State of Elderly
in OIC Member Countries

OIC Outlook Series

June 2015

ORGANISATION OF ISLAMIC COOPERATION

STATISTICAL, ECONOMIC AND SOCIAL RESEARCH AND TRAINING CENTRE
FOR ISLAMIC COUNTRIES

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STATISTICAL, ECONOMIC AND SOCIAL RESEARCH AND TRAINING CENTRE FOR ISLAMIC COUNTRIES (SESRIC)

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FOREWARD

Population ageing is a continuous global phenomenon. It constitutes one of the most predictable and significant global challenge with deep impact on world economy, governments agendas, and the quality of life of older people. Population ageing is a process known as the demographic transition from high birth and death rates to low birth and death rates. In this context, the older population is growing at a faster rate than that of the total population.

In OIC member countries, elderly people are expected to live longer today compared with two decades ago with the share of population aged 60 or over is projected to accelerate after 2010 in these countries. However, old-age support systems such as pension and retirement programmes are still much less frequent in OIC member countries compared to the more developed countries. It is not surprising, therefore, that the consequences of ageism in the labour market will be profound.

Though the family plays a key role in the community in OIC member countries, the social and economic consequences of population ageing have not been so far fully addressed. There is in fact a need for a comprehensive response from policymakers by shifting the focus away from the challenges to the benefits of the ageing society. In this regard, policies and programs stimulating intergenerational solidarity will be of high benefit for the OIC member countries in order achieve the social and economic integration of elderly.

Given this state of affairs, this report highlights some ageing related issues in OIC member countries. It provides a detailed analysis of the two main indicators on elderly demographics, namely the fertility and life expectancy rates. The report focuses on the social and economic well-being of the ageing population in OIC countries through highlighting living arrangements, health, education and social security of elderly. It also examines the state of institutions and the social integration and participation of older residents in the society. The report ends with some concluding remarks and policy recommendations.

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EXECUTIVE SUMMARY

Population ageing can no longer be ignored. Since the mid-twentieth century, the world population has been experiencing significant ageing with rising proportions of older persons in the total population. This reflects advances in health and overall quality of life in societies across the world. The social and economic implications of this phenomenon are profound and extend far beyond the individual older person to touch broader society. Against this backdrop and in the light of the fact that the intensity and depth of ageing varies considerably among country groups, this report highlights some ageing issues in OIC countries, such as elderly demographics, social and economic wellbeing of elderly and institutions for the elderly.

ELDERLY DEMOGRAPHICS: PAST, CURRENT, AND FUTURE TRENDS

Fertility and life expectancy rates are the two main demographic determinist of ageing. Although fertility rates have fallen in OIC countries in recent decades, they remained, on average, higher than those in non-OIC developing countries and considerably higher than that of developed countries. However, there are huge variances in fertility rates among OIC countries where the highest fertility rates are observed in OIC countries located in Sub-Saharan Africa. As for life expectancy, elderly people in OIC countries are expected to live longer today compared with two decades ago. The life expectancy rate at age 60 was 16.5 years in the period 1990-1995, and has increased by almost one year to 17.4 years in the period 2010-2015. By the year 2030, life expectancy at age 60 is projected to increase by another one year to reach 18.4 years. Nonetheless, the average life expectancy rate at age 60 for OIC countries is still lower than that of both non-OIC developing countries and developed countries.

The transformation of population structures towards more elderly people is investigated in this report by analysing two indicators, namely the share of elderly people in the population and the old age dependency ratio. In this context, it has been observed that the speed of ageing in OIC countries in the period 1990-2010 was less than half the speed of ageing observed in non-OIC developing countries and developed countries. However, the speed of ageing in OIC countries is projected to accelerate after 2010 where by 2030, the share of population aged 60 or over is projected to reach 9.6%. This presents an increase of 50% between the years 2010 and 2030 which is higher than the 33.2% increase projected for the same period for developed countries, but less than the 60.8% increase projected for the non-OIC developing countries.

