

# UNDERSTANDING AGEING POPULATIONS IN HIGH- INCOME COUNTRIES: *Lesson learned for Indonesia*

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## Abstract

Ageing population resulting from the upward trend in life expectancy presents multifaceted issues across all domains, including health, financial, and social aspects. It requires additional public policy intervention to address the challenges and maintain the population well-being during the demographic phenomenon. Using a narrative review, this study delves into the implications of an ageing population in high-income countries like Finland, Germany, and Italy, as well as in Indonesia which is just beginning to experience this transition, and analyse public policies related to ageing population in those countries. The findings highlight several issues related to the ageing population, including health deterioration, housing demand accommodating age-related disabilities, and financial aspects of health insurance and retirement system funding. To address these challenges, high-income countries with ageing populations have implemented various policies. For instance, Finland has established guidelines and funding for elderly healthcare in municipalities, ensuring appropriate medical attention. In addition, pension systems and financial literacy initiatives have been introduced in some countries to support the ageing populace financially. Moreover, home-based geriatric care services in Finland and Germany enable elderly to age comfortably in their own homes. These policy implementations offer valuable insights for countries like Indonesia to better prepare themselves for the social, health, and economic implications associated with an ageing demographic. This comparative analysis serves as a crucial foundation for formulating effective policies tailored to the unique needs of ageing societies worldwide.

**Keywords:** ageing population; health; retirement; policies.

## Abstrak

Fenomena penuaan penduduk akibat peningkatan angka harapan hidup di sisi lain menimbulkan berbagai tantangan pada suatu negara, termasuk dalam aspek kesehatan, keuangan, dan sosial. Negara perlu mempersiapkan intervensi kebijakan publik untuk mengatasi tantangan tersebut dan meningkatkan kesejahteraan penduduk. Tulisan ini berupaya untuk menganalisis implikasi fenomena penuaan penduduk di beberapa negara maju seperti Finlandia, Jerman, dan Italia untuk menjadi pembelajaran bagi negara Indonesia yang baru mulai mengalami transisi ke fenomena penuaan penduduk ini. Dengan menggunakan metode tinjauan pustaka (narrative review), tulisan ini juga menyajikan analisis kebijakan publik terkait dengan penuaan penduduk di negara maju tersebut. Penelitian ini menemukan beberapa permasalahan yang terkait dengan penuaan penduduk, termasuk



penurunan kondisi kesehatan, peningkatan permintaan perumahan yang mengakomodasi kondisi disabilitas pada lansia, dan aspek keuangan dari asuransi kesehatan dan pendanaan sistem pensiun. Temuan ini juga menyoroti pergeseran permasalahan kesehatan dari penyakit menular ke penyakit tidak menular dan tingginya penyakit degeneratif tertunda pada populasi lanjut usia, antara lain penyakit jantung iskemik, stroke, kanker paru-paru, nyeri pinggang, jatuh, Alzheimer dan demensia lainnya sebagai penyebab kematian dan kecacatan pada populasi. Selanjutnya, kondisi kesehatan berdampak pada aspek lainnya termasuk perawatan kesehatan, masalah perumahan bagi lansia, keuangan dan sistem pensiun. Untuk mengatasi tantangan tersebut, negara-negara maju dengan populasi menua telah menerapkan berbagai kebijakan. Misalnya, Finlandia yang telah menetapkan pedoman dan pendanaan untuk layanan kesehatan lansia di kota-kota, sehingga memastikan adanya perawatan medis yang tepat. Selain itu, sistem pensiun dan inisiatif peningkatan literasi keuangan telah diperkenalkan di beberapa negara untuk mendukung masyarakat lanjut usia secara finansial. Selain itu, layanan perawatan geriatri berbasis rumah di Finlandia dan Jerman memungkinkan lansia untuk menua dengan nyaman di rumah mereka sendiri. Implementasi kebijakan ini memberikan wawasan berharga bagi negara-negara seperti Indonesia untuk lebih mempersiapkan diri menghadapi implikasi sosial, kesehatan, dan ekonomi yang terkait dengan penuaan penduduk. Analisis komparatif ini berfungsi sebagai landasan penting untuk merumuskan kebijakan efektif yang disesuaikan dengan kebutuhan unik masyarakat lanjut usia di seluruh dunia. .

