

**The 23rd ASEAN & Japan
High-Level Officials Meeting on Caring Societies
Challenges of Population Aging
in ASEAN Labor Markets:
Lessons from Japan's Experience and ILO Reports**

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Location: Hotel Nikko Narita**

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1. The Current Situation of Population Aging in ASEAN Countries

Rapid Progress of Population Aging

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	Aging Rate (2023, %)	Year in which the aging rate exceeds 7% (a)	Year in which the aging rate exceeds 14% (b)	Doubling Time (b-a)
Vietnam	8.6	2019	2036	17 years
Indonesia	7	2024	2047	23 years
Cambodia	6	2028	2057	29 years
Philippines	5.3	2031	2059	28 years
Thailand	14.7	2004	2022	18 years
Laos	4.5	2039	2061	22 years
Malaysia	7.5	2022	2045	23 years
Myanmar	7.1	2023	2052	29 years
Singapore	13.1	2005	2025	20 years
Brunei	6.5	2025	2041	16 years
Korea	18.3	2000	2018	18 years
China	14.3	2001	2023	22 years
Japan	29.6	1970	1994	24 years

In some countries,
the pace of
population aging is
rapid.

Source: Estimates
based on United
Nations data and
Japan Research
Institute materials

Aging rate =
Proportion of the
population aged 65
and over

Retirement Age in Each Country (Age of Pension Eligibility)

	Retirement Age	Normal Pension Eligibility Age
Vietnam	60	55.7 female, 60.5 male
Indonesia	57 (2019)	57
Cambodia	55 female, 60 male	
Philippines	65	60
Thailand	60	55
Laos	60	
Malaysia	60 (2018)	55/60
Myanmar	62 (2022)	
Singapore	63 (2022)	65
Brunei	60 (2011)	
Korea	60	60
China	50/55	50/55
Japan	65	65

In all countries, both the retirement age and the normal pension eligibility age have not yet reached 65, possibly reflecting the current level of population aging.

(Source) Retirement Age: "OLD AGE POVERTY AND ACTIVE AGEING IN ASEAN COUNTRIES - Trends and Opportunities" (2023)

China and South Korea: Data Book on International Labor Comparison 2025, Japan Institute for Labour Policy and Training (JILPT)

OECD "Pension at a glance" (Asia/Pacific2024)

Pension Coverage Rate by Country

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	Coverage Rate among the Population Aged 15 to 65	Coverage Rate among the Labor Force Population	Year
Vietnam	24.9%	29.7%	2021
Indonesia	16.5%	22.0%	2021
Philippines	55.5%	92.4%	2021
Thailand	47.6%	60.8%	2021
Malaysia	32.8%	47.2%	2021
Singapore	69.3%	84.6%	2021
Korea	60.3%	78.3%	2021
China	48.7%	60.7%	2021
Japan	91.4%	98.9%	2019

Many ASEAN countries have low pension coverage rates.

(Source)
OECD "Pension at a glance"
(Asia/Pacific2024)

2. Key Lessons from Japan

The speed of population aging in Japan is unprecedented in the world.



It has undergone a series of similar legislative reforms to date.

**Amendment to the Act on Stabilization of
Employment of Elderly Persons**

Enacted in 1986: Employers were obligated to make efforts to ensure that the retirement age did not fall below 60.

(The aging rate in that year was 10.6%)

1994 Amendment: Mandatory retirement age set at 60, with an obligation for employers to make efforts to provide continued employment up to age 65.

(The aging rate in that year exceeded 14%)

2004 Amendment: Employers were obligated to ensure employment up to age 65.

For employers that set a retirement age below 65, it is mandatory to take one of the following measures:

① Raise the retirement age, ② introduce a system for continued employment up to age 65, or ③ abolish the retirement age.
(The scope may be limited through labor-management agreements.)

(The aging rate exceeded 20% in 2005)

2012 Amendment: Made it mandatory to allow all employees who wish to do so to work until age 65 (abolishing the labor-management agreement system).

(The aging rate exceeded 25% in 2013)

2021 Amendment: Made it an obligation for employers to make efforts to secure employment up to age 70.

Japan has gradually raised the pension eligibility age through successive amendments to its pension laws.

