



THE EMERGING MARKETS  
SYMPOSIUM



GREEN TEMPLETON COLLEGE | OXFORD

# AGEING IN EMERGING MARKETS

Summary and Conclusions





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This report is a summary of the conclusions reached at a symposium on Ageing in Emerging Markets organized by the Emerging Markets Symposium (EMS) at Green Templeton College, Oxford in January 2015.

The full report can be found on the EMS website at **[ems.gtc.ox.ac.uk/ems-2015/ageing-emerging-markets](https://ems.gtc.ox.ac.uk/ems-2015/ageing-emerging-markets)**.

The Emerging Markets Symposium (EMS) was created in 2008 as an academic initiative of Green Templeton College (GTC), the newest college in the University of Oxford and one of its seven graduate colleges. The EMS is an expression of GTC's commitment to promote understanding of the issues of managing human welfare in the modern world and the flow of ideas across traditional disciplinary and professional boundaries. From the outset the EMS has been most generously sponsored by the C&C Alpha Group.

The creation of the EMS was anchored in the premises that:

- (1) Unresolved issues of human welfare are critical constraints to growth, cohesion and stability in emerging markets.
- (2) Existing international forums did not reflect the complexity and urgency of these issues.
- (3) The College had the capacity and ambition to address them, the convening power to bring together leading figures from the public, private and voluntary sectors and the means to promote changes in policies and practices in governments, multilateral institutions, national and international corporations and civil society.

For more information about the Emerging Markets Symposium see: **[ems.gtc.ox.ac.uk](https://ems.gtc.ox.ac.uk)**

For more information about Green Templeton College see: **[www.gtc.ox.ac.uk](https://www.gtc.ox.ac.uk)**



# AGEING IN EMERGING MARKETS

## SUMMARY AND CONCLUSIONS

*There is more to old age than ageing*

### INTRODUCTION

The rise of emerging markets in the last half century has been associated with violent shifts in the tectonic plates of demography, economics and geography. There will be larger shifts in the next half century as emerging markets are transformed by the megatrends of globalization, urbanization, digitization, climatization, ideological conflict... and longevity.

The United Nations anticipates that between 2010 and 2050, declining fertility and infant mortality and rising longevity will drive the proportion of the total population aged over 65 from 7% to 20% in Brazil; 8% to 24% in China; 13% to 26% in Russia; and 5% to 12% in India. Challenges and opportunities associated with population ageing are not unique to emerging markets. But like those associated with epidemiological transitions and urbanization, they have been so compressed that some transitions spread over 150 years in high income countries will happen in just 25 years in emerging markets.

This report describes the outcomes of a 2015 symposium on *Ageing in Emerging Markets* convened by the Emerging Markets Symposium at Green Templeton College, Oxford. It focusses on the causes and consequences of rising longevity in the largest and most successful emerging markets; explains why they must wake up to the realities of getting older; assesses the economic and social and health implications of population ageing; and relates ageing associated issues to the economic cultural and political diversity of emerging markets.

Emerging market economies have made limited progress in planning for longevity. Many rely on outdated or imported policies. Few have acknowledged the consequences of demographic transformation. Few have calibrated social and economic policies with realistic assumptions about life expectancy. Even fewer have yet recognised that rising longevity is also a triumph of civilization, a challenge to the ingenuity and vision of managers and leaders and an economic, social and political opportunity.

The scope and scale of necessary adjustments in attitudes, mindsets, understandings, behaviours, policies and practises are such that, irrespective of contrasting political and economic systems, governments, the private sector, civil society and individuals in emerging markets must play leading roles in the last act of life.

## FINDINGS

The main finding of the symposium was that whereas it is fashionable to see rising longevity in emerging markets as a looming threat, it is also an opportunity to learn from the high income countries that have squandered the potential economic contributions of older people and failed to capture their knowledge, experience, productivity and capacity to help create more cohesive societies and nurture their polities.

