
GENERATIONAL ECONOMY AND POLICY IMPLICATIONS FOR AGEING

The 23rd ASEAN-Japan High-level Officials Meeting

Hotel Nikko Narita, Narita City, Chiba Prefecture, Japan

30 October 2025





THE SESSION

- ASEAN is ageing rapidly but economically unprepared, partly due to informal economy.
 - FISCO: ERIA, IPSS, UNFPA, ACAI, USABC, WHO, and AMS join forces to explore financial sustainability of integrated care for older population.
 - This session contributes to joint efforts, focusing on financing policy and strategic responses to ageing using NTA.
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The Speaker



Dr. Setsuya Fukuda

Senior Researcher, Department of Research Planning and Coordination, National Institute of Population and Social Security Research (IPSS), Japan



Dr. Maliki

Deputy Minister for Community Empowerment, Population, and Manpower, Indonesia Ministry of National Development Planning, Indonesia



Dr. Suphannada Lowhachai

Director, Social Data and Indicator Development Division, Office of National Economic and Social Development Council (NESDC), Thailand

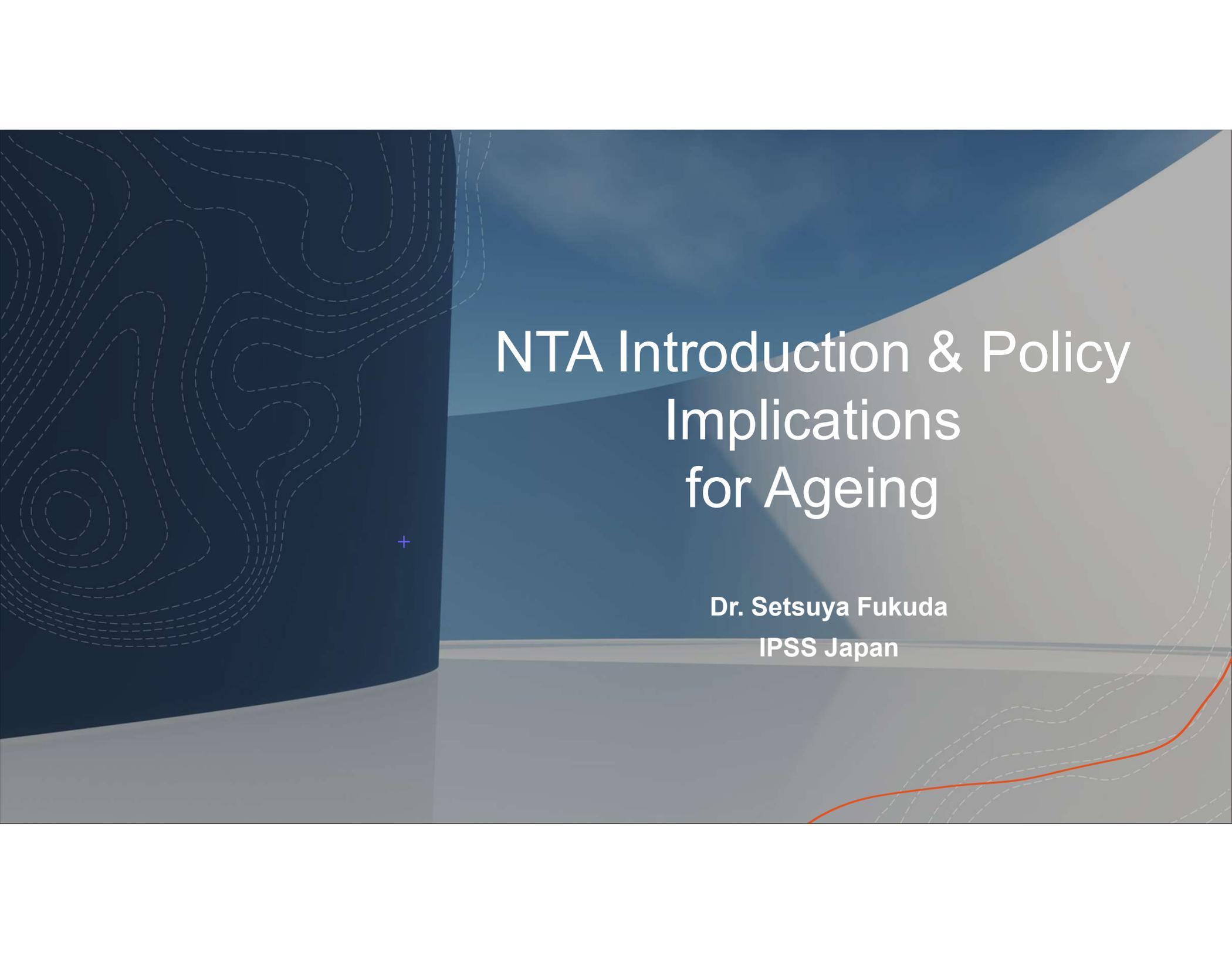


Dr. Wassana Im-em,

Regional Technical Specialist on Population and Development, UNFPA-APRO



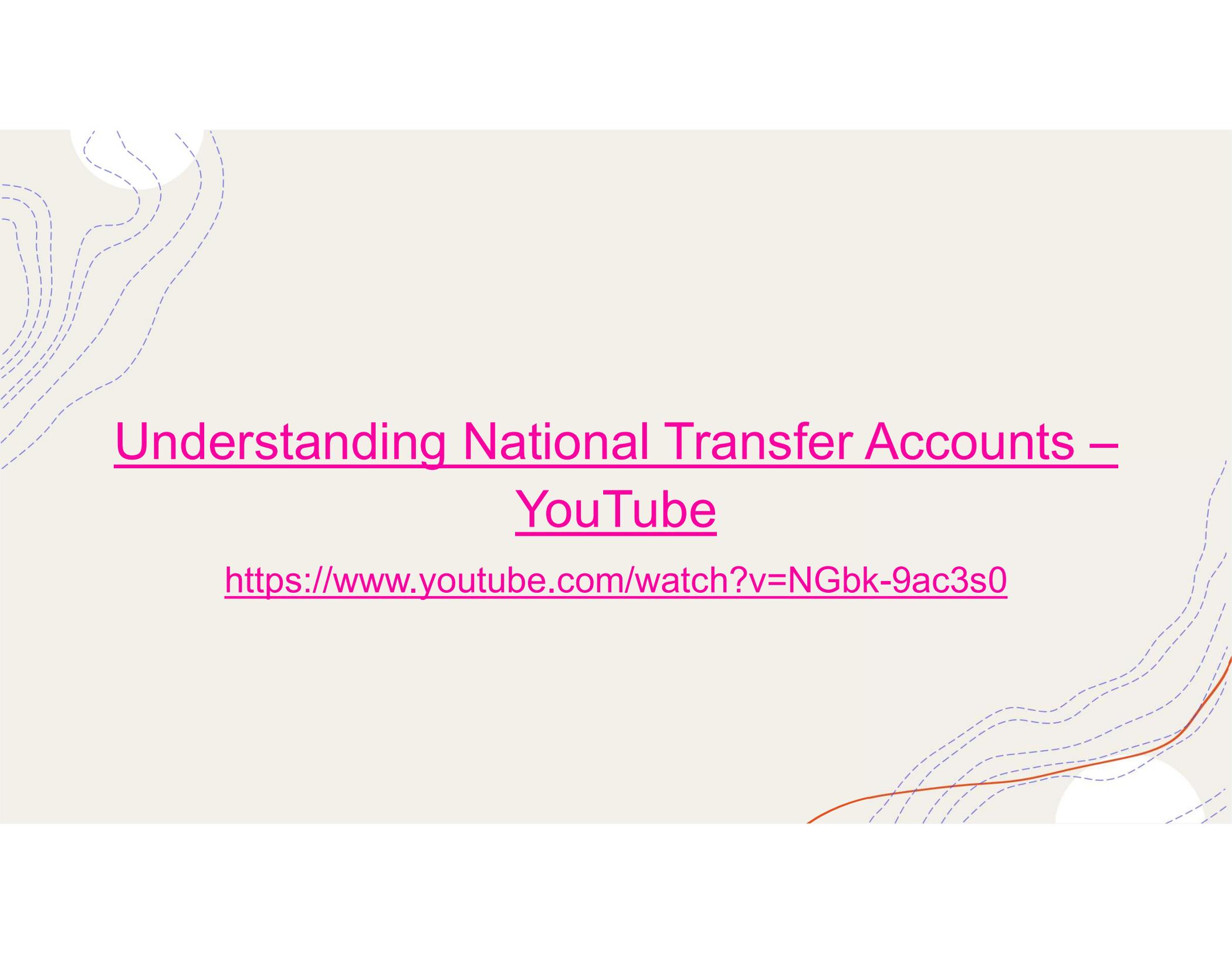
- Session Introduction
- The Japanese NTA Data: How Can We Use It as a Policy-Supporting Tool?
Dr. Setsuya Fukuda, IPSS Japan
- How to Hold the Demographic Dividend Not Ending in Indonesia
Dr. Maliki, BAPPENAS Indonesia
- Milestones and Next Steps in NTA Policy Applications in Thailand
Dr. Suphannada Lowhachai, NESDC Thailand
- Shaping the Future Beyond GDP: Using National Transfer Account for Inclusive Fiscal and Social Policy in the Asia-Pacific Region
Dr. Wassana Im-em, UNFPA-APRO
- Discussion, Q&A