**Kata Kunci:** analisis kebijakan; kesehatan; penuaan penduduk.

## INTRODUCTION

Ageing population is an inevitable phenomenon, which sooner or later, will be experienced by countries. The term “ageing population” refers to a growth in the number and percentage of older people in the population, generally those aged 65 and above (Land & Lamb, 2008). Most countries are gradually shifting their demographic composition from young to ageing population as fertility rates continue to fall and life expectancy rises (Bloom & Luca, 2016). The decrease of fertility rate is mostly caused by economic and social factors, including maternal education, female labour-force involvement, and shift in cultural values that influence family willingness to have children (Hull, 2009; Kertzer et al., 2009; Lutfiah et al., 2017). For Indonesia, it is highly influenced by the National Family Planning Program as a compulsory population planning family in the 1990s (Hull, 2009). On the other hand, the increase of life expectancy is the consequences of a complex combination of socioeconomic, behavioral, and environmental aspects, including educational level, wealth index, and healthcare system (Monasta et al., 2019; Paramita et al., 2020).

Furthermore, ageing population often challenge several aspects in countries including health and economy. When a country entering ageing population phase, it is in the third stage of epidemiology transition which

poses challenges by the increase of delayed degenerative diseases. Indonesia, on the other hand, is in the second stage of epidemiology transition which the country experiences an increase of non-communicable diseases, with declining fertility and infant mortality, rising life expectancy, and the median age at death (Bloom et al., 2015). Besides the non-communicable diseases, infectious illnesses and malnutrition are still prevalent among the poor in Indonesia. It challenges the health system to share its resources fairly to address the health issues (McKeown, 2009).

Epidemiologic transition identifies and analyses the shift of demographic components and causes of mortality to assist policymakers in improving population health (Mercer, 2018). While for the countries with ageing population, the percentage of non-communicable diseases as the cause of years of life lost (YLL) due to premature death has declined while Alzheimer’s and other dementias has grown (Mercer, 2018; Monasta et al., 2019). Moreover, older people are more vulnerable to long-term impairment, resulting in significant financial costs (de Lorenzo & Esposito, 2020). However, achieving active ageing in the country can extend individual contributions in various social activities and mobilise older people’s resources to contribute to the countries. Ageing population can provide both benefit and challenges to the country depends on how the country respond to ageing population phenomenon.

Evidence showed the risk of Asian countries to become old before getting rich (Salgado, 2017). It refers to a condition where the countries still in lower-middle income categories but have to deal with economic and health burden resulting from ageing population. Therefore, there are several aspects that can be elaborated for countries to experience ageing population 'smoothly and successfully'. While it can be about health and longevity, finances and retirement income, employment, housing and environment, and family and social relationship, this paper will only elaborate health, finances, and housing aspect. All aspects are equally important but it will be too complex to cover all in one paper. Those three aspects are quite general and can include some explanation of other aspects as they may related each other. For example, as the risk of health issues increases with age, ageing population impacts health conditions in the countries (Niccoli & Partridge, 2012). It includes different trend and the type of health problems with countries without ageing population. Health conditions and longevity in the population may also affect employment aspect, financial, as well as housing and environmental conditions. Every country will experience a shifting period of demographic dividend to ageing population which will be crucial for the country to adapt policies related to ageing population and prepare their fiscal condition. Before experiencing ageing population, countries will first have demographic dividend, which the proportion of working-age population (15-64 years) grows faster than the number of dependents (0-14 years and above 65 years), helping the countries' economy (Salgado, 2017). While some Asian countries experience rapid ageing population shifting compared to historical experience in Europe and the United States countries (less than 10 years vs more than 20 years), others, including India, Indonesia and the Philippines were projected to not experience rapid ageing population (Salgado, 2017). However, in 2030, Indonesia was projected to have lower working-age population compared to Philippines and India who were still in demographic dividend phase. The moderate rise of the ageing population in Indonesia also spares some time for the country to pre-

