

# POPULATION AGEING IN CAMBODIA CURRENT SITUATION AND NEEDS



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#### **FOREWORD**

The number and proportion of the Cambodia's older population (aged 60 and over) has been remarkably increasing over the last fifteen years. Therefore, the need for information and analysis of demographic ageing has been on the rise and increasingly essential. The policy brief is one of many important sources of information to assist policy makers to define, formulate and evaluate goals and programmes, and to raise public awareness and support for needed policy changes. Accordingly, the General Secretariat for Population and Development (GSPD) has compiled this paper with a view to provide a better understanding of insight into the current situation and needs of elderly in Cambodia and put forward some policy options in response to their needs.

During the Fourth Legislature of the National Assembly, the Royal Government of Cambodia (RGC) was placing more emphasis on expanding and strengthening its interventions in social development through increasing its investments in social sector programmes/projects and strengthening cooperation with national and international organisations in improving employment opportunities, enhancing emergency assistance and expanding welfare improvement programmes for the elderly among others. These measures will be further reinforced by the implementation of the RGC's Rectangular Strategy Phase III for Growth, Employment, Equity and Efficiency which includes the expansion of welfare improvement programmes for the elderly in the Fifth Legislature of the National Assembly.

The General Secretariat for Population and Development (GSPD), mandated to lead and coordinate the process of integrating population issues into national and sectoral development policy framework, is striving to suggest thematic policy options to address emerging challenges and opportunities, aiming at offering more analytical evidences for the formation of population-related policies, such as ageing policy, as mentioned in the National Population Policy, 2016-2030.

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Phnom Penh, 25 Augurt 2016

CHHAY THAN
Senior Minister, Minister of Planning

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## **Abbreviation**

ASEAN : Association of South-East Asian Nations
CDHS : Cambodia Demographic and Health Survey
CIPS : Cambodia Inter-Censal Population Survey
CRUMP : Cambodian Rural-Urban Migration Project

GNI : Gross National Income

MIPAA : Madrid International Plan of Action on Ageing

MoH : Ministry of Health

MoSVYR : Ministry of Social Affairs, Veterans and Youth Rehabilitation

MoEYS : Ministry of Education, Youths and Sports
MoLVT : Ministry of Labour and Vocational Training

MoP : Ministry of Planning

MoW : Ministry of Women Affairs
NIS : National Institute of Statistics

NSDP : National Strategic Development Plan

NPP : National Population Policy

RGC : Royal Government of Cambodia

UN : United Nations

UNFPA : United Nations for Population Funds

WHO : World Health Organization

#### INTRODUCTION

In the early 1990s, population ageing began to emerge as a significant concern in some developed countries, as a consequence of rapid decline in fertility in early years and subsequent increase in longevity. However, the concern more pronounced in the 2000's is observable among less developed countries, including Asian countries as well. From 2000 to 2015, the number of older persons aged 60 and over in the world increased by nearly 50 percent (from 607 million to 901 million), while this percentage increase was 59 percent for Asia and 66.1 percent for Latin America and Caribbean (UN, 2015). The increase of older population during this period was also higher among upper-middle-income and low-income countries (64 percent and 56.2 percent, respectively) than among high-income countries (34.2 percent). This indicates that ageing is becoming a matter of paramount importance among less developed countries, including those in Southeast Asia and Cambodia as well.

Concern about growing and well-being of ageing society is witnessed by the Second World Assembly on Ageing in Madrid in 2002 that adopted a Madrid International Plan of Action on Ageing (MIPAA), followed by the Shanghai Regional Implementation Strategy on Ageing 2002, the Brunei Darussalam Declaration on Strengthening Family Institution for Caring for the Elderly 2010, and Kuala Lumpur Declaration on Ageing: Empowering Older Persons in ASEAN 2015. These policy agendas primarily focus on strategies to address population ageing and the need to ensure active ageing, including full participation, dignity life, and healthy ageing of older persons, which requires concerted efforts to be made by governments, civil society, and the community