NTA Introduction & Policy Implications for Ageing

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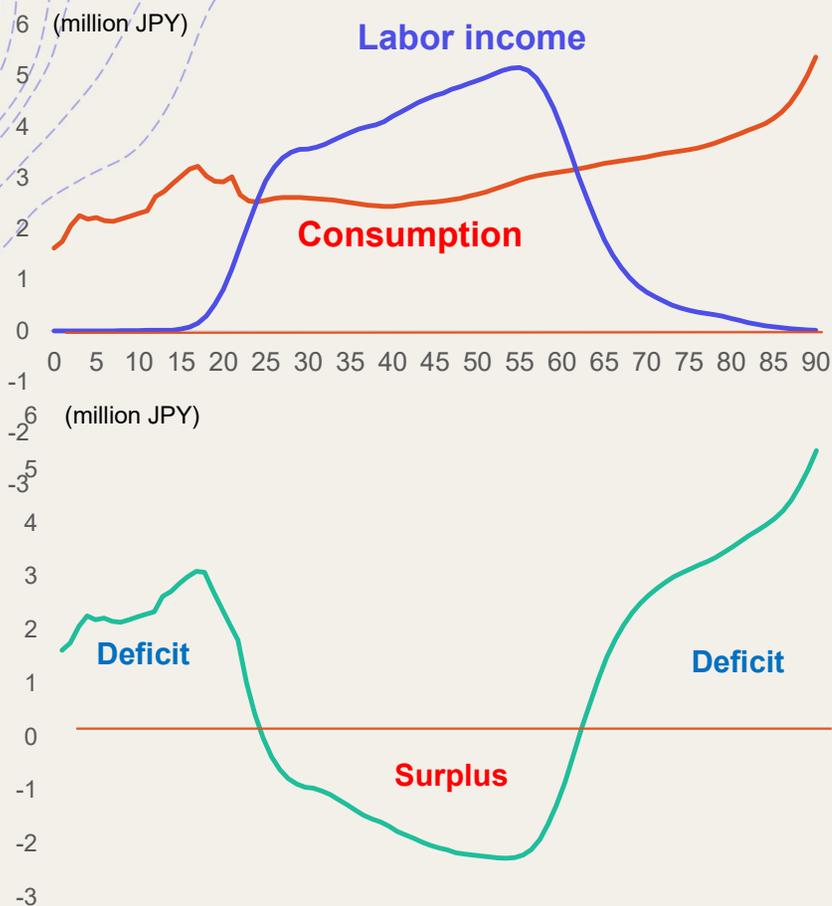
Dr. Setsuya Fukuda
IPSS Japan



Understanding National Transfer Accounts – YouTube

<https://www.youtube.com/watch?v=NGbk-9ac3s0>

What is NTA



A framework to assess distribution of economic resources across age groups and across generations.

It tracks how people at different ages produce, consume, and share resources through public (e.g., social protection & social welfare, i.e., pension) and private transfer (family support).

NTA can: 1) identify the size of the life cycle deficit/surplus at each age; and 2) classify & quantify the economic flows (or transfer) between generations.

What NTA could offer to address Ageing

- Quantifying, modelling, and tracking pension and other public support, intergenerational transfers and other private support for older population, and their fiscal sustainability.
- Analyzing retirement patterns and economic impact of retirement age.
- Tracking change in family structure and family support to older persons.
- Tracking and forecasting consumptions and financing for health, education, employment.

Pension

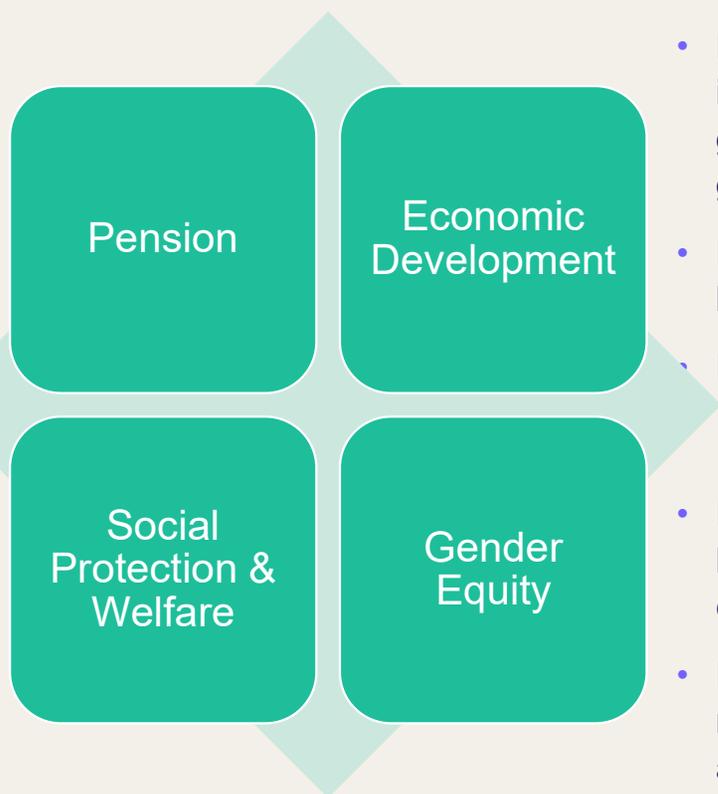
Economic
Development

Social
Protection &
Welfare

Gender
Equity

- Identifying demographic dividend opportunities.
- Analyzing labor market participation by age.
- Evaluating fairness of tax and transfer systems.
- Showing gender disparities in unpaid care and economic transfers.
- Monitoring labor income and consumption by gender.
- Monitoring investment in human capital by gender.

NTA Policy Implications for Ageing



- Reforming pension systems toward sustainability & equity.
- Adjusting retirement age & contribution structure.
- Expanding coverage to include informal workers & caregivers.
- Targeted welfare programs for older population who have greater deficits.
- Balancing private (family support) & public transfers (social protection & insurance).
- Planning for long-term care & caregiving support; Expanding UHC.
- Planning for health, education, employment services for older persons.

- Promoting fiscal and social policies for inclusive and equitable economic growth across age groups and across generations.
- Extending working lives and improving labor productivity.
- Reforming taxes for fairness.
- Ensuring gender-responsiveness in budgeting & investment in human capital.
- Ensuring gender equity in labor market, retirement systems, pension benefits & access.

How to Hold the Demographic Dividend Not Ending in Indonesia

Dr. Maliki
BAPPENAS Indonesia





HOW TO PRESERVE DEMOGRAPHIC DIVIDEND IN INDONESIA?

The 23rd ASEAN-Japan High-Level Officials Meeting on Caring Societies
Session 4: Generational Economy and Policy Implications