On the other hand, the average old age dependency ratio in OIC countries has been almost flat during the period 1990-2015. Although this rate is projected to accelerate starting from the year 2015, OIC countries are still in an extremely advantageous position of having a low burden of elderly demographics (10.7 in 2015 and projected to increase to 15.8 by 2030). In contrast, while the burden of elderly demographics in developed countries is high (40.6 in 2015 and projected to increase to 54.8 by 2030), it is relatively moderate in non-OIC developing countries (18.3 in 2015 and projected to increase to 26.6 by 2030).

Moreover, elderly in the OIC and non-OIC Developing countries work until more advanced ages owing mainly to the limited coverage of social security schemes, as well as the relatively low value of the pensions received by those who are covered. However, the figures for OIC countries are trending lower which may indicate an improvement in social protection for elderly people.

SOCIAL AND ECONOMIC WELLBEING OF ELDERLY

Population ageing is a phenomenon that occurs in almost all country groups across the globe. The size of the older people relative to other age groups challenges existing family relationships, health services and social security. In this context, there are major differences between country groups concerning residential arrangements. While multigenerational co-residence is less common among developed countries, skipped-generation family consisting of grandparents and grandchildren are more common in many developing countries. It has been observed that Kazakhstan has the highest rates of men and women living alone among OIC Member Countries. It has been also observed that older men are more likely to be married than older women in OIC countries with an average of 85.6%.

Older individuals in good health can participate more actively in the economic, social, cultural and political life of society. Ischaemic heart disease and stroke are the leading causes of death, followed by chronic obstructive pulmonary disease, lower respiratory infections and lung cancers. Globally, lung cancers are the most common cause of death from cancer among older men and women. Noncommunicable diseases in OIC Member Countries represent the major component of moderate and severe disability among persons aged 60 years and over.

Social security remains a key element of support of ageing people. The most common statutory retirement ages correspond to 60 among OIC Member Countries. In this context, it has been observed that only 13 out of 37 OIC Member Countries have a pension and retirement ages comprised between 55-60. It has been also observed that 87.5% of OIC Member Countries engage in mandatory retirement requiring complete withdrawal from all employment as a condition for receiving retirement pension. Yet, less than half of older persons in OIC Member Countries receive an old age pension. Moreover, in 2008-2012, only 0.8% of GDP is allocated to public social protection expenditure for older persons in OIC countries.

INSTITUTIONS FOR THE ELDERLY

An important way to prevent older persons from being neglected is to encourage the development of institutions for elderly. Institutional arrangements such as units and departments constitute major instruments for including ageing issues into government action. It has been noticed that only 10 OIC countries, for which the data are available, have established a specific institutional arrangement within a Ministry, Department or Agency. For example, Indonesia has set up a National Commission on Ageing that serves as advisory body to the governmental institutions. Education and literacy play also a key role in social integration and participation of older people in the society. Rates of literacy

among the older population vary widely among country groups. In this context, with 46.9%, OIC countries, as a group, have the lowest rates of literacy among older people.

Since 2002, OIC countries have strategies that allow ageing issues to be incorporated into policies and programmes. However, the majority of OIC member countries consider the growing size of older persons in the population only as a minor concern. For example, during the period 2007-2013, 34 OIC countries didn't accept any measure to address population ageing whereas only 9 OIC countries made a reform in their pension system and changed statutory retirement age. On the contrary, population ageing has been a major concern for almost all developed countries over the same period. Yet, it has been recently observed that a significant number of non-OIC developing countries started to consider population ageing among the major issues of the government.

Pensions have become important institutional solutions to guarantee income security in old age. In the case of OIC member countries, 45 out of the 48 member countries, for which the data are available, use the first pillar pension scheme as a main system to allocate pensions. In this context, elderly people who reached certain ages, generally around 60 for women and 65 for men and worked a certain number of years are eligible to receive pensions under the first pillar pension scheme. It is observed that only five OIC countries, namely Kazakhstan, Kyrgyzstan, Tajikistan, Maldives and Niger implement the second pillar pension scheme where individuals pay some part of their earnings as savings to privately managed financial institutions.

