Urban Ageing Welfare Leaking and Remedy Strategies in Macau

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The world is experiencing population ageing, which will extend to the future across the world. The ageing population is sure to impact a country's welfare policy and economy. Macau is a special administrative region (SAR) of China with a long-life expectancy and a decreasing reproduction rate, making the population ageing particularly obvious.

older adults | urban ageing population | pension security system | Macau

1. Introduction

Population ageing has become a primary issue in almost all countries. The Macau Special Administrative Region (Macau SAR) has a small land area but the population has a long life expectancy and a low fertility rate, which gives it a firm ageing profile [1] with adverse social and economic effects. According to statistics, the population of this region has increased by 23.5% in 2021 compared with 2011, and the elderly population aged 65 and above has increased by 107.2% compared with 15% by 2011 [2]. Population ageing has become a serious social problem in this region that needs to be solved urgently. Although almost all countries in the world have taken various measures to solve the problems caused by population ageing, such as issuing pensions and building nursing homes, we do not know the ageing welfare leaking and policy to deal with the ageing society. Therefore, it is necessary to take a region as an example to examine the deficiencies of pension policies from the perspective of the historical development of the pension system, and suggestions for resolutions are put forward on this basis to deal with the social and economic problems associated with an ageing population.

According to data from the Statistics and Census Bureau (Direcção dos Serviços de Estatística e Censos, DSEC), the overall population of Macau has been ageing since the 1990s. Older adults have made up an ever-growing proportion of the population, remaining above 7% for a long time (see **Figure 1**) [3]. In detail, DSEC's demographic data (as shown in **Table 1**) shows that Macau's total population in the third quarter of 2020 was 682,800. Of these, 81,200 people were defined as older adults (≥65 years old), accounting for 11.9% of the total population and thus reaching the standard for an ageing society (in which the older adult population accounts for 7% or more of the total population). The dependency ratio of the older adult population was 15.8%, meaning that there were 15.8 older adults needing support for every 100 adults. There is increasing pressure on the older adults' welfare system [3]. The demographic data show that the number of older adults in Macau and the proportion of the older adult population are increasing, as indicated in **Figure 1**. Lifespans are more prolonged than before, placing a heavier burden on social support.

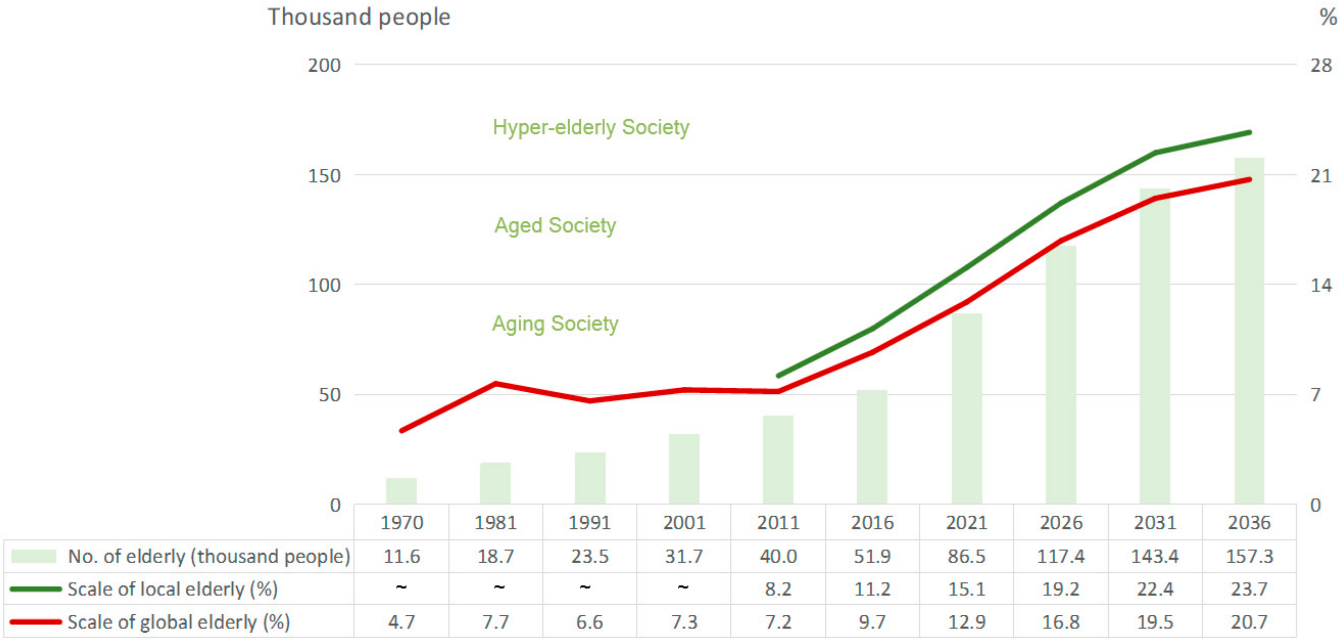

Figure 1. Trend and forecast of population ageing in Macau (1970–2036).