Conventional thinking about longevity in emerging markets tends to focus on: (i) The impacts of declining fertility on the size of the labour force and of a consequently shrinking younger population to support a rapidly growing older population; (ii) Potential resentment on the part of younger people for whom older people are a burden; (iii) The cost of income transfers to older people with nothing else to live on; and (iv) The rising costs of healthcare for older people. In short, longevity is often seen as a threat to economic growth, social cohesion and even political stability. Scanning the horizon, many people see the clouds but miss the silver lining.

### THREE CLOUDS...

Nobody should underestimate the magnitude, complexity and urgency of health and economic and social welfare problems associated with longevity in emerging markets:

#### Health

The growth of multimorbidities, disabilities, chronic diseases, dementia and other age associated conditions could overwhelm public and private healthcare systems in emerging markets. These countries need to improve their capacity to care for older people by: developing holistic ('womb to tomb') perspectives on human health; recognizing that human life-chances, including the chances of healthy ageing, are strongly influenced by maternal and child nutrition and health in the 1000 days after conception; promoting healthy lifestyles to eliminate the causes of premature death through (among other means) taxation and education; creating physical and social environments adapted to age-related physical and mental frailties; coordinating health related policies and plans across jurisdictional boundaries within governments; and exploiting innovative applications of new technologies.

There are many demands for improvements in prevention, diagnosis and care and hard pressed health systems may find it impossible to prioritize healthcare for older people. Yet there are few excuses for the facts that: (i) Healthcare professionals in most emerging markets typically receive little or no training or education in the health of older people; (ii) Specialist services (e.g. dementia, psychiatric disorders, disabilities) are neither integrated nor coordinated; and (iii) Policies that affect the health and well-being of older people (e.g. road crossing safety) that lie outside the purview of health policy are rarely coordinated

#### Economic Welfare

Depending, in part, on demographic profiles, large scale old age poverty is a very real prospect in many emerging markets. In those with relatively well-established contributory or non-contributory pension schemes for formal sector workers, pensions may not cover basic needs. Those without formal sector pension systems cannot meet the needs of current generations of older people. And in emerging markets where unregulated, untaxed informal sector employment (82% cent of total employment in South Asia, 65% in East and South-East Asia excluding China, 51% in Latin America and 10% in Eastern Europe and Central Asia), dwarfs formal sector employment, workers who cannot work may face financial ruin in the absence of government income transfers, family financial support or sufficient financial savings to meet their needs in old age.