1 INTRODUCTION

Though it has been so far a concern for developed countries, population ageing is now gaining momentum in developing countries as well. Globally, the proportion of older persons is growing at a faster rate than the rate of growth of total population. Such a demographic transformation has deep consequences for every aspect of individual, community, national and international life. Population ageing is also presenting major challenges such as the sustainability of pension funds and the ability of health-care systems to serve higher numbers of people.

In this context, the Madrid International Plan of Action on Ageing (MIPAA), which was adopted at the Second World Assembly on Ageing in 2002, marked a major turning point in how the world addresses the challenge of "building a society for all ages" and provided a framework on the opportunities and challenges of ageing in the twenty-first century.

The MIPAA focuses on three priority areas, namely older persons and development, advancing health and well-being into old age, and ensuring enabling and supportive environments (see Annex I). The MIPAA also suggests actions for governments, non-governmental organizations and other actors in which societies perceive older people.

Despite the adoption of the MIPAA, older persons have been inadequately addressed in policies, programs, research and data collection concerning poverty, health, food security and gender. Therefore, it has become clear that the issue of population ageing should be fully addressed as part of the post-2015 development agenda.

Most developed countries have accepted the age of 65 years as a definition of elderly. This definition is related to the age at which one can begin to receive pension benefits. However, it is worth mentioning that there is no general agreement on the age at which a person becomes old. For instance, the UN uses 60+ years in order to refer to the older population.

In the view of the above, this report highlights some ageing issues in OIC member countries. It analyses the demographics, social and economic well-being of the ageing population. The report also examines the institutions for the elderly, analyses the social integration of older residents, and provides an overview of international human rights mechanisms affecting older persons. The report ends with some concluding remarks and policy recommendations.

2 ELDERLY DEMOGRAPHICS: PAST, CURRENT, AND FUTURE TRENDS

The world population has been undergoing a process of ageing where the proportion of elderly is increasing and the proportion of youth is decreasing. While the ageing process has been taking place for many decades in developed countries, it has only recently started in OIC and non-OIC developing countries. Population ageing has significant social and economic impacts, which necessitate the governments to be ready to deal with these impacts. One of the most important areas that OIC governments must stand ready and prepared to deal with is ensuring the social and economic wellbeing of elderly. Against this backdrop, this section provides an introduction about elderly demographics in OIC countries in comparison to other country groups. It highlights the demographics determinants of ageing and the changes in population structure towards a more elderly population, and finally, it concludes with the special topic of elderly participation in the labour force.

2.1 Demographics Determinants of Ageing

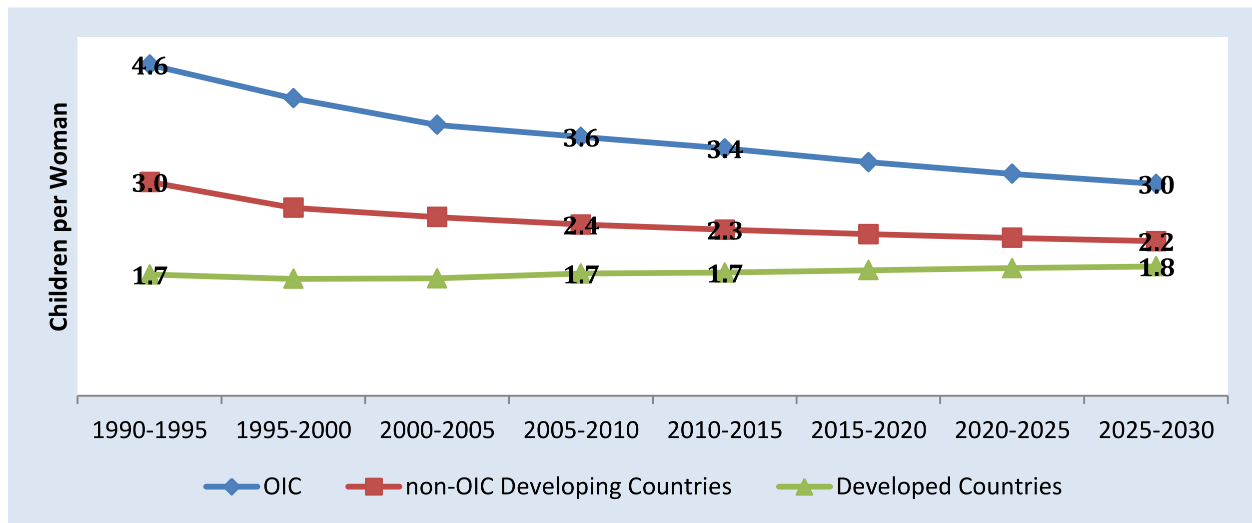
Population ageing is a phenomenon that transpires when the median age of a population increases as a result of declining fertility and rising life expectancy. In this subsection the two determinants of ageing will be discussed, which are fertility and life expectancy.