Narita, October 30th 2025

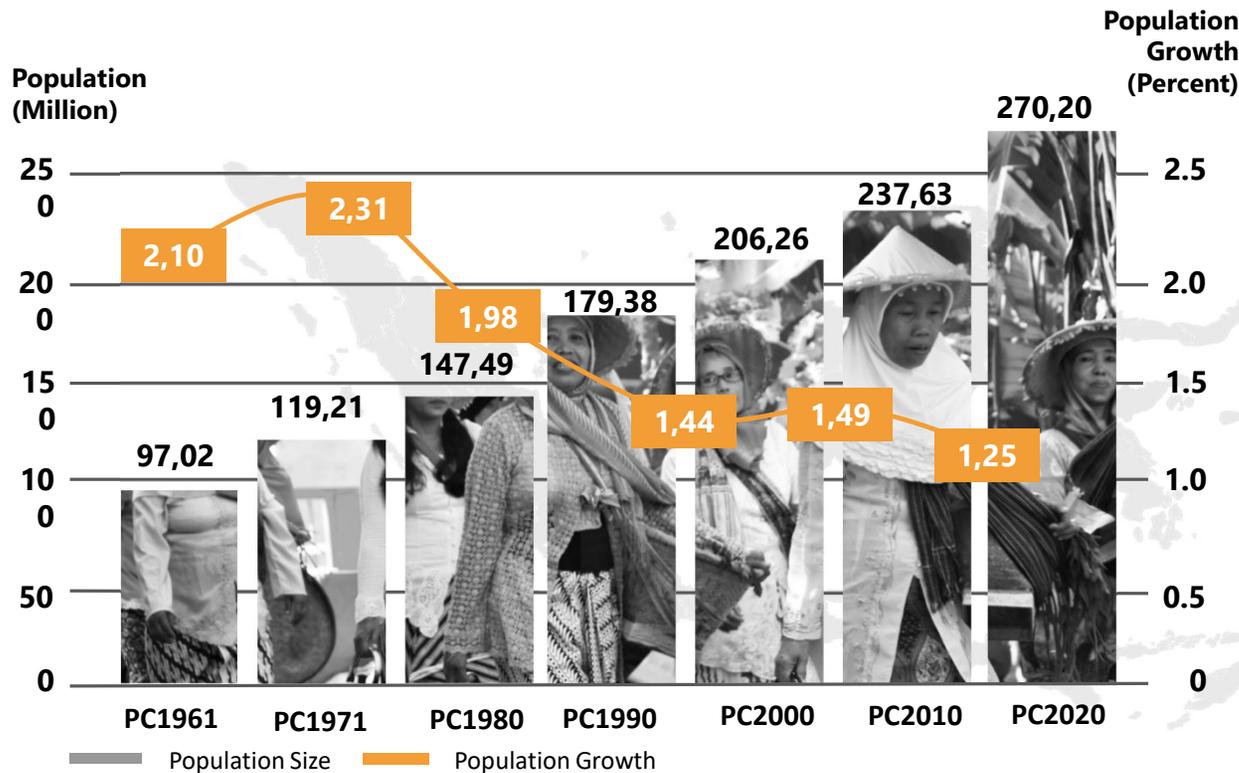
MALIKI

Deputy for Population and Manpower

Indonesia Ministry of National Development Planning/ National
Development Planning Agency (Bappenas)



Population Expansion with Declined Growth in Indonesia



In 2020, The population of Indonesia reached 270 million people.

Similar to the experiences of other nations, **population growth keeps declining and is approaching 1% per year.**

The declining growth rates in Indonesia are believed to be caused by the **family planning program, which has resulted in a decline in fertility rates.**

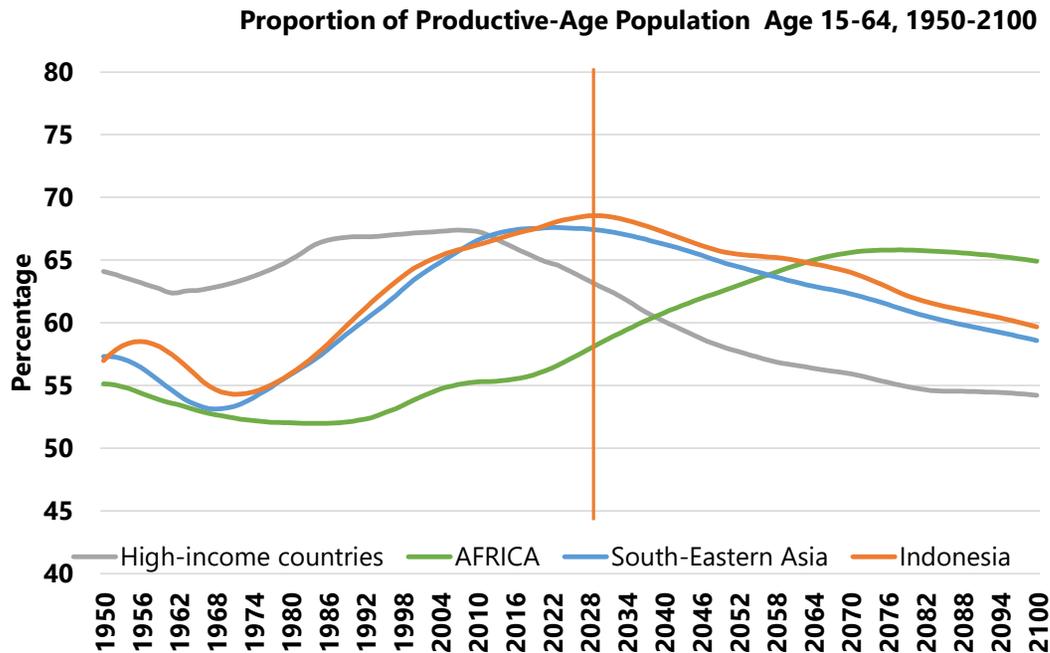
The declined fertility has also led to an improvement in health conditions, resulting

- Decrease in the Youth Population
- Increase of Working Age and Elderly Population



Domination of Productive-Age Population in Indonesia

The proportion of the productive-age population will peak in 2030



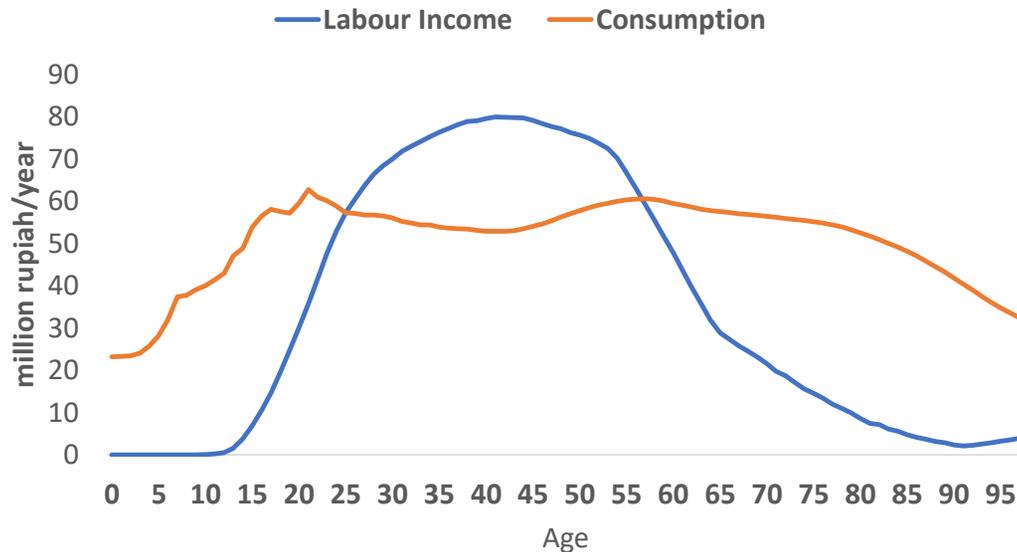
Sumber: UN Population Projection 2017 Revision

- The proportion of the population aged between 15 and 64 who are capable of working and contributing to the economy is decreasing in high-income countries.
- In **developing countries**, the population of individuals in their productive years is expected to reach its **maximum point around the year 2030**.
- **The proportion of the productive-age population in Indonesia is higher compared to the Southeast Asian average.**
- Only in **Africa Continent**, Productive-age population **growth will remain high** and peak around 2070
- **The effort to attain the demographic bonus should start without delay.**



Labor Income and Consumption Pattern in Indonesia

Labor Income and Consumption per Capita in Indonesia, 2024



Source: Processed by Bappenas from BPS Sakernas (2024) and BPS Susenas (2024)

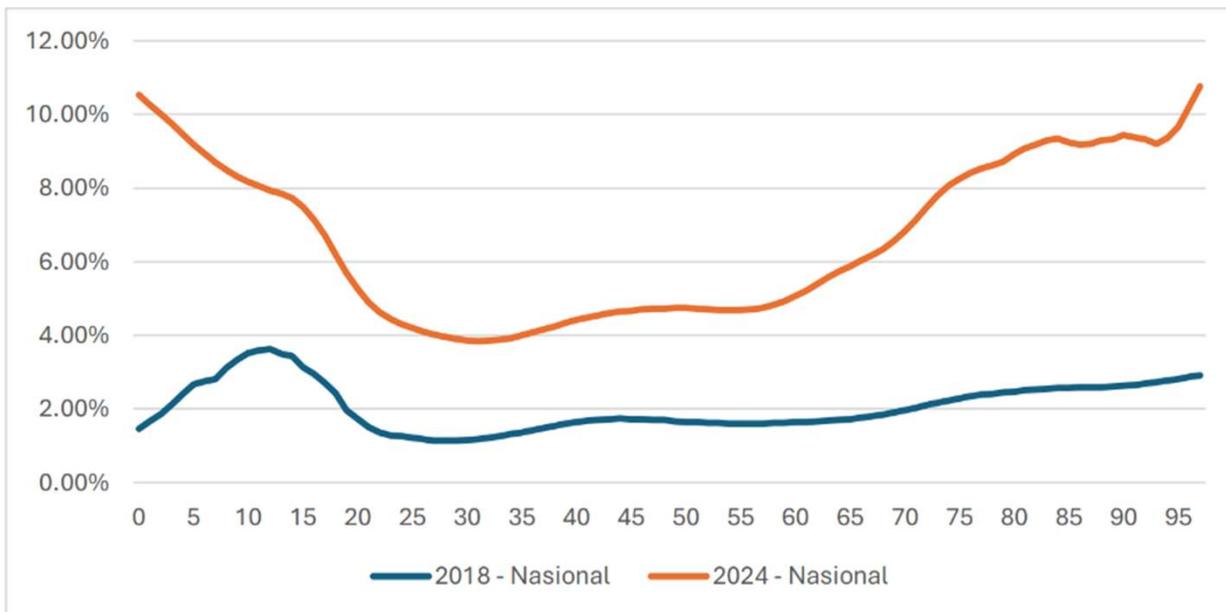
3 Stages of the Economic Life Cycle in Indonesia

- **Youth Deficit (Ages 0–25):** Consumption exceeds income.
- **Working-Age Surplus (Ages 26–57):** Individuals produce more than the consumption.
- **Elderly Deficit (Ages 58 and up):** Income once again falls below consumption after retirement.