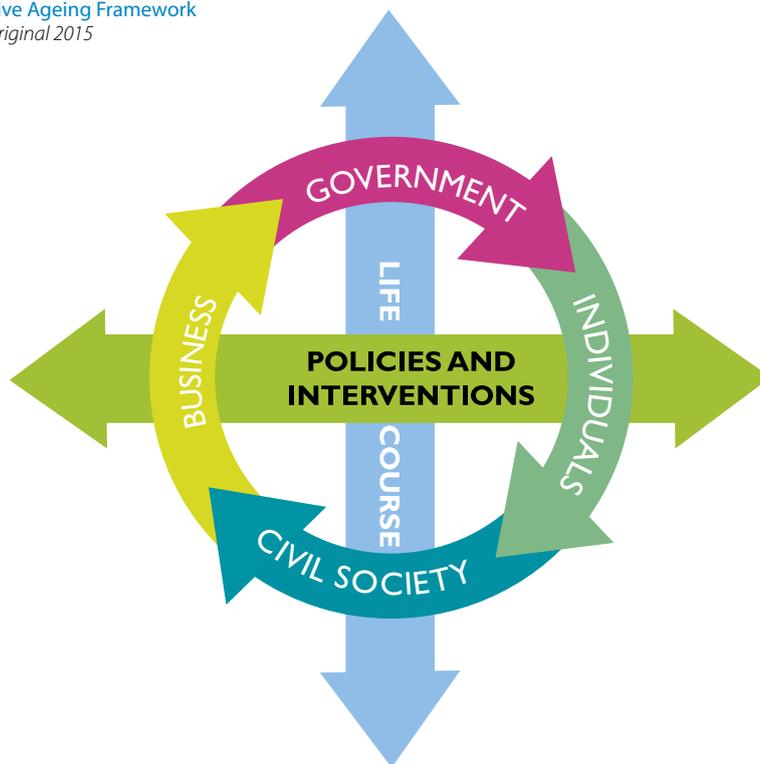
## Social Welfare

Physical and cognitive disabilities, personal isolation, the absence of age-friendly environments and products, lack of lifetime education, ageism, abuse, violence and income poverty combine for a bleak old age for many people. The hardships are exacerbated by diminished family capacities and commitments to provide social care for parents and other older people: partly because internal and external migration, labour mobility and urbanization have resulted in the spatial fragmentation of families; partly because younger members of fragmented families have other priorities; and partly because traditional family values must compete with individualistic and material values. Whereas, in most high income countries, governments and civil society organizations have taken up some of the slack, most emerging markets lack alternative solutions and where social care exists it is rarely coordinated, much less integrated, with healthcare.

## ... AND A SILVER LINING?

From one end of the telescope these appear to be 'wicked problems'<sup>1</sup> that defy solutions. From the other end emerging markets could see opportunities to adopt and adapt the concept of *active ageing* first proposed by WHO<sup>2</sup> in 2002. The concept offers a framework for simultaneously enhancing the quality of older lives and benefitting economies and societies. Being less burdened by tradition, convention and constraints to change, emerging markets may be better placed to make it work than most other countries.

Figure 1: Active Ageing Framework  
Source EMS Original 2015



1 'Wicked' problems, are complex and seemingly intractable problems that defy resolution. They are hard to recognize, understand, and define. Information about them is often incomplete and scattered. Criteria for solutions may be contradictory. And efforts to resolve one such problem may create others. Solutions are invariably non-linear and demand complementary knowledge, multi-sectoral (public, private, voluntary) perspectives and multidisciplinary cooperation. Richey suggests that "Wicked problems are ill-defined, ambiguous and associated with strong moral, political and professional issues. Since they are strongly stakeholder dependent, there is often little consensus about what the problem is, let alone how to resolve it. Furthermore, wicked problems won't keep still: they are sets of complex, interacting issues evolving in a dynamic social context. Often, new forms of wicked problems emerge as a result of trying to understand and solve one of them". 'Wicked Problems: Modelling Social Messes with Morphological Analysis' Tom Richey 2005 (revised 2013), Swedish Morphological Society

2 *Active Ageing: A Policy Framework*, WHO, 2002

The concept of active ageing is anchored in three premises:

- Decisions that affect the lives of older people are made by the public and private sectors, civil society and individuals.
- Decisions about health, education, work, retirement, financial security, personal security and other factors that affect opportunities for economic, social, cultural and spiritual participation by older people, should be taken in the context of related decisions (i.e. *horizontally* coordinated).
- Decisions about health, education and employment should also be taken in the context of life course perspectives (i.e. *vertically* coordinated).

The lynchpin of active ageing is coordinated action by government, business, civil society and individuals to address the disjunction between rules that govern retirement and the cognitive and physical capacities, aspirations and ambitions of older men and women in emerging markets.

Existing retirement regimes in formal sectors of emerging market economies are incompatible with healthy, productive ageing. They deprive economies of experienced workers, tax revenues and demand for goods and services. They rob individuals of the financial, social, psychological and reputational benefits of extended working lives. And they create unsustainable burdens on public sector finances. Although benefits will be smaller in countries with large informal economies, existing rules and mindsets that make it impossible for emerging markets to capture the dividends of active ageing must be replaced by flexible arrangements that allow and encourage older people to continue working, pay taxes, consume goods and services and retire when they wish. Emerging markets should not delay action until half their populations are having 100th birthdays and current regimes become risible anachronisms.