2.1.1 Fertility

Fertility rates show the potential for population change in the country. A fertility rate of 2.1 children per woman is considered the replacement rate for a population, which is the minimum required to maintain a stable population. Fertility rates above the replacement rate indicate a growing population. Very high fertility rates indicate difficulties for families, in some situations, to feed and educate their children and for women to participate in the labour force. On the other hand fertility rates below the replacement rate indicate a population declining in size and growing older. It also may signal a demographic crisis with social and economic consequences that needs to be addressed through public policy and institutional adjustments.

Figure 2.1 shows fertility rate trends for OIC countries in comparison to other country groups

Figure 2.1. Fertility Rates



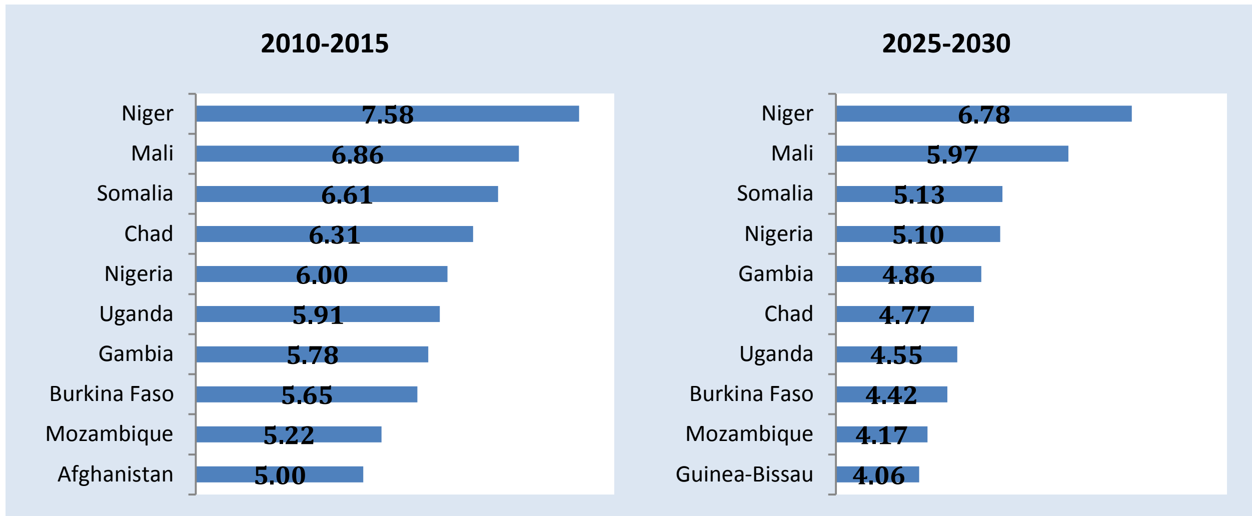
Source: SESRIC Staff Calculations based on the UN World Population Prospects: The 2012 Revision. Data weighted by country populations so that more populous countries affect the average more than smaller countries

As the Figure shows, fertility rates have fallen in OIC countries in recent decades. Yet they remain, on average, higher than those of non-OIC developing countries and considerably higher than those of developed countries. The average fertility rate in OIC countries will continue to be above the replacement rate; while in non-OIC developing countries it will fall to nearly match the replacement rate by 2030. As for developed countries, the average fertility rate is and will continue to be below the replacement rate.