By using NTA, Indonesia can effectively identify investment needs, ensure resources are allocated optimally, and support efforts to build a strong and sustainable workforce.



Children and Elderly Get Social Assistance Much More than Others



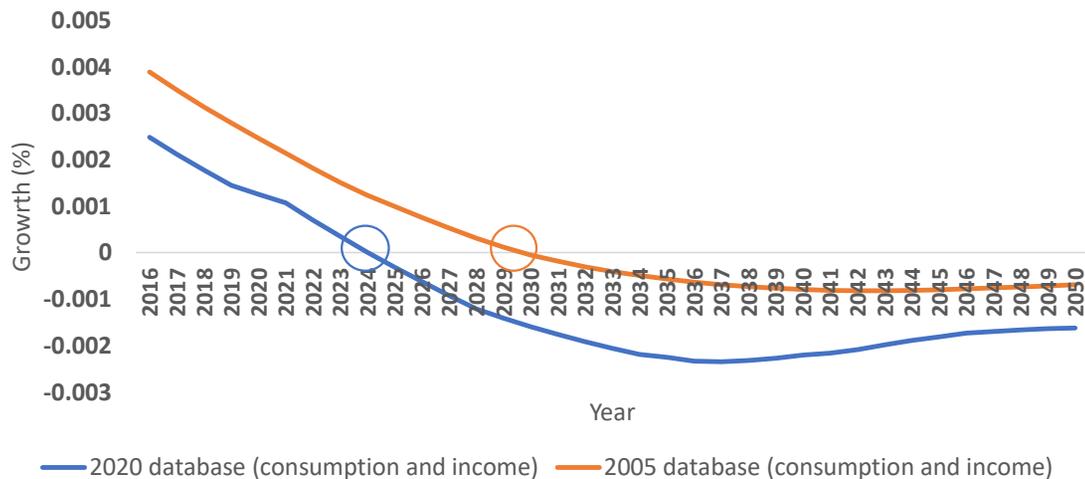
- Ratio of social assistance to total expenditure increases from 2018 to 2024
- Children and Elderly get social assistance much more than others. It shows that economic flows from productive to non-productive age groups is effective.
- Social policies to demographic dynamics becomes crucial especially to address economic deficits in children and the elderly.

Using NTA, policy interventions tailored to each stage of the life cycle, such as educational and nutritional assistance for children, vocational training for those of working age, and social security, care services, and food for the elderly, not only help combat poverty in the short term, but also strengthen families' socioeconomic resilience, reduce the burden of transfers, and improve distribution in the long term.



Indonesia's Demographic Dividend Ends Sooner

**Indonesia's Demographic Dividend
based on 2005 and 2020 Economic Data**



Source: Processed by Bappenas from the National Transfer Account, 2005 and 2020

- Based on life cycle patterns in 2005 & 2020, **using NTA, Demographic Dividend will end in 2029** (using 2005 pattern) and **earlier in 2024** (using 2020 pattern).
- Both NTA patterns project that the demographic dividend end earlier than conventional estimation.

Indonesia's Demographic Dividend

- Based on the **support ratio**, The end of Indonesia's demographic dividend is projected in 2023. However, the productive-age population will remain dominant until 2040, so the potential for economic growth still exists.
- The key opportunity for Indonesia to extend the dividend beyond 2040 is **boosting productivity** significantly.

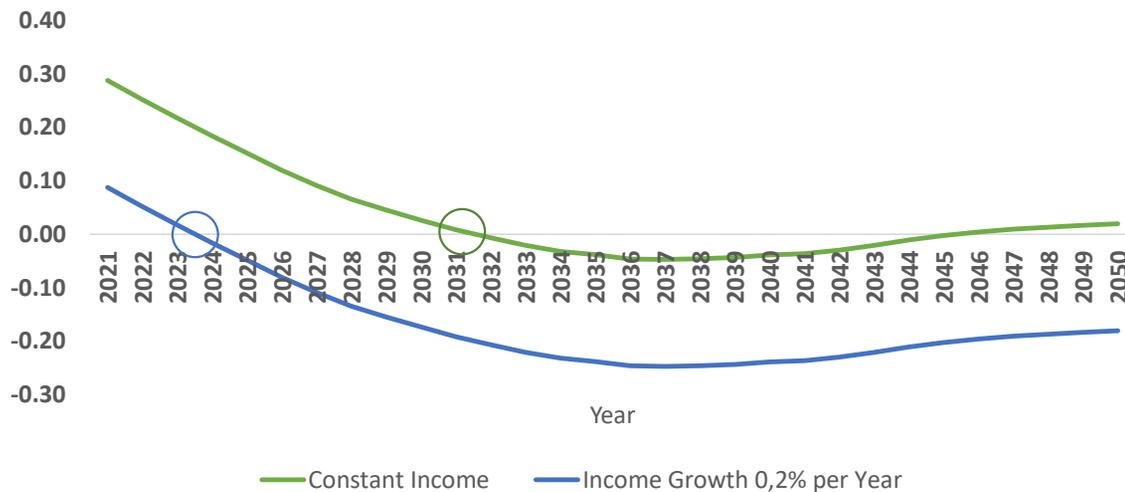
Realizing the Demographic Dividend

- A large workforce can spur economic growth by generating a fiscal surplus. This benefit isn't automatic; it requires strategic policies to ensure productive-age workers employ in **formal -high value- sectors**.



Increased Productivity Will Prevent The End of Demographic Dividend

Indonesia's Demographic Dividend with Increased Productivity



Source: Processed by Bappenas from National Transfer Accounts, 2023

The NTA analysis indicates that Indonesia's demographic dividend has already ended. However, **Indonesia has an opportunity to extend the demographic dividend until 2031** by achieving a modest **0.2% annual increase in income growth** across all age groups.

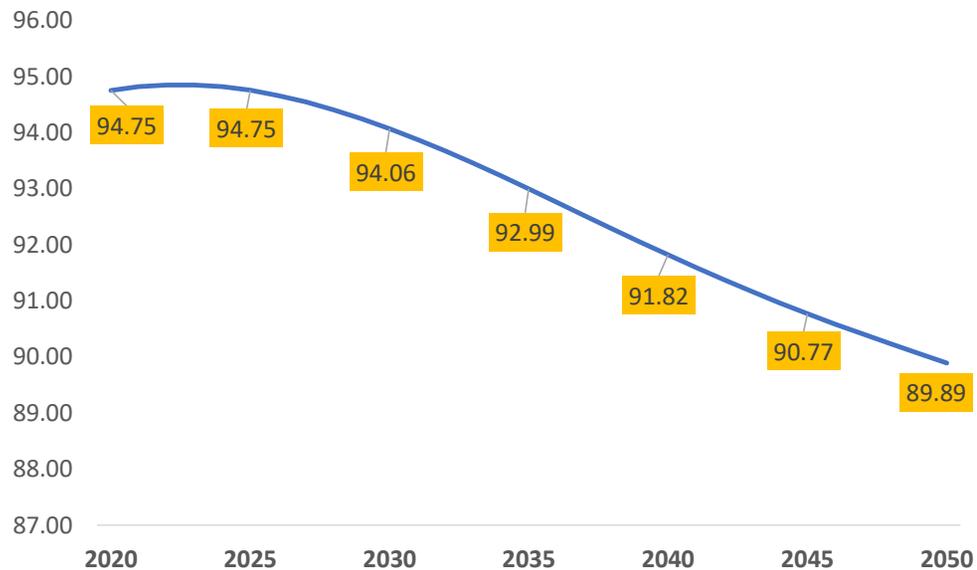
Strategic Actions Needed

- ✓ **Boosting labor productivity**
 - ✓ **Expanding job opportunities**
 - ✓ **Investing in education and healthcare**
 - ✓ **Strengthening social protection systems** to handle long-term demographic pressures.
- Without these interventions, Indonesia faces significant **fiscal and social pressure** as the consumption of the non-productive population grows faster, unmatched with increasing labor income.