## RECOMMENDATIONS

The magnitude, complexity and urgency of issues associated with population ageing in emerging markets demand actions by national governments, private sectors, civil society organizations, academe, individuals and international organizations to encourage and enable people to capture life course opportunities for health, learning, participation and security that enhance their prospects for active, productive, creative ageing.

### WHAT SHOULD GOVERNMENTS DO?

#### Recommendation 1: National Ageing Policies

Emerging markets should adopt rights-based *National Ageing Policies*. The policies should be anchored in: (1) Coordinated sectoral policies (health, education, employment, retirement, financial security, personal security and social care) that affect the quality of life, employability and productivity of older people; and (2) Holistic frameworks that ensure policies that affect the well-being of older people are conceived in life course perspectives that promote the seamless integration of older people in the economic, social, cultural and spiritual lives of emerging markets.

**Background:** *Many emerging market governments lack policy frameworks for coordinating actions that affect the welfare of older people. Those that do not should create them. Those that do should ensure they are anchored in realistic demographic, economic, cultural and political assumptions.*

#### Recommendation 2: The Formal Economy

- Subject to exceptions (e.g. for people with disabilities or public service workers), people employed in the *formal sector* of an emerging market economy who are eligible for contributory or non-contributory pensions could retire about 15 years below the age of average life expectancy (i.e. if average life expectancy in an emerging market were 75, minimum retirement age would be 60).
- Employees could retire from employment in the formal sector at a time of their choosing beyond a defined minimum age.
- Employees retiring at the minimum age would receive reduced inflation-adjusted, pensions
- Employees retiring at older ages would receive larger, pro-rated pensions up to a maximum age, determined by average prospective longevity.
- The minimum age of retirement and the maximum size of pension would be subject to periodic adjustment in light of changes in expected longevity

**Background:** *There are growing disjunctions between longevity and the age of retirement for formal sector workers in emerging markets. As a result, many people will spend more time retired than working. The disjunctions will become increasingly anomalous and the viability of social security systems will be increasingly threatened as longevity increases. The above recommendations would contribute to equitable and sustainable outcomes for emerging markets with relatively large formal sectors and contributory or non-contributory pension systems by: (i) Permitting older people who reach retirement age to continue to work, contribute to economic output and to effective demand and pay taxes whilst drawing pensions; (ii) Enabling older people to contribute to their own health and reduce healthcare costs by remaining physically and cognitively active; (iii) Allowing older people to enjoy non-financial (social, reputational, psychological) benefits of work; (iv) Offsetting labour force reductions associated with declining fertility rates; (v) Allowing employers to benefit from the knowledge and experience of older workers (as mentors and in other roles); and (vi) Accommodate the special needs of older workers associated with cognitive and physical decline.*

### Recommendation 3: The Informal Economy

National Ageing Policies should:

- Minimize destitution among older people who work/have worked in the informal economy, are ineligible for pensions and are financially vulnerable, through inflation adjusted, need-based, publicly funded income transfers.

**Background:** *Some emerging markets with large populations of income poor older people could face ethical, economic, social and/or political crises. Fiscal constraints and competing priorities could make it difficult or impossible for some governments to shoulder the cost in which case innovative and culturally appropriate joint ventures with business and civil society organizations could offer partial solutions. In contemplating action, emerging market governments should take account of models developed in emerging markets that have pioneered successful programmes.*

### Recommendation 4: Health and Healthcare for Older People

National Ageing Policies should incorporate explicit health and healthcare objectives including:

