

Mapping UNSW Impact Global Development

Primary SDG	1: NO POVERTY
Broad theme	Ageing populations
Research	CEPAR is modelling social security options in Indonesia, and they are researching the state of social security for the aged across Asia
Impact region	Indonesia, Asia
Faculty	Business School
School/Institute	ARC Centre of Excellence in Population Ageing Research (CEPAR)
Academic	Professor John Piggott
Project partners	CEPAR members: UNSW, ANU, University of Melbourne, University of Sydney, University of Western Australia, Australian Research Council
	Indonesian partner: University of Indonesia
	Pan Asia partners: Asian Development Bank, UN, APEC, APRU
Related SDGs	3: Good Health and Well-being
	10: Reduced Inequalities

Elevator pitch

CEPAR is modelling social security options for the poor and retiring in Indonesia, and researching the state of support for retirees across Asian countries, with the goal of promoting effective government policy that assists those with little money and close to retirement to experience a reasonable quality of life.

The Challenge: Poor and informal workers in Asia ready to retire have little support

In Indonesia it is estimated that 46% of the population are very poor. When the poor finish their working lives, they often rely on children to support them as they have few resources and there is often no government-sponsored pension they can access. Modern day regional migration – where the younger generation are moving to cities for work – means the old and poor are left with very little support. What can be done to assist them?

Across Asia, fertility is declining. That means populations are ageing fast, the fastest in the world in the case of Vietnam. Instead of providing social infrastructure for these ageing populations, governments are too busy trying to lift standards of living, build infrastructure, and take care of pollution. There is very little policy and capital on offer in support. The formal segment of the population, those who are employed under contracts and are documented with the government, can access some of kind of social security, but in the emerging economies of Asia the proportion of informal workers (those paid in cash) make up a large proportion of the workforce and are entitled to very little government support. Regional migration, as is happening in Indonesia, means these older, informal workers can no longer rely on the younger generation for support and care.

UNSW's solution: Model and research social security options and policies to promote policy

John and his team at CEPAR are working on an economic model of the Indonesian population that will help the country to examine potential social security policies for retiring citizens. The model will inform policy makers about what policy designs and mechanisms might best help the ageing poor in their retirement. Workshops involving policy makers and academics will be hosted by CEPAR in the second half of 2018, and CEPAR has applied for an ARC Discovery grant. Further funding would be used to recruit staff to extend the project.

CEPAR is also researching the state of play in Asia to provide an overview of the ageing population and existing support for retirees. This research assesses gaps in the market and determines the kind of infrastructure and policies needed based on income levels, pensions, healthcare, home care and community care. They are also assessing the role families are playing, the degree of formal and informal work, and the proportion of the population living in urban and rural areas. The aim is to provide information for policies around social security, long term care structures and formal support. CEPAR will share information with government officials, the Asian Development Bank, the UN, APEC and businesses in the region to promote policy development.

Further funding would enable CEPAR to expand its research on the ageing population in Vietnam, the country with the fastest ageing population in the world. Funding would be used to employ more staff to assist with research and modelling efforts.

The Impact: Influence government policy, improve quality of life for the ageing

CEPAR's work in Indonesia will have a direct impact on government decisions around providing some kind of social infrastructure for the ageing and those who have worked informally throughout their lives. This could result in new policies that directly benefit this section of the population, providing them with income, and health and community services that enrich their quality of life in their old age.

The research across Asia will provide countries with a useful measure to benchmark themselves against neighbouring countries on the issue of ageing populations and social infrastructure. Research will encourage countries to address gaps with policy and funding, ultimately improving the lives of the ageing poor in terms of income and access to health and other services.

Researcher

Professor John Piggott is Director of the ARC Centre of Excellence in Population Ageing Research (CEPAR), and the Australian Institute for Population Ageing Research (based at UNSW), and Scientia Professor of Economics at UNSW. John has a long standing interest in retirement and pension economics and finance, publishing more than 100 journal articles and chapters in books. In Australia, he has been a member of the Henry Tax Review Panel and the Ministerial Superannuation Advisory Committee. Internationally, he has worked on pension issues with the Japanese Government, the World Bank, Russia and Indonesia.

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