However, the average fertility rate for OIC countries does not tell the whole story as the average rate masks huge differences in fertility between OIC countries. Figure 2.2 shows the OIC countries with the highest fertility rates with the left hand side of the figure showing the current fertility rates (2010-2015) and the right hand side showing the future projections for fertility rates for the period 2025-2030.

In 2010-2015, the overwhelming majority of the 10 OIC countries with the highest fertility rates are located in Sub-Saharan Africa. This trend will be solidified within time, and by 2030 all the 10 OIC countries with the highest fertility rates will be in Sub-Saharan Africa.

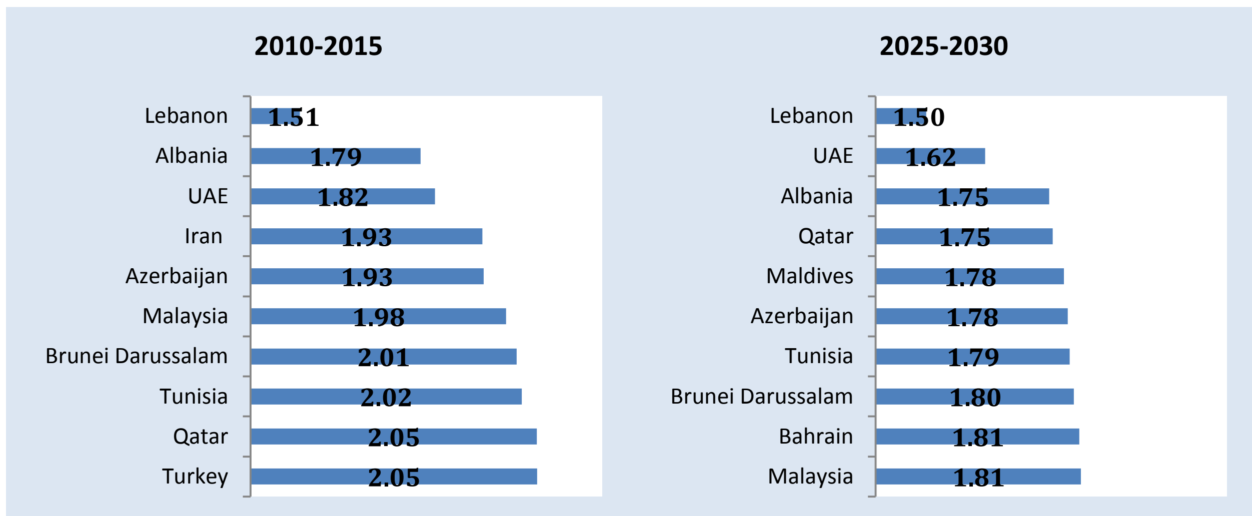
Figure 2.2. 10 OIC Countries with the Highest Fertility Rates



Source: UN World Population Prospects: The 2012 Revision

The OIC countries with the lowest fertility rates are shown in Figure 2.3. All the countries in the figure have fertility rates below the replacement rate.

Figure 2.3. 10 OIC Countries with the Lowest Fertility Rates



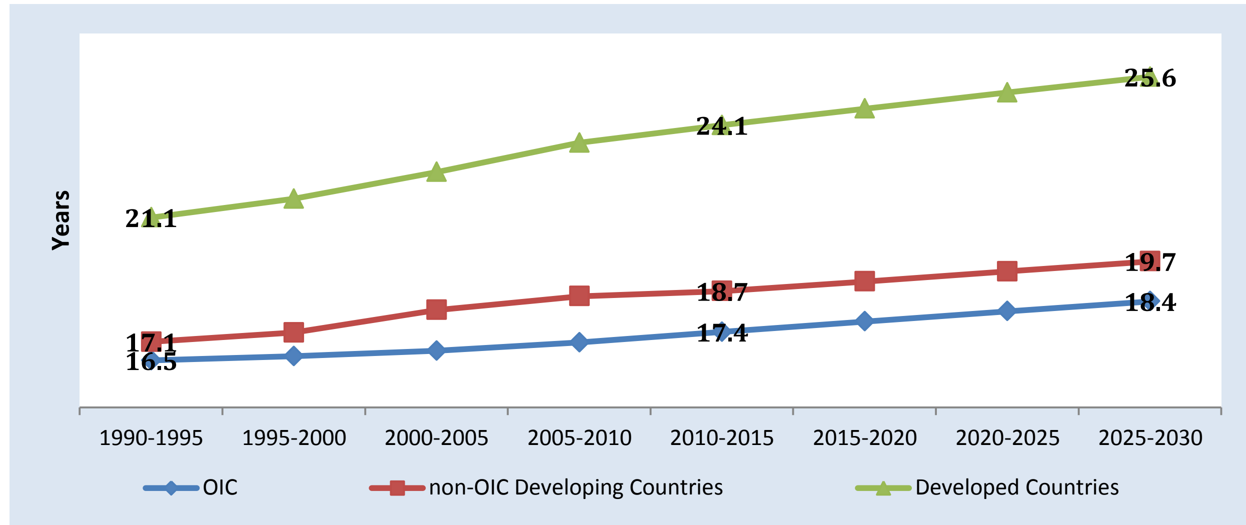
Source: UN World Population Prospects: The 2012 Revision