pare the countries to develop suitable policies and intervention related to ageing population. Therefore, this paper aims to explore ageing population phenomenon in some countries with advanced economic development and its policies to a more aged society as a lesson learned for Indonesia who start to shift to ageing population. While Italy, Germany, and Finland are among the high income countries with advanced ageing population, Indonesia is a middle-income country with an increase in ageing population, projected to reach 15.9% in 2050 (United Nations, 2019b, 2019a). Moreover, active ageing, a policy framework developed by WHO was utilised to elaborate personal and environmental aspects related to ageing population as well as challenges in the increased of disabilities, providing care for ageing population, and the economic burden resulting from ageing population (Kalache & Gatti, 2003).

## METHODS

This study used a narrative review, a method of analysing data and information, to explore ageing population phenomenon in Indonesia, Italy, Germany, and Finland as well as Italy, Germany, and Finland policies related to health, finance, and housing to respond more ageing society. Narrative review enable researcher to explore literature generally and focus on specific topics in the literature. The author conducted the review in five phases, using the scoping methodology outlined by Arksey & O'Malley (2005). The initial stage was to formulate research questions and find relevant papers.

Searches was conducted in Google using keywords that related to the studies objectives, including countries name (Indonesia, Italy, Germany, and Finland), ageing population aspects (health, finance and retirement, housing and environment), policy, and ageing population. Each word group was combined to find data and information that suitable for this paper purpose.

After that, the studies would be selected, and the data and information from the chosen research would be plotted. The inclusion cri-

teria for the studies to be considered were relevant to this study subject and were authored by credible institution or published in peer-reviewed journals. The inclusion criteria did not include the year in which the studies were completed. The author selected the studies by skimming the readings and retrieving necessary information. Finally, the data and information were compiled, summarised, analysed, and reported in the results in order to address the research objectives.

## RESULT AND DISCUSSION

### Ageing population across countries

As mentioned in introduction section before that a decrease in fertility and an increase in life expectancy related to ageing population, this section will elaborate those aspects in each country which is Indonesia, Italy, Germany, and Finland. While Indonesia's fertility rate is quite high (above 2) and life expectancy is only above 65 years in 2000, Italy, Germany, and Finland has a very low fertility rate (below 1.5) and a high life expectancy (over 80 years since 2000) (United Nations, Department of Economic and Social Affairs, 2019). McDonald (2008) argued that a low fertility rate of 1.5 births per woman reduces generation size and, in the long term, leads to ageing population. Since 1970, Finland and Germany have had more than 10% older people in their population, and this number is expected to rise to 30% by 2050 (United Nations, Department of Economic and Social Affairs, 2019). It shows that the European countries need more than 20 years shifting to ageing population while Indonesia will start shifting to experience ageing population in 15 years (Salgado, 2017 and United Nations, Department of Economic and Social Affairs, 2019).

### The impact of ageing population across countries

#### *Health and longevity*

Because the risk of health issues increases with age, the ageing population impacts health conditions in the countries (Niccoli & Partridge, 2012). According to Global Burden of Disease 2019, ischemic heart disease was

the leading cause of death and disability in Germany and Finland. While low back pain and lung cancer are among the other causes of death and disability in Germany, stroke and falls are the leading causes of death and disability in Finland (IHME, 2019b, 2019a). Low back pain has been identified as one of the most debilitating health issues for the elderly, and it has been linked to an increased risk of falling. Furthermore, falls are the leading cause of chronic pain, disability, and death among the elderly (Wong et al., 2017).

Furthermore, the population's health and longevity in countries with advanced ageing population pose some challenges to their health system. Health system inequality across Italy's regions provides challenges for health care that must handle the growing health demand of older populations (de Lorenzo & Esposito, 2020). Each region in Italy has different resources, including institutional, policy, and socio-economic factors while ageing population are occurred equally in each region (Barbabella et al., 2022).