Life Cycle Deficit and Support Ratio in Indonesia

Support Ratio of Indonesia (%)

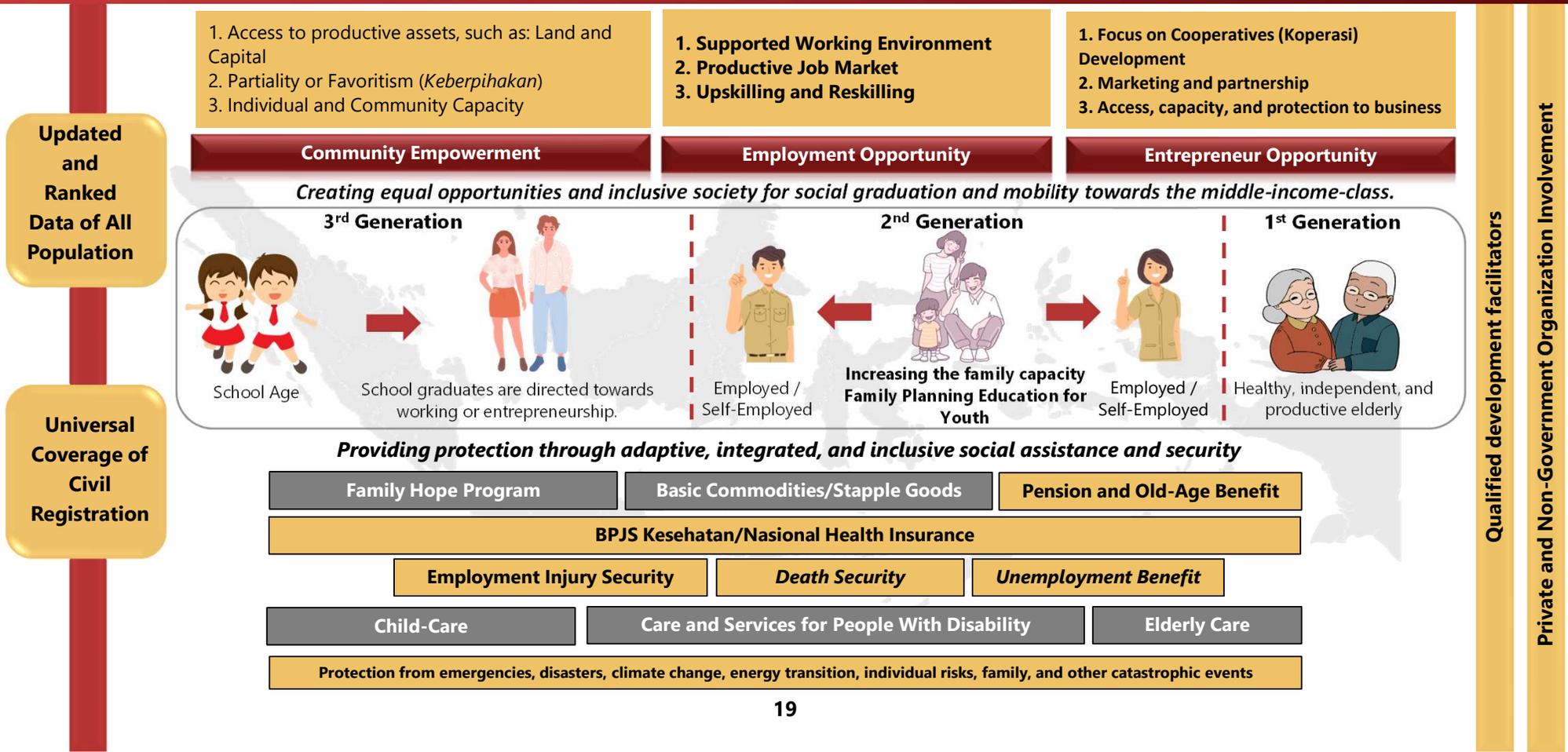


Source: Processed by Bappenas from National Transfer Accounts, 2024

- The support ratio is the ratio of **effective producers** to **effective consumers**. Unlike the traditional dependency ratio, it considers the economic behavior of the population.
- A positive Support Ratio signals that the number of producers is growing faster than the number of consumers. This is a favorable condition for economic growth and is what we refer to as the **demographic dividend**.
- Indonesia's Support Ratio is projected to have peaked in 2020 and is now on a decline that will continue until 2050.
- By 2025, labor income will only be able to cover **94.75% of consumption**. The remaining deficit will need to be covered by either personal savings or government assistance.

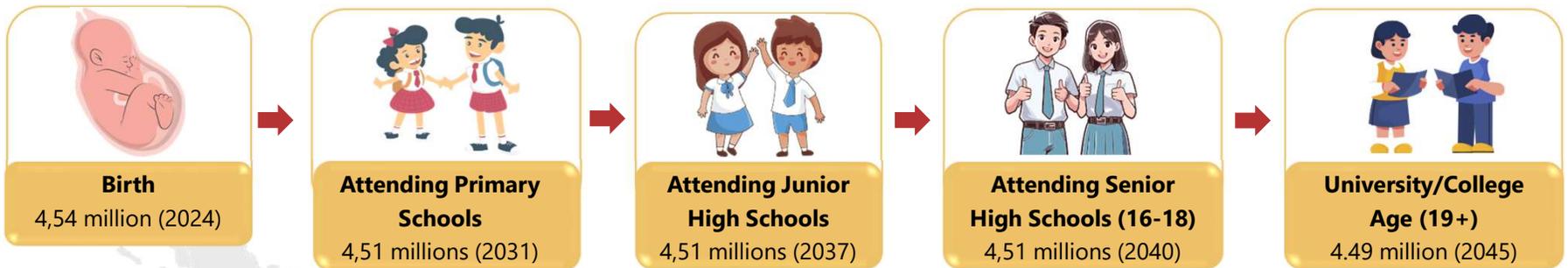


Integrated and Cross Generational Intervention Approach





Closing the Gap In Human Resources Through Early Intervention with Life Cycle Approach



27.2 million children born and will become skilled workers by 2045.

~12.000 people, ~250 children with disability, drop out or do not pursue junior high school

~ 250 million unable to attend high school and. 26 thousand people with disability.

~900 thousand drop-out or fail to complete highschool

1,5 million unattending or drop-out

Ensuring good nutrition, especially for women

Entrepreneurial Internship/Business Traineeship/Self-employment Fellowship

Food Assistance with Decent Nutritions

Genre (A Generation with Plan) - Preparing for Family Planning as a Teenager (10-24)

Decent Parenting Styles

Communication and Work Ethics

Vocational Training

Cultured Environment

Inno-Preneurship

Affirmation Programs

Habilitation Services for People with Disability

Targeted Social Assitances

INCLUSIVE EDUCATION AND CAREGIVING SYSTEM (CARE ECONOMY)



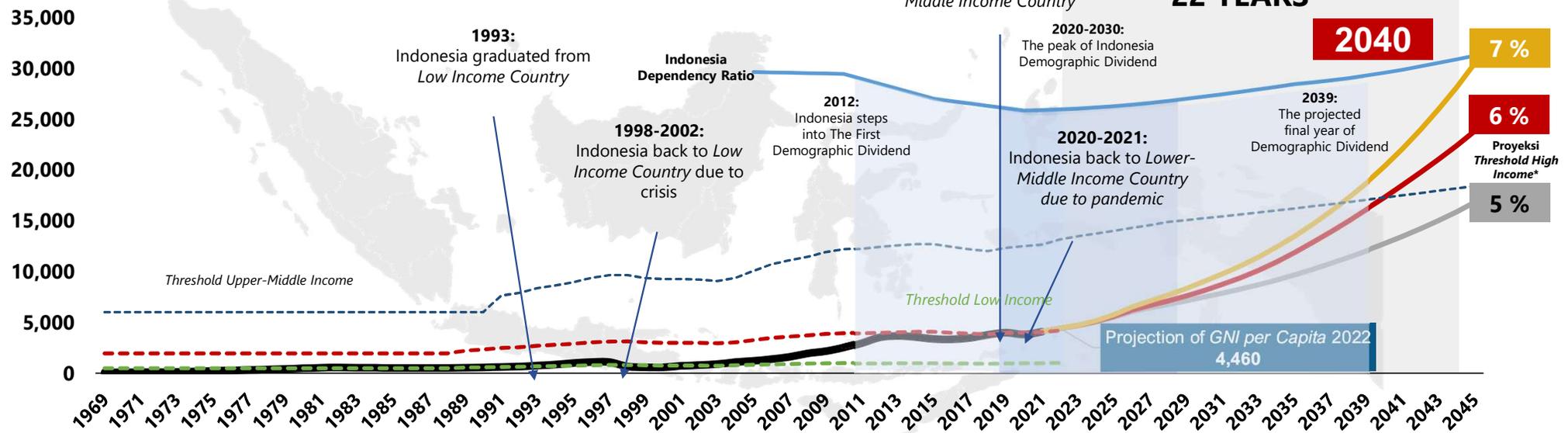
For Indonesia, To Escape From Middle Income Trap

Latest Update: Indonesia has regained its status as an upper-middle-income country

The post-pandemic economic recovery in Indonesia contributes to the relatively high economic growth in 2022 of around 5.31%.