MIPAA has proposed three priority pillars or directions for intervention:

- 1) Older persons and development: Older persons must be full participants in the development process and share in its benefits;
- 2) Advancing health and well-being into old age: Full benefits of healthy longevity should be shared by all;
- 3) Ensuring enabling and supportive environments: Older persons are entitled to live in an environment that enhances their capacities, including access to basic services

Given that Cambodia is a signatory of MIPAA, the Royal Government of Cambodia (RGC) has been committed to implementing the MIPAA and subsequent declarations. In this regard, RGC has taken many important measures to address the needs of Cambodian elderly as highlighted in the Policy on the Elderly (2003); National Policy on the Health Care for the Elderly and Disabled People (MOH, 1999); Rectangular Strategy; National Strategic Development Plan (NSDP) 2014-2018, and National Population Policy (NPP) 2016-2030.

RGC explicitly considers the older population as one of the vulnerable groups that needs special attention in poverty alleviation and other social sector interventions. In this regard, RGC commits

itself to better service provisions for the care of older persons in order to address their needs and well-being.

RGC has also taken measures to improve quality of life through the provision of health services and care for aging persons.

International Day for the Ely and Ageing(NCEA) -Among agencies involved are Ministry of Social Affairs, Veterans and Youth Rehabilitation (MoSAVY), Ministry of Health (MoH), Ministry of Women Affair (MoWA), Ministry of Education, Youths and Sports (MoEYS), Ministry of Religions and other Ministries and Agencies. The MoH has taken the lead in the coordination of health care services for the elderly and has delivered a **National Policy and Strategies on the Health Care for the Elderly and Disabled People** since early 1999. The main objectives are to prepare the Cambodian people for a healthy ageing and to improve the health status of elderly and disabled people. However, those interventions are not comprehensive and cannot fully respond to the new needs of the group. Therefore, all stakeholders need to make further efforts in order to address this issue at national and sub-national levels and take immediate appropriate actions to realise the better well-being of elderly.

The RGC's policy framework for the elderly (Policy for the Elderly 2003), realising the limited access of older persons to social services, was aimed at promoting the well-being of the elderly and at ensuring their access to opportunities and benefits of the development of the nation. This policy framework includes multi-sectoral dimensions for action, namely social, health, economic, participation, and research. The implementation of this policy framework was under the auspices of MoSAVY.

However, evidence-based valuation has not been able to be conducted in order to review how actions have been carried out to address the stated dimensions as the policy lacks specific monitoring and evaluation framework. In addition, the current demographic shift from younger population to working age population has prompted policy makers to focus on future ageing population in order to avoid negative aspects of ageing society currently experienced by developed countries. Therefore, this policy brief highlights demographic shift, its impact on socio-economic development, and its implications on policy decisions by reviewing existing data and relevant documents.

## EMERGING CONCERNS OF POPULATION AGEING IN CAMBODIA

## Trend of population ageing

Demographic change is occurring in Cambodia. After the baby boom in 1980s, the fertility rate steadily declined to 4.0 in 2000 and further decreased to 2.7 in 2014 (CDHS, 2000 and 2014). The decline in fertility, coupled with the mortality decline and the livelihood improvement overtime, results in a large young labour force observed in early 2000s. This demographic change gives rise to concern about future ageing population (age 60 plus), because an ageing society due to the

current bulk of labour force would be as plausible as they turn retirement age in the 2030s, if the observed demographic trend remains unchanged.

In recent years, the increase in sheer number and the percentage share of Cambodian older people among the total population has attracted great attention of policy makers, development partners, civil society, and researchers. According to the 2008 Census, Cambodian older people aged 60 years and over accounted for 848,911 people, which represented 6.4 percent of the total population, in which 2.7 percent is male and 3.7 percent is female. This number increased to 1,117,146 in 2013, which accounted for 7.6 percent of the total population, and is expected to increase dramatically to 2,024,171 million (11 percent of the total population) by 2030 (NIS, 2008, 2012, and 2014). If the current demographic trend remains, the Cambodian older people (age 60 and above) will outnumber younger people (under 15 years of age) by year 2070 (MOSVY, MOH, and MOLVT, 2014).