#### *Housing issues among the elderly*

In Germany and Finland, low back pain and falls are the leading causes of mortality and disability, raising concerns about the housing and environmental conditions of the elderly. While older individuals are more likely to have mobility issues and a higher risk of falling, there is a need to offer an adequate living environment, including housing and environment, that allows them to age in place (Biermann et al., 2018).

#### *Finances and retirement*

The ageing population has an impact on the countries' economic sustainability. Countries with advanced ageing population has to deal with workforce reduction and develop adequate and sustainable pension systems (Mazzola et al., 2016). The increase of longevity will result in longer time of retirement after conducting working life. People aged 65 years above who work in formal sectors will be retired, while elderly in informal sector might keep working depends on their health condition and body fitness.

Retirement income systems in most coun-

tries was designed based on lower life expectancy and rely on individuals to fund retirement even though many still lack of knowledge on pension financial planning (Salgado, 2017). However, most people usually do not ‘worry’ about their retirement since Asian cultures put the responsibility to take care of elderly, both financially and emotionally, to the family members (Vibriyanti et al., 2019). It may result in more “sandwich generation” who have to take care of their parents and their children at the same time and may influence their financial condition and their purchasing power. On the other hand, states have to start paying attention on the need of health, housing, and aged care for older people since ageing population will result in high spending on long term health care as a share of GDP (Gross Domestic Product).

### **Policies related to health, financial and retirement, and housing**

#### ***Guideline and funding for older people’s health cares in Finland municipalities***

In Finland, national initiatives to enhance the health of older people are providing elderly’s cares framework and guidelines for municipalities (OECD, 2013). The framework is intended to assist municipalities in delivering services to older people tailored to their needs and the municipalities’ resources. Municipalities may utilise the guideline to create and assess their services for older people. It emphasised the involvement of older people and residents in the service development, collaboration with other sectors in the implementation, and monitoring and evaluation of current service delivery (Ministry of Social Affairs and Health Finland, 2008). Furthermore, the Finnish government distributes funding to each municipality in order to equalise the financial capacity of municipalities in providing age-related care (Valkama & Oulasvirta, 2021). Municipalities have a high potential to provide convenient public services for local citizens but have limited funding. The Nordic countries are recognized for being the most decentralized in Europe, with municipalities providing and funding the majority of social and community services, including public health care (Makinen, 2017).

The guideline and funding have encouraged municipalities to offer high-quality services to the elderly. Atarodi et al. (2019) stated that municipalities have adopted the guideline and implemented national initiatives locally. While the national guideline applies to various social and economic contexts in municipalities, each municipality is strongly encouraged to develop services based on community members’ needs and the municipalities’ circumstances. According to the OECD (2013), the guideline has reduced variation in service quality across municipalities while allowing municipalities to deliver appropriate services for people’s needs. Furthermore, Valkama and Oulasvirta (2021) revealed that government subsidies to municipalities positively impacted on balancing municipal finances, especially in areas with an ageing population.

#### ***Mandatory LTC insurance in Germany***

While in Germany, efforts are made to maintain the health and longevity of older adults through the implementation of mandatory long-term care (LTC) insurance (AARP, 2017). This obligatory insurance has been in place for over three decades. It covers practically everyone from every age group, with 90% of the population covered by social insurance and 10% by private insurance (Germany Federal Ministry of Health, 2018; Riedel, 2003). LTC insurance has been regularly revised to suit the country’s political and cultural conditions. It provides medical care to most Germans and substitutes the obligation of senior care, which is often handled by female family members (Nadash et al., 2018; Theobald & Hampel, 2013). The insurance systems are self-funding and universal, allowing people to obtain the services they need in the case of illness, accident, or unemployment (Campbell et al., 2010).