The strong economic growth of 2020 has restored Indonesia to upper-middle-income status after it fell to lower-middle income in 2019 and 2020.

GNI per Capita Indonesia (Projected) (USD)



- Indonesia has been trapped as a **middle-income country for 30 years**.
- The Twenty-year Development plan aims to **transform Indonesia into a high-income country in 2045**.
- Priority Sector: **Value Chain Creation, Based on knowledge and innovation (aspiration) Sector, Blue, Green, and Bio-Economy**.
- **Can Demographic dividends become key for Indonesia to escape from middle-income countries?**

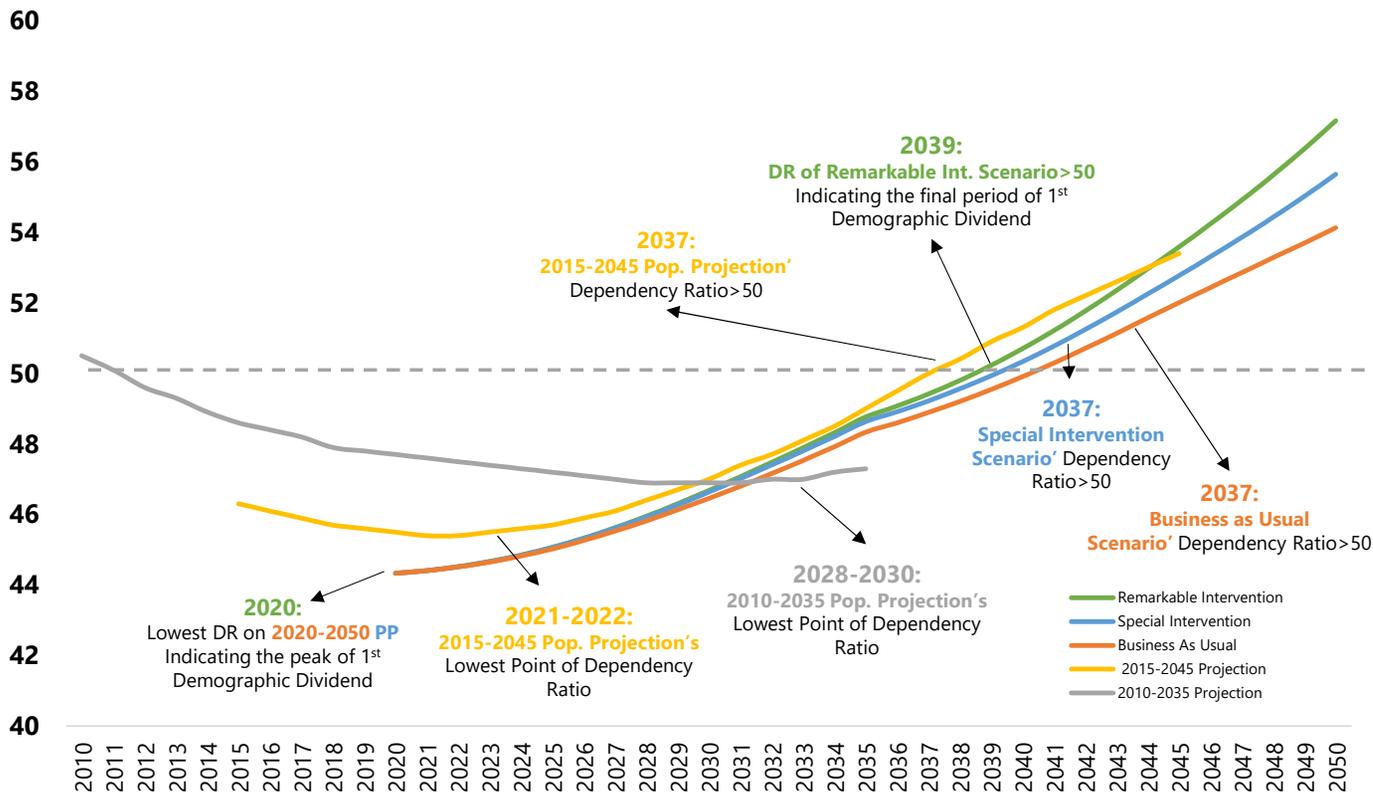
***Threshold High Income Is projected using the inflation trend as SDR**

Source: World Bank (2022), Bappenas per December 2022, Indonesia Cencus and Intercenal 2005 – 2020, Indonesia Population Projection 2020 - 2050



Rapidly Shifting Conventional Demographic Dividend

The Dependency Ratio To Indicate Conventional Demographic Dividend Period



1. Family Planning has contributed to **the decline of fertility rates and the decrease in infant mortalities**, bringing Indonesia to a period of **demographic dividend**.
2. **The transition period** between decreasing fertility (closing 2.0) and an aging population results in a **high proportion of the population being of productive age for a brief time**.
3. **In the short period** when the proportion of the productive-age population peaks, **Indonesia may benefit from a demographic dividend**.
4. According to the latest population projection from 2020 to 2050, **the peak of the demographic dividend period will be between 2020 and 2030**.



Thank You

Milestones and Next Steps in NTA Policy Applications in Thailand

Dr. Suphannada Lowhachai
NESDC Thailand

Policy





Milestones and Next Steps of NTA Policy Applications in Thailand

Suphannada Lowhachai

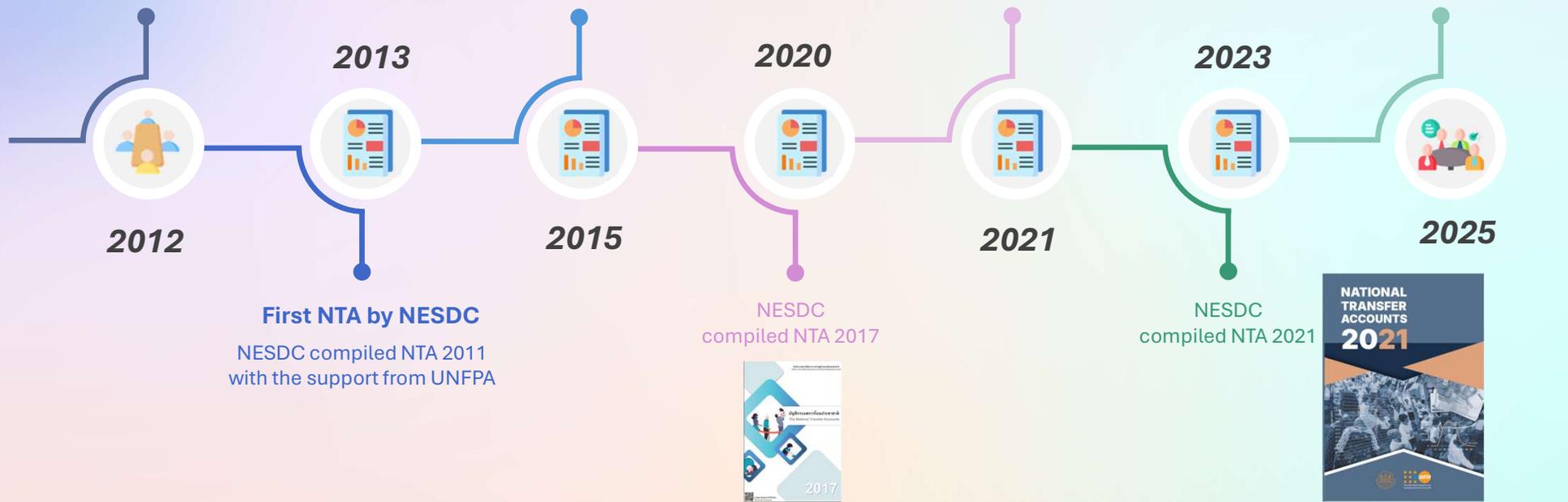
Director of Social Data and Indicator Development Division (SDID),
Office of the National Economic and Social Development Council (NESDC)



Thailand's National Transfer Accounts (NTA) Milestones

Thailand's NTA Initiative

Sub-committee on Implementation of Population Policy and Plan agreed that NTA should be compiled in regular and sustainable manner



The official NTA has been released on the website

Thailand's National Transfer Accounts (NTA) Milestones

NTA Applications in Thai Policy:

Public and private consumption for children in early age was an empirical evidence for government's decision making on the introduction of **Child Support Grant**