Table 1. Macau's population in 2020.

Year	Total Population (People)	Elderly People (≥65 Years Old)	Elderly Dependency Ratio (%) *	Dependency Ratio (%)	Ageing Index (%) **	Ageing Ratio (%)
2020/Q3	682,800	81,200	15.8	33.4	90.15	90.3

* Elderly dependency ratio: ratio of the population aged 65 and above to the population aged from 15 to 64, ** ageing index: ratio of the population aged 65 and above to the population aged 14 and below.

2. Ageing Population, Pension Recipients, and Pension Payment

As the ageing of the population accelerates, the size of the older adults population and its proportion of the total population continues to increase [4]. The direct impact of the ageing population on the social security system is an increase in pension recipients [5]. The overall pension benefits payment increases with the ageing population's growth [6]. The imbalanced relationship between the ageing population, pension recipients, and pension payment will cause the risk of the pension Fund [7]. The investigation has shown the issues of the ageing population, recipients, and pension benefits. As the ageing of Macau's population has accelerated and the number of pension recipients thereby increased, the overall amount of pension payments has also increased rapidly, which has affected the income and expenditure of the Macau Social Security Fund. It shows that as ageing has continued to accelerate, the amount of pension benefits paid in Macau has also increased rapidly and has become the most crucial component of the payment of Social Security Funds in Macau [8].

The social contradiction is happening from the increasing ageing population and pension recipients. The insufficient ageing benefits cannot meet the requirements [9]. Five factors have caused contradictions between the ageing population, pension recipients, and the older adults benefit system: (1) the inconsistencies between demand and supply during the development of an ageing benefit system; (2) The contradictions between different regions of rural and urban areas in the development of a pension benefit system. Deficits in pension funds in the northeastern provinces, for example, have been extensively reported, and a portion of Guangdong's pension fund has been taken to build a national cross-subsidization fund to help the northeastern provinces bail out their deficits [10]; (3) the contradiction between shifting demographic structures and intergenerational relationships [11]; (4) the contradiction between increasing family support needs and declining family support capacity; and (5) the contradiction between the functional needs of the older adults group and insufficient government support. [12] provide Korea's experience for other countries in Asia. Primary care is a major element of universal health coverage, and it is becoming even more so because of the ageing population. The primary care system's limited function has contributed to Korea's inefficient health system and lack of cooperation between the health and long-term care systems. Primary care professionals should play an essential part in health prevention and promotion, along with overcoming the inefficiencies of hospital-centric care. The contradictions of this study are the relationships between the proportion of ageing population, pension recipients, and pension benefit amount which will be discussed in the following sections.

Numerous experts believe that long-term demographic trends pose a threat to the budgetary sustainability of wealthy nations. Tax revenues are anticipated to suffer and pension costs to rise as a result of the ageing population and a decline in the labor force. The ability of governments to finance social welfare systems and the provision of other public goods may be threatened by this. As a result, recent improvements to pension systems have been implemented in almost all developed countries [13]. In Europe, [14] address broader general equilibrium effects by considering the role of technological change and associated changes in labor productivity and returns to education. It could be useful that a more comprehensive concept of fiscal balance is taken into account, such as indirect taxes.

Huge sums in benefits are paid out of retirement accounts that are not so applied. The solutions are that pension finance has taken a significant role in the funding, management, and allocation of pension funds in China since integrating China's financial industry and pension industry. The integration of the financial and pension industries also plays an essential role in supporting the transformation and development of the pension benefit and insurance systems in China throughout the "Silver Wave" [15]. The ageing benefit policy should be elevated to a national strategic level, and guiding standards for taking action are necessary. To address the problems of the older adults, short-term strategies are not effectively responding to the ageing population; instead, a mid- to long-term visionary plan should be more effective to deal with the growth of the aged community. We need to determine critical areas and prioritize tasks based on the mechanism, patterns, and characteristics to develop a long-term management framework and program in line with an increasingly ageing population, the recipients for a better pension benefit system. We need to adjust the mindset and develop the existing ageing policy and social service programs from a comprehensive and systematic perspective to achieve a top-level framework and strategic approach to handle the ageing population, recipients, and pension benefits.