The insurance has established a benefit to address cognitive impairments and supported home care services to serve the ageing population better. It offers a cash benefit for informal care or caregivers from family members and employs additional people to provide services at home (Campbell et al., 2010; Germany Federal Ministry of Health, 2018; Nadash et al., 2018). The insurance also maintains the cash

flow of services by not covering some expenses and increasing the wage contribution rate. It encourages Germans to use the services selectively and ease the burden on state and municipal resources (Campbell et al., 2010; Germany Federal Ministry of Health, 2018). Local governments, on the other hand, subsidize older people with low income who are unable to meet the costs so that services may still be provided to those who are in need (Germany Federal Ministry of Health, 2018). According to Nadash et al. (2018), the LTC insurance has effectively adjusted its scheme to retain financial viability, while longer-term issues may yet occur due to increased demand from an ageing population and a shift in the labor composition.

### ***Pension systems and financial literacy***

As one of the ‘oldest countries’ in the world, Italy has experienced an ageing population for decades. It provides an opportunity for Italy to reform its pension system and improve its long-term sustainability. Policy responses of high-income countries usually focuses on increasing the eligibility age of pension, adjusting indexation of changes in the pension level, promoting higher level of labour force participation, and encouraging higher level of private savings. Italy has shifted the public pension system from “defined benefit” to “defined contribution” that encourages individuals to accumulate retirement wealth (Fornero & Monticone, 2011; Mazzola et al., 2016; Ricciardi et al., 2014). The defined benefit system put the responsibility to provide adequate retirement fund of older people and has adverse effect on the state financial sustainability (Ananta et al., 2021).

The challenge to increase people’s participation to fund their retirement lies in the low financial literacy. Financial literacy has positive impacts in increasing individuals’ participation in pension funds, knowledge about the amount of contribution and ways to invest their wealth (Fornero & Monticone, 2011). On the other hand, low financial literacy might adversely affect people’s decisions in preparing for retirement. Fornero & Monticone (2011) found that Italians still lack basic financial concepts knowledge, while low literacy among

Indonesian people is shown by rejection of the recent reformation of retirement regulation that enables workers to take their retirement fund only after 56 years. This phenomenon implied that Indonesian people still lack awareness on preparing for retirement, have poor income, and lack trust in the government who manage their money. Good financial literacy is needed to support Indonesia’s older population in the future, who were predicted to have better education and income (Ananta, 2012). Furthermore, more than half of Indonesian workers are in the informal sector. They have to independently enrol themselves to a pension program because the obligation to contribute for pension is limited to workers in formal sectors, including civil servants and general workers in companies (Ananta et al., 2021).

### ***Home-based geriatric care in Finland and Germany: enabling elders to age in place***

Housing and environmental policies in both countries address the health challenges that older people face and are linked to health policy. Mobility issues and a high risk of falling have led to a rise in home-based care to assist the elderly. Both countries’ municipalities provide 24-hour assistance or home visits for the elderly with impairments or long-term diseases (AARP, 2017; Ministry of the Environment Finland, 2013). In Finland and Germany, home-based health and social services are offered in a comparable manner, with the same eligibility requirements, informal caregiver engagement, and financial aspects (Carpenter et al., 2004). In Finland, the service targets older people who have a high degree of needs, including those who live alone, as determined by the assessment findings (Genet et al., 2011). In 2020, almost 16% of Finns aged 75 and more were covered by regular home care, with 77% of regular home care clients requiring a large number of services due to their complicated needs (Finnish institute for health and welfare, 2022).

Delivering home-based care for older people brings both advantages and disadvantages. Evidence shows that home-based services are an essential component in assisting more senior people in staying in their homes for more

extended periods, as well as lowering health and welfare expenses (Anttonen & Karsio, 2016; Ministry of Social Affairs and Health Finland, 2008; Ministry of the Environment Finland, 2013). However, once they are admitted to institutionalized facilities, most elderly adults will need extensive care (Lehto-Niskala et al., 2021). Home care in Germany has the potential to not provide services for older people in need, according to Tucker et al. (2016). Several reasons for this are inflexible service provision, a limited quantity of resources available on weekends and at night, a lack of care coordination, or a lack of competency among personnel working with older persons with dementia (Tucker et al., 2016).