- The prevention and treatment of chronic and infectious diseases, dementia, psychological disorders disabilities and multimorbidities.
- The adoption of life course perspectives in health policy and action reflecting the importance of events in earlier life (childhood, adolescence, young adulthood) on elder health.
- The coordination of health and healthcare policies with policies in other sectors that directly or indirectly influence the health of older people.
- The coordination and integration of primary health care and care provided by specialized providers (e.g. psychiatrists, orthopaedists).
- The provision of specialized care for disabled people of all ages.
- The coordination of healthcare provided by different providers (e.g. cardiologists, internists, neurologists, gerontologists) ideally through single points of delivery.
- Ensuring that older patients and their carers play explicit roles in healthcare decisions and processes.
- Integration of healthcare and social care.
- The incorporation of ageing-associated health and healthcare in the education and training of non-specialized healthcare providers.
- Ensuring the effective and creative use of information technology (e.g. telemedicine) in healthcare delivery throughout the life course with particular attention to older age.
- The prevention of accidents through the creation of people-friendly environments (e.g. safe road crossings, easy-to-open food packaging) that promote the personal safety of older people, particularly those with disabilities.

**Background:** *Huge challenges to the health and healthcare of older people in most emerging markets have been created by rapid demographic and epidemiological transitions. Health and healthcare have a direct influence on many age-associated economic and social issues and should be the bedrocks of national ageing policies.*

### Recommendation 5: Ageing in Society

National Ageing Policies should seek to improve intergenerational understanding, empathy and mutuality and help society adjust to ageing populations by:

- Enacting laws to control abusive and antisocial behaviour against older people (particularly older women) modelled on those designed to curb other forms of antisocial, and discriminatory behaviour.
- Developing education programmes that help children and adults understand the realities of life for older people, particularly the poorest old.
- Encouraging schools and community organizations to offer physical and other help to older people (e.g. through home visits by children and school visits by older people).
- Developing education programmes for older people including lifelong learning, computer skills and preparation for retirement.
- Developing specialized advisory services to help older people understand available options and cope with life in old age.
- Developing innovative, sustainable and socially, economically, financially and culturally appropriate social care systems in societies where the principle and practice of kin based care for older people has weakened, atrophied or no longer exists.
- Encouraging and/or partnering corporate initiatives that provide parental care for employees.
- Coordinating social care and healthcare systems (e.g. by expanding the roles of healthcare extension worker to include social care).

**Background:** *Massive urbanization, external migration, technological change and the erosion of communal solidarity by individualistic values have created increasing generational tensions, weakened filial obligations and are contributing to the growth of ageism and elder abuse in some emerging markets. These trends militate against social cohesion and as the relative and absolute numbers of older people continue to grow, are likely to be exacerbated. The size, scale and distribution of older populations also represent growing and exacting needs for long term care. The practical answers for most emerging markets will be differentiated solutions to different economic groups.*

### WHAT SHOULD THE PRIVATE SECTOR DO?

Corporate and other businesses in emerging markets should contribute to the resolution of ageing-associated issues in two ways: First, by urging governments to develop and detail national ageing policies and, secondly, by taking independent or joint initiatives in partnership with government, other businesses and/or civil society organizations.

### Recommendation 6: Initiatives Affecting Older Workers

Businesses in emerging markets, acting alone or with other businesses should capture the experience and knowledge and address the needs of older people by:

- (For example) creating or enabling flexible work schedules, part-time positions, job-sharing arrangements, flexible benefits, seasonal employment, compressed workweeks, expanded or reduced shifts, voluntary demotions, job rotation, job redesign, continued education and development, active recruitment of older workers and accommodating those with physical or cognitive limitations.
- Collaborating with government and civil society through education initiatives to increase awareness and understanding of social issues that affect older people.

- Collaborating with government to implement changes in retirement laws that allow employees to retire at times of their choosing within fixed parameters (subject to periodic adjustment) on terms and conditions that encourage older workers to continue working in the same or other enterprises.
- Developing regulated and inspected care homes.
- Developing and partially funding residential and day-care facilities for older people with limited means as businesses or joint government/business ventures.
- Ensuring they are aware of and understand employees' elder care as well as child care responsibilities.
- Providing counselling and advice to employees with elder care responsibilities.
- Adopting flexible leave policies for employees with elder care responsibilities.
- Developing day-care facilities for parents of employees along the lines of existing childcare facilities.