Amendments to the Pension Act

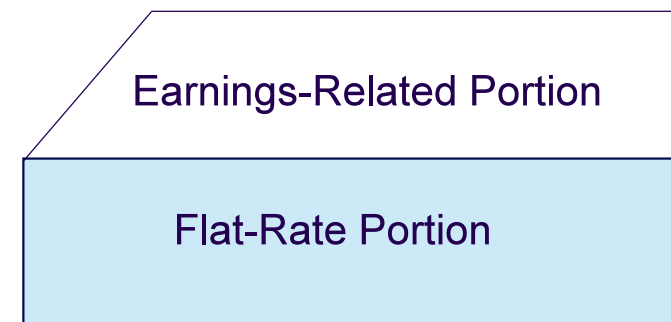
1994 Amendment: Revision of the Employees' Pension for those in their early 60s (gradually raising the starting age of the flat-rate portion from 60 to 65 by 2013).

(Amended at the same time as the Act on Stabilization of Employment of Elderly Persons; the aging rate in that year exceeded 14%)

2000 Amendment: Raised the pensionable age for the earnings-related portion of the Employees' Pension (gradually increasing from 60 to 65 between 2013 and 2025).

*For women, the increase will be implemented gradually by 2030.

Employees' Pension



Japan has long maintained a universal pension system.

Until the Establishment of the Universal Pension System

1942: Enactment of the Workers' Pension Insurance Act (at that time, only male workers were covered)

1944: Renamed the Employees' Pension Insurance Act (coverage extended to women)

1961: Full Enforcement of the National Pension Act (achieved “universal pension coverage,” with all citizens enrolled in some form of pension system)

Expansion of Employee Pension Insurance Coverage

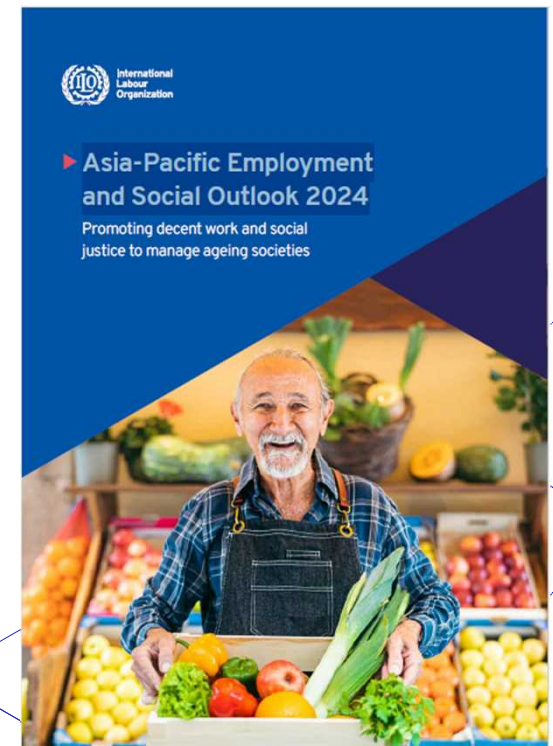
Since 2000 (when the law included the gradual increase of the pensionable age up to 65), discussions have been held regarding the inclusion of part-time workers, who were then covered by the National Pension, into Employees' Pension Insurance.

Amendments in 2012, 2016, 2020, and 2025, etc.

3. Based on ILO surveys

ILO “Asia-Pacific Employment and Social Outlook 2024”

- ▶ The rate of population ageing in Asia and the Pacific is alarming. The largest increases are expected in the Republic of Korea, Singapore and Thailand.
- ▶ Despite ageing populations, the region should be able to achieve continued growth of income per capita over the coming decades if strong productivity growth can be maintained. While the region has a large pool of workers who are ready to take up better jobs with higher productivity and pay, structural barriers and a lack of training opportunities could cause labour shortages, at least in certain sectors.
- ▶ The latest available data shows that, on average, older workers are in employment types associated with lower job quality than workers aged 25 to 54 years, and that those employment types become more prevalent as cohorts become older. If older workers lose their jobs, they have difficulty finding another job of similar quality and pay. Improving the labour market prospects of older workers would enable them to maintain a productive and fair-paying job until the end of their career and would raise national income through better and longer utilization of older workers’ productive capacity.



ILO “Asia-Pacific Employment and Social Outlook 2024” (continued)

- ▶ In many countries in the region, efforts to guarantee the right to universal and adequate pensions for older persons face the double challenge of inadequate coverage and benefits of existing pension schemes and a projected rise in the economic dependency ratio. While most older persons in Asia and the Pacific (73.5%) have access to pensions or other provisions for old age, coverage rates vary widely between countries, and the benefit levels of universal non-contributory schemes tend to be very low.
- ▶ Population ageing will increase the financing needs of old-age pension schemes even further; the establishment of sustainable and equitable financing for national pension systems, which ensures income security for older persons, is a key policy challenge in the region.