NTA's evidence on sustainability of social protection was included in the **Quarterly Social Situation Report** February 28, 2022



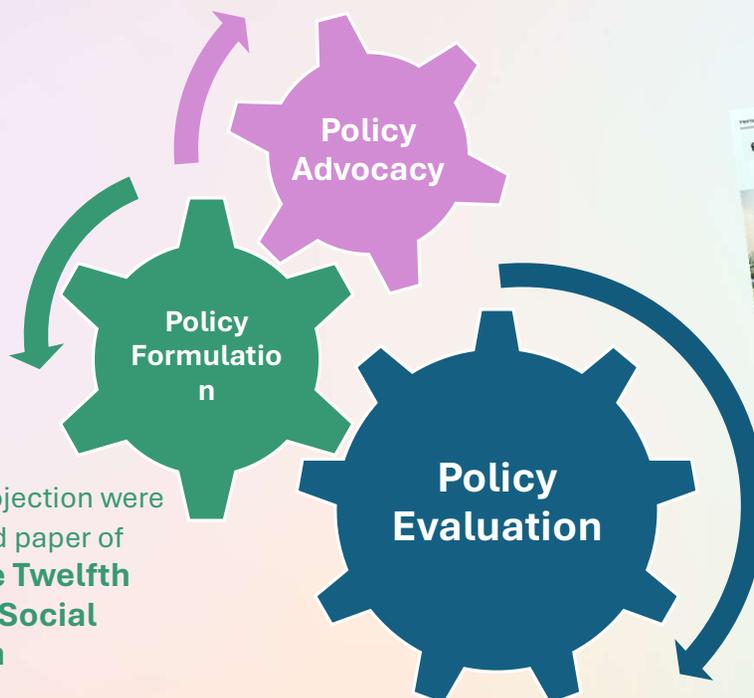
Public health consumption was a critical element of health inequality analysis in **"Poverty and Inequality Situation of Thailand 2019"**



NESDC and UNFPA Thailand co-organized an online symposium on **"National Transfer Accounts and Social Protection Provision in Thailand"** on December 17, 2021



NTA 2011 results and the 2040 projection were incorporated in the background paper of **Population Plan during the Twelfth National Economic and Social Development Plan (2017-2021)**



NEXT STEPS:

**NTA Policy Applications
in Thailand**

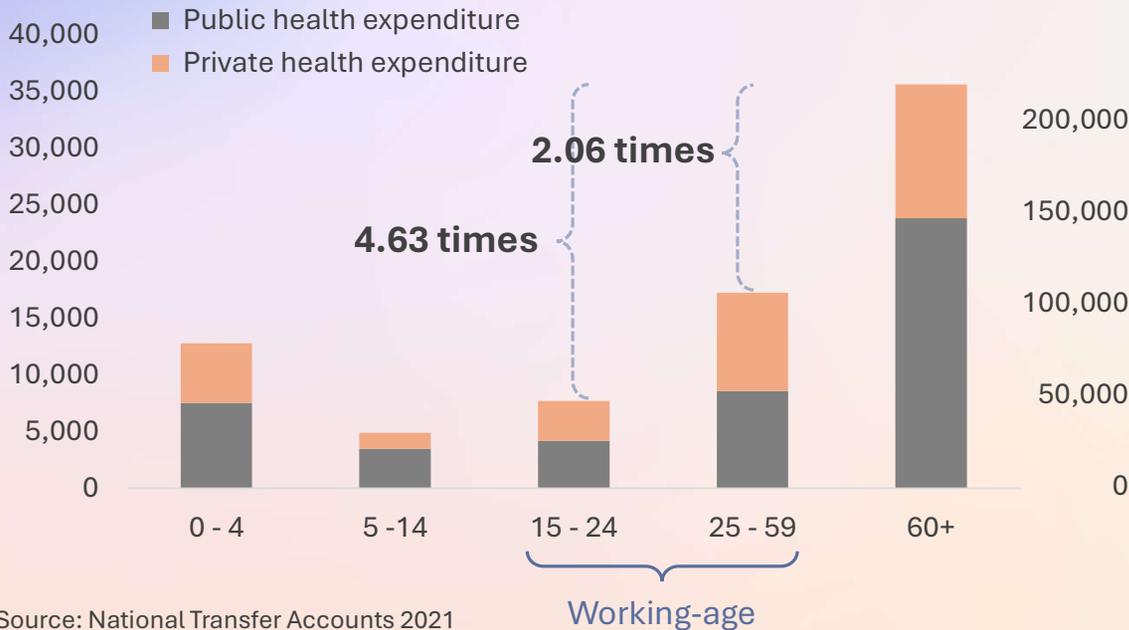
Policy Dimensions : Health Expenditure



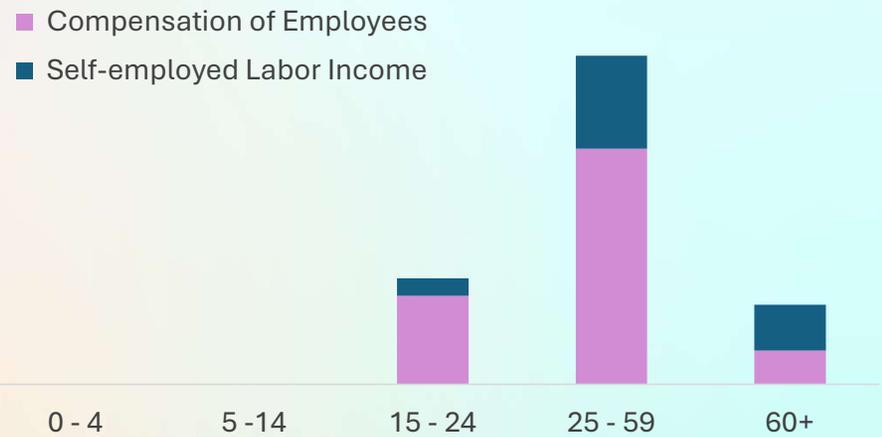
How to balance increasing healthcare costs with lower income in retirement?

It is necessary to establish health security for retirement, a period when individuals face higher healthcare costs with a reduced income. A contributions system is particularly effective, as it utilizes the greater financial capacity people have during their working years.

Average per capita Expenditure on Health (Baht)



Average per capita Labor Income (Baht)



Source: National Transfer Accounts 2021

Policy Dimensions : Social Welfare



What options should Old-Age Allowance (OAA) be increased?

*The progressive OAA (Opt 2) is more effective in raising consumption and **reducing poverty** than the uniform OAA (Opt 1)."*



Option 1 :
increase the OAA to
1,000 Baht for all older
persons
(Flat Rate)



Option 2 :
same amount increase of
355 Baht for all older
persons (Tiered
Allowance)



The Impact of **Old-Age Allowance (OAA)**
Options on Older Person Poverty Rates (%)



Source: Chamchan (2023)

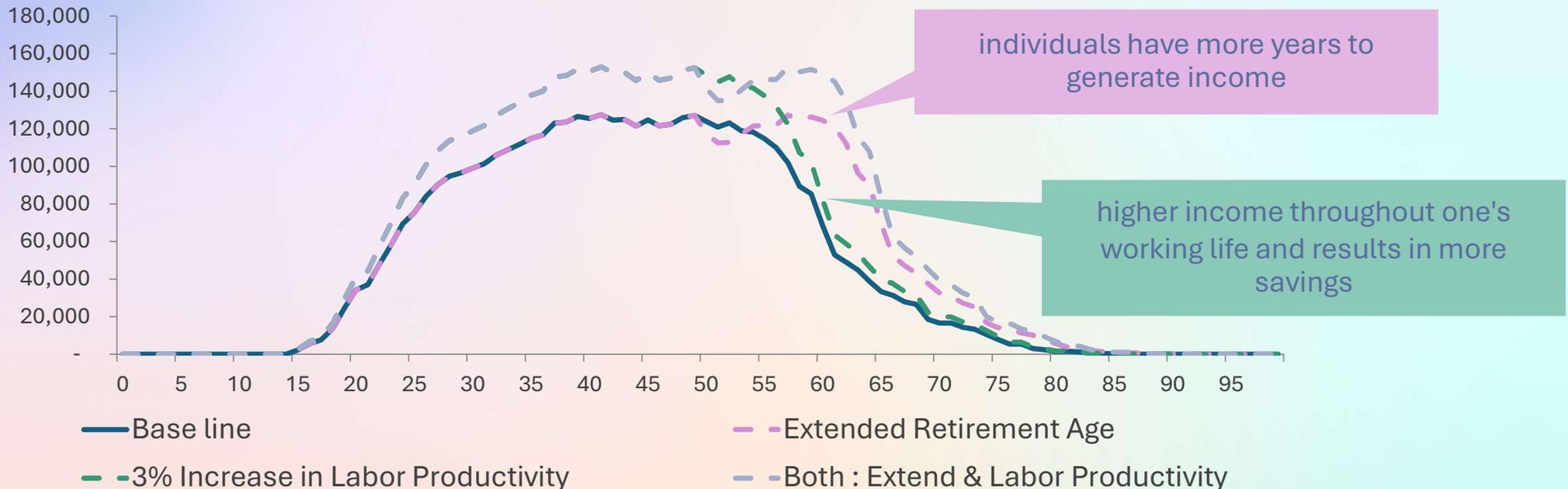
Policy Dimensions : Labor Income



How to resolve an issue of people not having enough income after they retire?

