2F%2Fwww.mohr.gov.my%2Fpdf%2Fpua_20160429_P.U.%2520(A)%2520116%2520%2520Perintah%2520Gaji%2520Minimum%25202016.pdf&usg=AFQjCNE44VJicPdZXW7yePJOVlnAavknTw&cad=rja)
- Black, B. (2016). Empowering and right-based approached to working with older people. Alliance for the Prevention of Elderly Abuse: Western Australia. Retrieved September 22, 2016, from <http://apeawa.advocare.org.au/publications/empowering/rights-based-a/>
- Blytheway, B. (1994). *Ageism: Rethinking ageing*. Open University Press: Philadelphia.
- Canadian Association of Retired Person (2013). CARP's new vision for engaging older workers. Retrieved August 17, 2016, from <http://www.carp.ca/wpcontent/uploads/2013/12/Older-Worker-Paper-Dec-2013.pdf>
- Carroll, B., & Whelan, T. (1994). Reflections on the round table positive ageing: The way forward. *Proceedings of round table: Theories of ageing and attitudes to ageing in Ireland*, 33.
- Equal Right Trust. (2012). *Washing the tigers: Addressing discrimination and inequality in Malaysia* (ERT country report series 2). UK: Equal Right Trust.
- Ministry of Health of Singapore. (2016). *Action Plan for Successful Ageing*. Ministry of Health: Singapore. ISBN 978-981-09-8536-3
- Naoki, M. (2012). *Employment policies for older workers and labour demand in Japan*. European Economic and Social Committee Employers' Group. Conference on Ageing Populations and New Opportunities for Business in Europe and Japan, 15 March 2012.
- Sax, S. (1993). *Ageing and public policy in Australia*. St. Leonards: Allen & Unwin.
- Toh, Yong Chuan. (24 August, 2015). Re-employment age will rise to 67 by 2017. *The Straits Times*. Retrieved September 8, 2016, from <http://www.straitstimes.com/politics/re-employment-age-will-rise-to-67-by-2017>.
- UNESCO. (2002). *Abuse of older persons: Recognising and responding to abuse of older persons in global context*. Commission for Social Development acting as the preparatory committee for the Second World Assembly on Ageing: New York.
- United Nations. (2009). *World Population Prospects: The 2008 Revision*. Population division of the department of economic and social affairs of the united nations secretariat. Retrieved March 3, 2016, from <http://esa.un.org/unpp>
- Westthorp, G., & Sebastian, A. (1997). *Advocacy Training Program: Introduction to advocacy – A learning package*. Disable Action, Mile End.

- William, J. B., & Higo, M. (2007). Older workers: Lessons from Japan. Centre for Retirement Research at Boston College: America. Series 11 [http://crr.bc.edu/wpcontent/uploads/2007/06/wob\\_11.pdf](http://crr.bc.edu/wpcontent/uploads/2007/06/wob_11.pdf) format
- Yip, C. (2010). Time to redefine Malaysia's work culture. The Star Online. Retrieved July 20, 2016, from <http://biz.thestar.com.my/news/story.asp?file=/2010/4/24/business/6110687&sec=business>
- Yusof, S. N & Zulkifli, Z. (2014). Rethinking of old age: The emerging challenge for Malaysia. Retrieved September 8, 2016, from [http://www.ipedr.com/vol71/013ICCK S2014\\_S10011.pdf](http://www.ipedr.com/vol71/013ICCK S2014_S10011.pdf), 71(13).

Aslinda Ramely  
*Faculty of Administrative Science & Policy Studies*  
*Universiti Teknologi MARA (UiTM) Selangor*  
*40450, Shah Alam, Selangor, Malaysia*  
*Email: aslindaramely1991@gmail.com*

Yarina Ahmad  
*Faculty of Administrative Science & Policy Studies*  
*Universiti Teknologi MARA (UiTM) Selangor*  
*40450, Shah Alam, Selangor, Malaysia*  
*Email: yarina@salam.uitm.edu.my*

Nor Hafizah Mohamed Harith  
*Faculty of Administrative Science & Policy Studies*  
*Universiti Teknologi MARA (UiTM) Selangor*  
*40450, Shah Alam, Selangor, Malaysia*  
*Email: norha561@salam.uitm.edu.my*