Turkey's case is interesting and worth pointing out because it touches on the issue of public policy and fertility rates. Turkey's goal as expressed by the President Recep Tayyip Erdoğan of having a fertility rate of at least 3 children per women is not being achieved as the rate in 2010-2015 is only 2.05. Furthermore, the projections indicate that things will get worse over time as the fertility rate for Turkey is projected to be 1.84 children per women by 2030. This indicates that Turkey's public policies geared towards increasing the fertility rate have not achieved the desired results.

2.1.2 Life Expectancy of Elderly

People today are living longer and this trend is projected to continue in the future. The increased life expectancy is a testament to the advancement achieved by human kind. People are living longer because of better nutrition, sanitation, health care, education and economic well-being. Figure 2.4 shows life expectancy for elderly people.

Figure 2.4. Life Expectancy at age 60

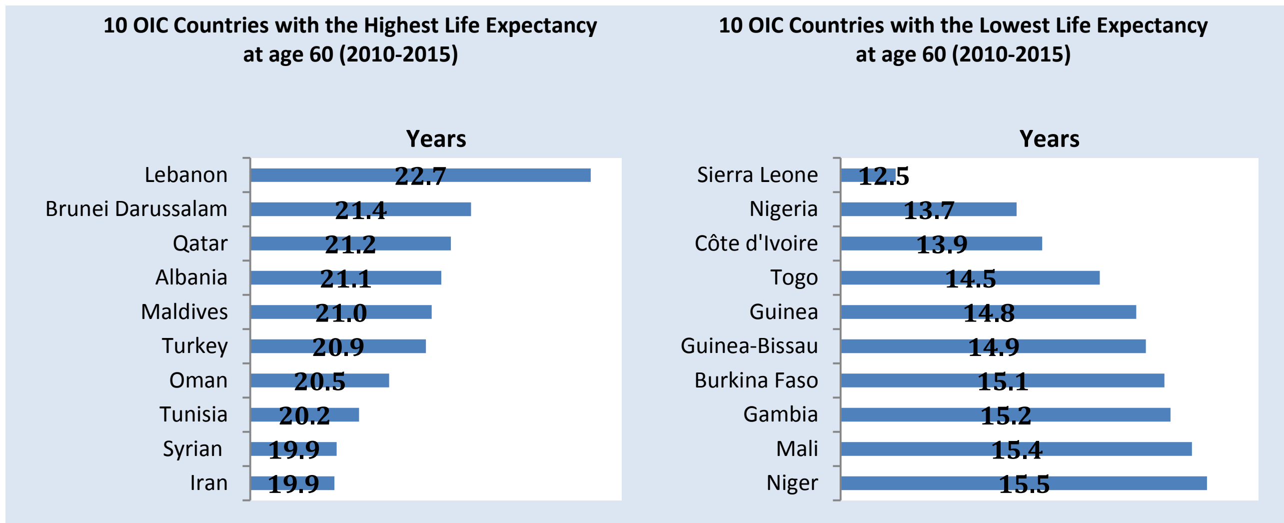


Source: SESRIC Staff Calculations based on the UN Population Ageing and Development Database 2014. Data weighted by country populations so that more populous countries affect the average more than smaller countries