Municipalities in both countries play a significant role in allowing older people to age in place. Home care is offered by various organizations in both countries, including the government, non-profit organizations, for-profit organizations, and religious-based organizations. In Finland, municipalities are still responsible for maintaining the quality of all home care services and coordinating them to maximize service delivery and meet the needs of older persons (Genet et al., 2011). Municipalities in Germany, on the other hand, are permitted to propose funding to build an environment that supports independent life in old age. It has encouraged German municipalities to develop various programs to help people age in place. There are construction of apartment complexes with adequate support and the “CoHousing floor” program, which provides housing with private space for elders and opportunities for social interaction (AARP, 2017). While the German program’s coverage and long-term viability are uncertain, it has boosted the elderly’s access to integrated care services and improved their safety and comfort (AARP, 2017; Li, 2019).

### **Lesson learned for countries with the less advanced ageing population**

Ageing populations may be an unavoidable demographic phenomenon for nations that have reduced their population TFR and raised their life expectancy as a result of societal changes and the development of health care. Some countries, primarily high-income

countries, have had advanced population ageing for decades, whilst other middle-income countries are now just beginning to encounter this phenomenon as the old proportion of the population rises (Chomik & Piggott, 2013). Information regarding policies in advanced ageing countries, such as Finland and Germany that assist older health and housing may be helpful to less developed countries in a variety of ways.

First, analysing and establishing ageing policies as soon as feasible is the best way to prepare for an ageing population. This paper discovered that ageing policies are continually changing in response to the country’s social, political, and economic circumstances. This lesson may be applied to any age-related policy development, but Germany especially informs on LTC insurance, which aims to pay for geriatric treatments. According to Rhee et al. (2015), middle-income countries must begin developing LTC insurance systems as soon as possible before ageing becomes a serious concern and considerable revenues are required. While several Asian countries depend on informal support to look after the health of the elderly, this brings new challenges, particularly for women in the family (Riedel, 2003). However, a German long-term care insurance system has aided older family caregivers by providing a financial incentive from the insurance.

It took Germany some time to create such a policy. LTC insurance in Germany has been implemented for more than three decades, experiencing several reformations. It includes moving from voluntary and tax-beneficial to obligatory self-financing insurance and adjusting the payment rate as well as the reward (Germany Federal Ministry of Health, 2018; Nadash et al., 2018). Start developing and implementing LTC insurance early, leaving time for less developed countries to build appropriate policies. One strategy is to begin with a small benefit package and restrictive eligibility requirements, then gradually expand the program as the nation gains experience and additional providers become available (Rhee et al., 2015).

Furthermore, certain aspects of Germany’s

and Finland's ageing policies, including social insurance and municipalities' roles, may be comparable to Indonesia with its National Health Insurances program (JKN) and the regional autonomy system that enable the regions to develop their own policies. First, the social insurance program utilized in Germany for LTC insurance is well-known among middle-income countries since it is used to fund their medical care systems. While contributions to social insurance are mainly through people's wages, collecting the premium in Indonesia with a large proportion of informal employees, such as domestic workers, construction workers, and agricultural workers, may be challenging (Harfina et al., 2019). Although there are assistances for people living in poverty (including those who working in informal sectors), informal workers who are not included in the assistances are at risk to suffer for severe financial impact due to illnesses and need to improve their financial literacy to participate in the JKN program independently (Sitohang & Ghani, 2022).

Another aspect of Finland, Italy and Germany's ageing policies that Indonesia might learn from is the role of municipalities in implementing the policies. The countries support local governments by providing funds and guidelines for older people's services. The local government is responsible for implementing the guidelines and meeting community needs. Because the local government are accustomed to working with local people, they may be able to adjust policies to reflect the social and cultural aspects of the community. In providing services for older people, Indonesia has adopt this kind of responsibilities allocation as Indonesia regions are obligated to implement national policies with some adjustments made by the regions (Vibriyanti et al., 2019). Our previous research also found that some regions in Indonesia who already experienced ageing population have developed and implemented ageing related policies.