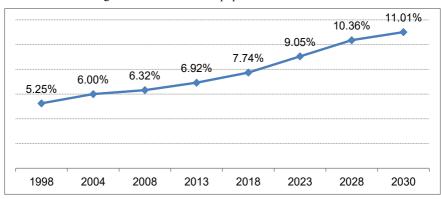


Figure 1: Percent of older population: 1998-2030

Source: Ministry of Planning (MoP), 2012

Another aspect to examine the growth of older persons is to look at the ageing index, which is the proportion of the older persons aged 60 and above per 100 children aged under 15. The index of ageing was 18.7 elderly persons for every 100 children in 2008 and 25.8 older persons per 100 children in 2013. However, this number is projected to increase rapidly to 43.9 elderly persons for every 100 children by 2030, signifying an increase to near one older person per two children. The increasing index of ageing indicates a shift from child dependency to older age dependency due to younger generation's lower fertility and younger generation's transform to older ages.

At the same time, the potential support ratio (measured as the number of working age population aged 15-64 per 100 older persons age 65 and above) is expected to decline in the coming years. The potential support ratio was 14.5 in 2008 and 13.2 in 2013 (Census 2008 and CIPS 2013). During 2030-2050, the potential support ratio will drastically decline to less than 10 persons of

working age for every older person by 2030 and to around 5 persons of working age for every older person by 2050 (Projected population data 2010). Thus, with increasing proportion of the elderly in the total population, there will be fewer and fewer working age persons to support them economically during old ages.

16 13.4 14 11.7 12 9.8 9.3 10 8 6 4 2 0 2008 2013 2018 2023 2028 2030

Figure 2: Potential Support Ratio: 2008-2030

Source: Ministry of Planning, 2012

In 2008, the total dependency ratio was significantly high (67.1 percent) but is expected to fall to 56.4 percent by 2030. The young age dependency ratio is generally much higher than the old age dependency ratio since the population age structure in Cambodia has been young. While the young age dependency ratio is expected to decrease by 17.3 percent points to 39.2 by 2030, the old age dependency ratio shows an increasing trend and is expected to increase by about 7 percentage points during the same period (NIS, 2013).

Individuals reaching older ages have various needs and resources, and this matter is likely to pose many policy implications, coupled with the decreasing proportions of children that may reduce their support at older age.

## Living arrangement of older persons

Older persons are likely to be female and live in rural areas. Among the older persons, 58.2 percent was female in 1998, 59.1 percent in 2008 and 60 percent in 2013. If the older persons are disaggregated by age, the proportion of female older persons increases as age increases. The gender imbalance of current older persons is due to the loss of male labour force during the Khmer Rouge regime, in addition to the gender difference in life expectancy.

Data on marital status of older persons (CIPS 2013) shows that the incident of martial disruption increases as people age. The percentage of undergoing martial disruption (widow and divorce) is 25.7 percent for those age 60-69, 35.8 percent for those age 70-79, and 48.1 percent for those age

80 and above (CIPS 2013 data). Furthermore, female older persons are more likely than male older persons to experience martial disruption as they are ageing (3-5 times more than men). This indicates that spousal support is limited for female older persons, the issue that needs to be addressed by social policy.