**Background:** *As some far sighted emerging market businesses have realized, business initiatives that support the familial responsibilities of employees are good for employees, good for business and good for society. They are good for business because they contribute to productivity, loyalty and retention, enhance corporate image and reputation and show business can do well by doing good. Too few employers – and this goes for wealthy countries too – take active interests in the lives of employees. As labour forces shrink with declining fertility and numbers of employees with elder care responsibilities grow, it is likely more businesses will find it profitable to ease employees childcare and elder care burdens.*

## WHAT SHOULD CIVIL SOCIETY DO?

### Recommendation 7: Civil Society Initiatives to Benefit Older People

Recognizing all generalizations on potential roles of civil society are conditioned by the distinctive values, traditions and norms of each emerging market, there are opportunities for:

- Joint (government, business, civil society) initiatives that improve understanding of the circumstances and needs of older people, fight ageism and control elder abuse.
- Civil society initiatives that help older people, particularly those with disabilities, manage their everyday lives.
- Civil society initiatives to relieve the burden of social isolation among older people.
- National and international campaigns to persuade governments, businesses, multilateral institutions and international organizations to take action on ageing issues.

**Background:** *Civil society organizations and institutions enjoy more degrees of freedom to express their views, to be protagonists for change and to empower older people than their counterparts in other sectors. Secular and religious civil society organizations have long played vital roles on behalf of older people in emerging market communities. Additional initiatives could be encouraged by ensuring these organizations actively participate in the development of national ageing policies.*

## WHAT SHOULD ACADEME DO?

### Recommendation 8: Research

Universities and other academic institutions in emerging markets and wealthy countries should rise to the challenge of providing or strengthening the empirical foundations for actions that affect the health and economic and social well-being of older people in emerging markets.

The following list is a sample of relevant research topics.

- National ageing policies and strategies
- Pension policies
- Retirement and longevity
- Financial security in the informal sector
- Who should care for the old and poor?
- Elder care in the workplace
- Experience with integrated healthcare and social care
- The effect of legal sanctions on elder abuse
- Education and training in health and healthcare for non-specialist healthcare providers
- Experience with coordinating policies that affect health outcomes.

**Background:** *Emerging markets are littered with the remnants of well-intended and seemingly sound projects that turned out to be based on inadequate or insufficient evidence. In many cases research could be done in the context of pilot projects which would in almost all cases precede large-scale implementation.*

## WHAT SHOULD INTERNATIONAL ORGANIZATIONS DO?

### Recommendation 9: Ageing and the Sustainable Development Goals

Emerging market (and other) governments should urge the United Nations to include ageing issues in the Sustainable Development Goals (SDGs).

**Background:** *Despite the endorsement of the Secretary General of the United Nations and prolonged and arduous efforts by UN bodies (e.g. UNFPA) and NGOs (e.g. Help Age International) there is no commitment to refer to the welfare and potential economic and social contributions of ageing populations in the SDGs. Some pressure has been applied. It can and should be increased.*

### Recommendation 10: Rights of Older Persons

The United Nations should consider a convention on the rights of older persons.

**Background:** *The human rights of children, women and other vulnerable groups are protected by international law. The rights of older persons are not. In 2011, the Secretary General of the United Nations commented that international obligations to older persons were implicit in, for example, the UN Covenant on Economic, Social and Cultural Rights, the UN Covenant on Civil and Political Rights, the UN Convention on the Elimination of All Forms of Discrimination against Women and the Convention on the Rights of Persons with Disabilities. However, he also noted that “explicit references to older persons in binding international human rights instruments are scarce”. Although there are distinctly different views on the proposal for adopting such a convention, the United Nations should thoroughly consider the benefits of adopting it as many emerging market societies lack legal frameworks to respond to rapid population ageing.*