Moreover, in order to execute ageing strategies, cooperation and coordination between the private and governmental sectors are considered vital. Both Finland and Germany have shown the importance of the private sector in providing mandatory long-term care insur-

ance and supplying home care services to the elderly (Genet et al., 2011; Riedel, 2003). The private sector, which includes non-profit and for-profit organizations, can offer long-term care insurance and home delivery services for the elderly. Their participation in delivering geriatric home services might expand the population's alternatives and create 'competition' to provide high-quality services (Campbell et al., 2010). While the presence of private sectors may be seen as a competitor that diminishes the function of the public sector, Genet et al. (2011) mentioned that collaborating with them might enhance policy coverage and promote equality.

Given the importance of the private sector in providing insurance and services for the elderly, less developed countries with an ageing population may begin to approach the private sector and form partnerships to offer long-term care insurance or home care services for the elderly. Collaboration across sectors must be led or coordinated by specific sector. As in Finland, municipalities are in charge of leading home-based care delivery initiatives. Because LTC insurance and home-based care delivery are already complicated, coordination across sectors, which may be led by public sectors such as municipalities or local governments, is required to meet the health-care demands of the elderly (Genet et al., 2011).

Finally, the community have to be involved by increasing their awareness and knowledge on ageing population. The challenge to increase people's participation to fund their retirement lies in the low financial literacy. Financial literacy has positive impacts in increasing individuals' participation in pension funds, knowledge about the amount of contribution and ways to invest their wealth (Fornero & Monticone, 2011). On the other hand, low financial literacy might adversely affect people's decisions in preparing for retirement. Fornero & Monticone (2011) found that Italians still lack basic financial concepts knowledge, while low literacy among Indonesian people is shown by rejection of the recent reformation of retirement regulation that enables workers to take their retirement fund only after 56 years. This phenomenon implied that Indonesian people still lack awareness on

preparing for retirement, have poor income, and lack trust in the government who manage their money. Good financial literacy is needed to support Indonesia's older population in the future, who were predicted to have better education and income (Ananta, 2012). Furthermore, more than half of Indonesian workers are in the informal sector. They have to independently enrol themselves to a pension program because the obligation to contribute for pension is limited to workers in formal sectors, including civil servants and general workers in companies (Ananta et al., 2021).

While addressing the needs of the elderly population can be approached through either formal, top-down policies or informal, bottom-up initiatives like family support and community participation, this study primarily focuses on the development of formal support systems for the ageing population. In countries such as Indonesia, as in many other Asian nations, the reliance on family support has been a common strategy in response to the challenges posed by the ageing population phenomenon (Salgado, 2017; Vibriyanti et al., 2019).

Families and communities frequently play a crucial role in supporting the elderly, offering the care elderly's need, assisting with daily activities, and providing financial resources (Vibriyanti et al., 2019). While the existing informal support networks in Indonesia are significant, it is equally important to acknowledge the necessity of formal supports implemented through public policies and government systems. These formal measures are vital in addressing the health and economic burdens resulting from the aging population. While Indonesia will reach ageing population in 2030 and the elderly proportion will continue to rise, this time could be used to develop suitable policies supporting well-being of the future ageing population.

## CONCLUSION

The ageing of a population is an unavoidable outcome of a country's TFR and life expectancy declining, impacting many elements of population life, including health and housing. Finland, Italy, and Germany, three coun-

tries with advanced ageing populations, have designed and developed ageing policies that provide standardized geriatric care, long-term care insurance, pension system, and home-based delivery services to help the elderly retain their health and age in place. The implementation of these ageing policies has provided some lessons learned for less developed countries that are beginning to experience an ageing population, including how to develop policies while taking into account the country's social, economic, and political circumstances, community participation, and the importance of collaboration and coordination across sectors.

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