25.7%

Both sexes

Figure 3. Percentage of older persons not remaining in marital unions by age group and gender

Source: Cambodian Inter-Censal Population Survey 2013

23.8%

13.1%

Male

7.1%

20.0%

10.0%

0.0%

Living alone is not common for older people in Cambodia. Customarily, older persons live with at least one of their offspring or grandchildren. However, this living arrangement of older persons is substantially affected by migration of younger generation. According to CRUMP series report (CRUMP, 2012), the percentage of older persons living in three-generation households is much lower among migrant households than among non-migrant households (28 percent versus 40 percent, respectively). In contrast, the percentage of older persons living in skipped-generation households (households that are made up of grandparents and grandchildren) is five-fold greater for older persons in migrant households (15.2 percent versus 3.6 percent). This means that older persons live with and take care of their grandchildren because their adult offspring moves to cities in search for employment.

Female

Helmana Cambrida

Figure 3: Skip generation household

Source: HelpAge Cambodia

## Economic activities of older persons

As the same case as general population, the older population aged 60 and above can be classified into economically active and economically inactive. The economically active elderly refer to those who were either employed or unemployed. The economically inactive population refers to homemakers, dependents without income recipients, and those income recipients such as can be from rent, business, retirement, or other income sources.

In Cambodia, the older population remains quite economically active (56.8 percent among older persons age 60 an above, CIPS 2013). The percentage is higher among rural older persons than urban rural older persons (60 percent versus 43 percent) and higher among male older persons that among female older persons (69 percent versus 48 percent). CIPS employment data also shows that the majority of economically active older persons are involved in own account, followed by unpaid family labour (Table below). The percentage of paid employees is considerable only among those living in urban areas, where the percentage of unpaid family labour is low. Nevertheless, the findings suggest that policy addressing economic inclusion of the elderly through possible employment after retirement age is essential for elderly to remain economic active and economic self-reliance. As such, the formal channel of social assistance for older persons can be a lesser burden on the government.

Table 1: Employment status of economically active older persons age 60 and above

Types of employment	Male	Female	Urban	Rural	Total
Employed	0.2 %	0.1 %	0.4 %	0.1 %	0.1 %
Paid employee	8.8 %	4.1 %	21.6 %	3.6 %	6.4 %
Own account	83.7 %	51.3 %	64.7 %	67.5%	67.1 %
Unpaid family worker	7.1 %	44.3 %	13.3 %	28.6%	26.2%
Others	0.2 %	0.1 %	0.0 %	0.2 %	0.2 %

Source: Ministry of Planning 2013

Despite the positive sign of income generation activities of older persons, Cambodia was ranked low on income security of older persons, according to Global AgeWatch Index (HelpAge International, 2014). According to this report, Cambodia was ranked 89<sup>th</sup> out of 96 countries. Indicators used to measure income security include pension, welfare of older persons, poverty rate in old age, and Gross National Income (GNI) per capita. As the scores for these indicators are low, resulting in a low score of income security, more efforts need to be made in these areas.

## Health issues of older persons

Country report (2014) jointly by the Ministry of Social Affairs, Veterans and Youth Rehabilitation, Ministry of Health, and Ministry of Labour and Vocational Training, older people are facing declining health, disability, and increased risk of non-communicable diseases such as joint pain, high blood pressure, diabetes, heart disease and dementia. There will be reduced capacity for self-care such as bathing, dressing, transferring, using the toilet, eating, and walking, meaning fewer older people will be able to live independently in their community. Moreover, a high level of illiteracy, particularly among older women in rural areas, is yet another aspect of vulnerability for senior citizens in Cambodia.

A study on older persons in rural Cambodia (Zachary, 2006) found a significant association between wealth and health problems. Specifically, those in the bottom quartile are more likely to report health problems than those in the second and first quartiles, indicating that the elderly poor is faced with health problems more than their non-poor counterparts.

Older persons tend to suffer from non-communicable diseases. MOH data in 2008 shows that the prevalence of chronic illnesses (nearly 60 percent of all in-patients of this type of illnesses) was highest among patients aged 50 and above. Chronic illnesses here include high blood pressure, cardiopathy, diabetics, and cancers (lung, liver, cervix, and uterus cancers). This suggests that attention has to be shifted to chronic illnesses when the health of the elderly is a concern. Among people age 60 and above, non-communicable disease condition constituted 79 percent of all disease burden<sup>1</sup> in Cambodia in 2004 (WHO, n.d.). Among these diseases, cardiovascular diseases are the leading.