For Thailand, extending the retirement age and increasing labor productivity can boost overall labor income.

Total value of Labor Income in 2040 by Age (Million Baht)



**Thank
You**

Shaping the Future Beyond GDP: Using National Transfer Account for Inclusive Fiscal and Social Policy in the Asia-Pacific Region

Dr. Wassana Im-em

UNFPA-APRO

The Path Beyond GDP: NTA & NTTA as Tools for Adaptive Futures



The goal is on expanding metrics for development beyond narrow economic output.

Key Objective: To address the structural crisis preventing crucial generational and gendered economic evidence from reaching budgetary decision-making.

- The **Pact for the Future, Action 53**, mandates the development of a framework for measuring progress on sustainable development to **complement and go beyond gross domestic product (GDP)**.

- This presentation focuses on tools—National Transfer Accounts (NTA) and National Time Transfer Accounts (NTTA)—that support this global mandate by capturing human well-being, equity, and sustainability, which GDP overlooks.



NTA & NTTA Operationalize This Vision

National Transfer Accounts (NTA): Disaggregates economic data by age to show how resources are produced and consumed across generations.

- **Reveals** intergenerational equity and the economic impacts of an aging population, aligning with the Pact's **Declaration on Future Generations**.
- **Measures** human capital investment (e.g., education & health).

National Time Transfer Accounts (NTTA): Quantifies the value of unpaid work, especially care work.

- **Highlights** women's economic contributions not captured by GDP, supporting the Pact's push for **gender equality**.
- **Provides insight** into the social cohesion and resilience provided by community and family support systems.

Conclusion: NTA and NTTA are crucial tools for implementing the UN Pact, providing the data needed to build a more equitable and sustainable future beyond a narrow, GDP-centric view. They act as a new compass for progress.

The Tools Beyond GDP: NTA, NTTA, and NIA

Tool	Focus	Policy Contribution
National Transfer Accounts (NTA) A tool known to generate evidence in addressing the ' Generational Economy '	Measures how resources (production, consumption, saving, transfer) flow across different age groups (the Generational Economy).	Guides policies on fiscal sustainability , intergenerational equity , and maximizing the demographic dividend .
National Time Transfer Accounts (NTTA) A tool known to generate quantitative evidence addressing ' Care (or Gendered) Economy '	Quantifies the economic value of unpaid work (caregiving, household services), capturing non-market production .	Essential for designing inclusive policies, advancing gender equality , and addressing the care economy challenges associated with population aging.
National Inclusion Accounts (NIA) A tool for understanding the socioeconomic inequalities within a country's economic system.	Extends NTA/NTTA by disaggregating data by factors such as education level , income level , and family structure .	Promotes policies aimed at inclusive and sustainable growth by understanding distributional impacts of demographic change.



2025 Survey Mapping of NTA/NTTA and Policy Application in Asia

- Rationale for the survey
 - UNFPA's engagement on NTA/NTTA in the past decade
 - Challenges of communicating NTA/NTTA to policy planners
 - Informal consultation with participants from ASEAN countries attending the 15th NTA Global Conference, Bangkok, 2025
 - Collaboration with partners
- Online survey conducted from June-August, 2025
- Results: Obtained from 20 countries in Asia, including 8 ASEAN countries, comprising 36 policy planners and 40 data producers/experts



Key Finding 1: High Policy Intent for NTA/NTTA Use

Policy planners surveyed show a **strong interest** in using NTA/NTTA evidence.

Top 5 Areas Policy Planners are "Very Interested" in Utilizing NTA/NTTA Evidence:

1. **Ageing policy:** Supports adaptation to population ageing.
2. **Social protection:** Targets support based on age-related vulnerability.
3. **Health & care financing:** Projects age-related health and care needs.
4. **Demographic dividend:** Evaluates the economic impact of age structure shifts.
5. **Gender & unpaid care (NTTA):** Captures the value of unpaid work for policy.

Policy Agency Interest:

The agencies showing the most interest in using NTA/NTTA findings are the **National Statistics Office (65.7%)**, **Ministry of Planning (48.6%)**, and **Ministry of Finance (42.9%)**

Key Finding 2: The Core Disconnect (High Intent, Low Integration)

Despite high interest in NTA/NTTA, actual integration into policy remains critically low, representing a major gap in utilizing evidence for effective governance.

Low Policy Use:

- Only **one-quarter (25.7%)** of policy planners reported that NTA/NTTA evidence had **ever been used in a national policy document, strategy, or planning tool**.
- When asked about the influence of NTA/NTTA evidence on actual policy decisions, the perceived influence is often "Very little" or "Not at all".
- For the **NTTA approach** (unpaid care work), over 42.9% of policy planners reported that the approach is "Not yet applied, but plans are under development".

Policy Challenges Highlighted by Policy Planners:

- The largest challenge identified is the **Difficulty linking NTA/NTTA results to existing policy frameworks or development plans**

Key Finding 3: The Structural Crisis: Funding and Governance Gaps

Challenge Area	Key Data Producer Finding	Policy Implication
Funding Crisis	70.6% of data producers report no current funding for their NTA work.	Reliance on external development partners is heavy, making the initiative unsustainable .
Knowledge/ Collaboration Gap	Data producers note a lack of understanding among planners on how to effectively use NTA/NTTA data.	This knowledge gap leads to institutional isolation . Collaboration between researchers and policymakers is often "Rare or none" or "Occasional".

Sustaining the Use of NTA/NTTA in Policymaking (Policy Planner Priorities):

- Integration into official planning frameworks (80%).
- Technical support from development partners (71.4%).
- Dedicated funding (65.7%).
- Legal or policy mandate (57.1%)

Call to Action: Institutionalizing Data and Governance

To shape future policies effectively, we must move NTA/NTTA work from an ad hoc status to a formal, integrated system.

Primary Decision-Making Organizations that Should Utilize NTA/NTTA Data:

- Ministry of Health (74.3%)
- Ministry of Planning / Development (71.4%)
- Ministry of Finance / Treasury (68.6%)
- National Statistics Office (68.6%)
- Ministry of Education (68.6%)

Required Institutional Measures:

- Establishment of a **Legal or policy mandate** and **Dedicated funding** to ensure continuity beyond project cycles.
- Formal mechanisms must be established to link data producers (e.g., National Statistics Offices) and policy users (e.g., Ministries of Finance/Planning).
- Policy planners need to prioritize the integration of NTA/NTTA into formal planning frameworks.

Call to Action: Bridging the Knowledge and Capacity Gap

The functional knowledge gap must be closed to translate data into actionable policy, a crucial component of "**Shaping the Futures Beyond GDP**".

Top Capacity Building Needs (Policy Planners):

1. **Training on interpreting and applying NTA/NTTA results** for policy decisions (85.7%).
2. **Guidance on integrating NTA/NTTA into fiscal and social policy frameworks** (68.6%).
3. **Peer learning opportunities** with countries experienced in NTA/NTTA use (68.6%).

Effective Training Formats (Policy Planners):

- **In-person national training workshops** (74.3%).
- Regional or subregional training workshops (60%).
- Mentorship or technical support from experts (45.7%).

A significant majority (68.6%) of policy planners are interested in joining the 'Community of Practice on Population Ageing and NTA' to foster age-group understanding and dialogue.



Conclusion: Realizing the Inclusive Future

NTA/NTTA for Inclusive Future Generations

- NTA/NTTA frameworks move beyond GDP to measure generational flows, the value of unpaid care (Gendered Economy), and disaggregated equity (National Inclusion Accounts).
- These tools directly support the objectives outlined in the Pact for the Future regarding **Sustainable Development** (Action 1), achieving **Gender Equality** (Action 8), and **Investing in Youth and Future Generations** (Action 34).
- By strengthening technical capacity, ensuring dedicated funding, and mandating the **integration of NTA/NTTA into official planning frameworks**, countries can sustainably harness the **Demographic, Gender, and Silver Dividends**.

Recommendations for Moving Forward:

1. **Secure Dedicated Funding** for NTA/NTTA production and institutionalization.
2. **Mandate Integration** of NTA/NTTA results into national planning and budgetary processes.
3. **Intensify Capacity Building** focused on policy interpretation and application for planners

Q & A ? !