3. Ageing Welfare Leaking

The challenges of ageing welfare leaking have been stated: (1) social support: [16] emphasized that population ageing and its consequences pose challenges and concerns for society, families, and older adults. Ageing has evolved into the new population issue of our time. Numerous demographers, social and political commentators, and economists have pointed to an increase in the number of older adults and warned of the world's dangers in general. (2) Fiscal expenditure: Pension spending is anticipated to more than quadruple over the next three decades, reaching 13.5 percent of GDP by 2050. Unlike healthcare costs, population ageing will be the major factor in pension spending, accounting for 72 percent of the rise between 2015 and 2050. (3) Public medical resources: Long-term care is required due to chronic diseases and issues. In hospitals, rehabilitation following acute sickness to assist in restoring the older patient to premorbid function is frequently absent. As a result, the current healthcare system is inadequate, if not unsuitable, for serving older adults with chronic illnesses and impairments. As the expense of hospital-based care rises, the emphasis shifts to prevention and primary health care. Although many localities provide comprehensive medical and health care services to the general population, special programs for older adults are absent. This is due, in part, to a dearth of qualified workers in geriatric health care, as well as a lesser emphasis assigned to geriatric care [17]. (4) Human Resources: There is no scarcity of studies on geriatric care. Few studies, however, explore the topic from the standpoint of governmental and structural factors. Research on working conditions in senior care is critical to comprehending the highlighted dilemma that recruiting issues are causing within older adults' care at the moment. Based on [18], the main cause of staff shortages is not an inverted population pyramid but a decrease in the number of persons who prefer to work in aged care. The aged care working industry has few certifications and accreditations, and the staff have little or no professional education. Workplaces also have a very high personnel turnover, particularly in metropolitan regions where short-term employment and temporary contracts are standard. This leads to insecurity in the workplace. Therefore, staff turnover is high, and it appears difficult to attract young people interested in completing the nursing training programs associated with the profession. Furthermore, smaller private enterprises may find it challenging to provide full-time employment for individuals and become reliant on temporary workers. Employees suffer from poor working conditions due to short-term employment with low wages and inconsistent working hours [18]. (5) Living conditions: For older adults, the built and living environment is where outdoor mobility occurs; thus, the environment plays a significant role in their mobility. The decline in older adults' health and physical functioning as they age can result in more difficulty in moving around in living environments [19]. This kind of limitation can negatively influence older adults directly or indirectly, thus leading to an increased social burden. (6) Older adults' rights: From another perspective, China's population is developing towards the ageing trend. Although China's economic strength is continuously enhanced, the legitimate rights and interests of older adults have not been guaranteed, and the relevant laws and regulations are not perfect [20].

4. Remedy Strategies

The remedial strategy is a long-term strategy implemented by the region to deal with urban ageing, while "Urban Ageing Welfare" is a specific measure to care for the elderly population, and a tactic of remedial strategies. Before

remedial strategies and pension benefits are implemented, to deal with ageing population issues, pension recipients, and pension benefits, challenges must be clarified in five areas: regulatory preparation, institutional arrangement, policy system, environmental construction, and ageing education. To actively respond to the issues and challenges, remedy strategies are developing a mid- to long-term strategic approach, strengthening multi-stakeholder social management, creating an age-friendly society and policy framework, and conducting training on the nationwide circumstance to conquer ageing challenges [21].

Remedy strategies for ageing welfare leaking have been proposed: (1) social security system: [22] found that retirement is a major problem for vulnerable families in Macau. Thus, improving the social security system to society's future retirement security needs is important. In the meantime, [23] showed that adjusting the pension security mechanism is the policy direction to adapt to the ageing of populations, especially in the pension and healthcare fields. (2) Family support: The primary source of social life for older people in China is family. Because of traditional Chinese filial piety, middle-aged adults are pivotal in providing support to parents, and they also play the most critical role to their children [24]. Thus, it is necessary to focus on the older adults group from the perspective of middle-aged adults. (3) Pension security system: [23] suggested that it is necessary to adjust pension security systems to the ageing. The pension security systems have to include as many people for as long as possible. For older adults, the benefits of the pension system should be high enough to cover their living of minimum cost level. (4) Cross-border supporting system: the construction of the Guangdong-Hong Kong-Macao Greater Bay Area presents a new era opportunity for the united front work of SARs [25], including the cross-border ageing communities with a social security system [26]. (5) Life-long contribution opportunity: empowering older adults to promote active ageing in the labor market is a new strategic scheme to improve ageing human resources and solve a labor force shortage for ageing services. (6) Lifelong learning: Continuous participation in non-formal lifelong learning may help sustain older adults' psychological wellbeing. It provides older learners, even those most vulnerable, with a compensatory strategy to strengthen their reserve capacities, allowing them to be autonomous and fulfilled in their everyday lives. The goal is to create community-based non-formal lifelong learning opportunities for developing inclusive, equitable, and caring active ageing societies. (7) Legal system: the law provides a benchmark to protect and promote an age-friendly environment [27]. (8) Population policy: China has announced a new population policy for encouraging reproduction and having multiple children in the family to solve the foreseeable economic development and ageing welfare issues [28].

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