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<sup>&</sup>lt;sup>1</sup> Disease burden is a health indicator measuring the quality of burden of disease from mortality and morbidity and measured based on disability-adjusted life years (DALYs).

## **POLICY OPTIONS**

The United Nations and other organizations concerned with older persons have been making a concerted effort to place population ageing in a more balanced or even positive light by encouraging the view of older persons as resources rather than burdens for society and promoting concepts such as "productive ageing" and "a society for all ages" ( UNFPA 2006 & HelpAge International 2013).

The increase of older persons is to be a key challenge for the whole society including the government, older people themself, their families, and communities. Therefore, there is a need to promote harmony between development and demographic change by increasing the economic and social resources to support the elderly. As such, critical policy measures to response to such challenges are to be taken by concerned ministries and agencies.

The followings policy options for the support for older people are: (i) programmes that enhance traditional systems of family support; (ii) policy reform that encourages the elderly who are still capable to remain in the work force; (iii) institutions and systems that support high levels of personal savings; and (iv) public programmes, including pension schemes and national healthcare systems.

Family support system: The traditional family support system is under pressure from demographic, social, and economic change. Due to the fact that the total fertility rate has decreased, the elderly will have few adult children to provide support, and many of these children have moved away from their family homes. Besides, middle-aged women would be no longer traditional caregivers and would have less time than they did in the past for elderly family members, as an increasing number of them would become employed. The change in living arrangements probably indicates a sharper decline in family support. Traditionally, the elderly rely on their children as a source of income and care. Today, such a family support system is becoming less supportive than before due to lower fertility, longer longevity and younger generation's out-migration.

Considering the harder living condition of the elderly potentially arising from the above-said situations, one of the policy options is to assess the viability of family support systems that will be supportive and complementary. Children should be encouraged to take responsibility for their elderly parents and those who are their elderly parents' caretakers should be provided special incentives, for example, free or discount public transport, tax incentive. In addition, public housing programmes to accommodate living arrangements of the elderly should be considered as another option.

**Greater employment opportunities**: Currently, mandatory retirement age is 60, which seems to be relatively low for both women and men, despite the fact that women generally live longer than men and may spend many years in old age without employment or a spouse to provide financial support. One policy option is to raise this mandatory retirement age.

Another policy option is to encourage firms to retain older workers by making employment conditions more flexible. Firms should hire and retain older employees and have the flexibility to hire them on a part-time basis, to modify their responsibilities as their capabilities change, and to pay them a wage commensurate with productivity rather than seniority. Such flexible employment options could become increasingly attractive to employers. Flexible and part-time employment options may be especially attractive to women, who make up a majority of the elderly but a minority of the elderly work force. Occupational retraining programmes and general educational upgrading could also allow older men and women to take up new occupations and to cope with technological change in the workplace.

Saving and financial reform: In Cambodia, the saving rates are low. Policymakers should have several options if their goal is to encourage workers to save toward retirement. One option is to encourage financial institutions to provide attractive and secure long-term investment opportunities. Another option is to create enabling environment for them to invest their savings. Next, policies should be designed to influence saving rates more directly. Retirement schemes should be established in such a way that workers can further contribute to their personal savings in order to increase the saving rates. High rates of saving will provide an important source of retirement income for the elderly who do not wish to work or to depend on their children for oldage support.

**Social protection programmes:** The government should further take action in expanding the social security system to cover all Cambodian older persons by offering some type of security schemes for the elderly. The schemes can be in form of pension and social assistance within the cultural and socio-economic development context of Cambodia.

**Healthcare systems:** The government should further strengthen the healthcare system for the elderly including the treatments of non-communicable diseases and geriatric care. Capacity building of health practitioners on geriatric care needs to be continuously provided.

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