Elderly people in OIC countries are expected to live longer today than they did two decades ago. The average life expectancy of OIC countries at age 60 was 16.5 years in the period 1990-1995, and has increased by almost one year to 17.4 years in the period 2010-2015. By 2030, average life expectancy at age 60 for OIC countries is projected to increase by another one year to reach 18.4 years. However, this rate is still lower than that of both non-OIC developing countries and developed countries. Furthermore, the increase in life expectancy at age 60 is smaller in OIC countries when compared to non-OIC developing countries and developed countries. From 1990 to 2030 the life expectancy at age 60 will increase by 4.5 years for developed countries, 2.6 years for non-OIC developing countries, and only 1.9 years for OIC countries.

Similar to the case of fertility rates, OIC countries are not a homogenous group when it comes to life expectancy at age 60. Figure 2.5 shows the OIC countries with the highest (left hand) and the lowest (right hand) life expectancies at age 60.

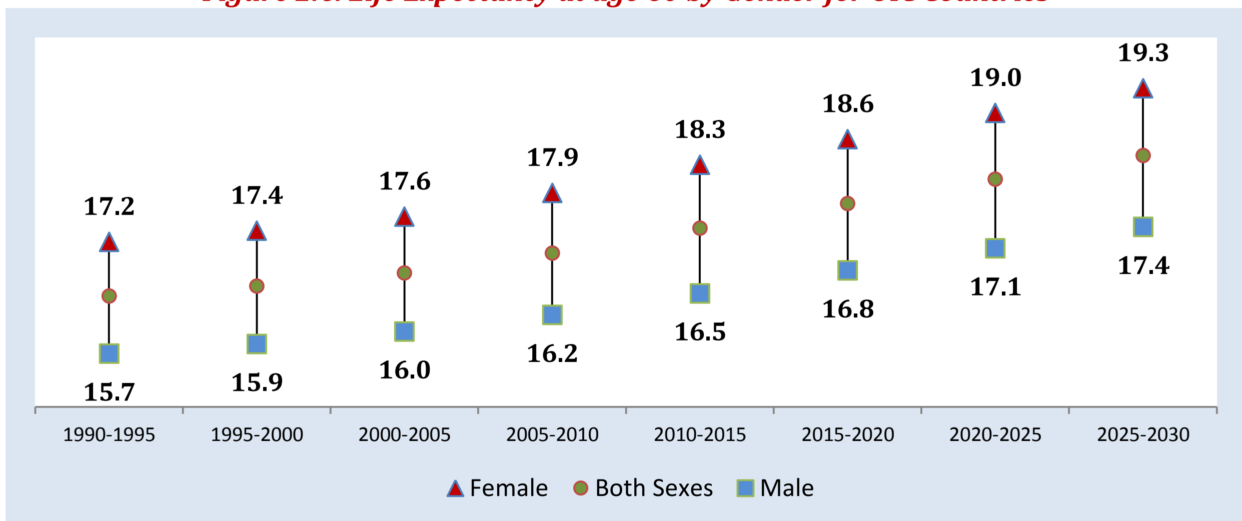
Figure 2.5. Life Expectancy at age 60



Source: UN Population Ageing and Development Database 2014

In terms of gender life expectancy rate at age 60, women are expected to live longer than men in OIC countries which is consistent with what is observed on the global level. In this context, Figure 2.6, which shows life expectancy for the elderly for both females and males, reveals very interesting insights.

Figure 2.6. Life Expectancy at age 60 by Gender for OIC Countries



Source: SESRIC Staff Calculations based on the UN Population Ageing and Development Database 2014. Data weighted by country populations so that more populous countries affect the average more than smaller countries

The first and the obvious is that women are expected to live longer than men. Second, the gap in life expectancy at age 60 between females and males has widened in the past two decades. Whereas in 1990-1995 elderly females were expected to live 1.5 years longer than men, this has increased to 1.8 years in the period 2010-2015. Finally, the gap will continue to increase but at a slower rate to reach 1.9 years by the year 2030.

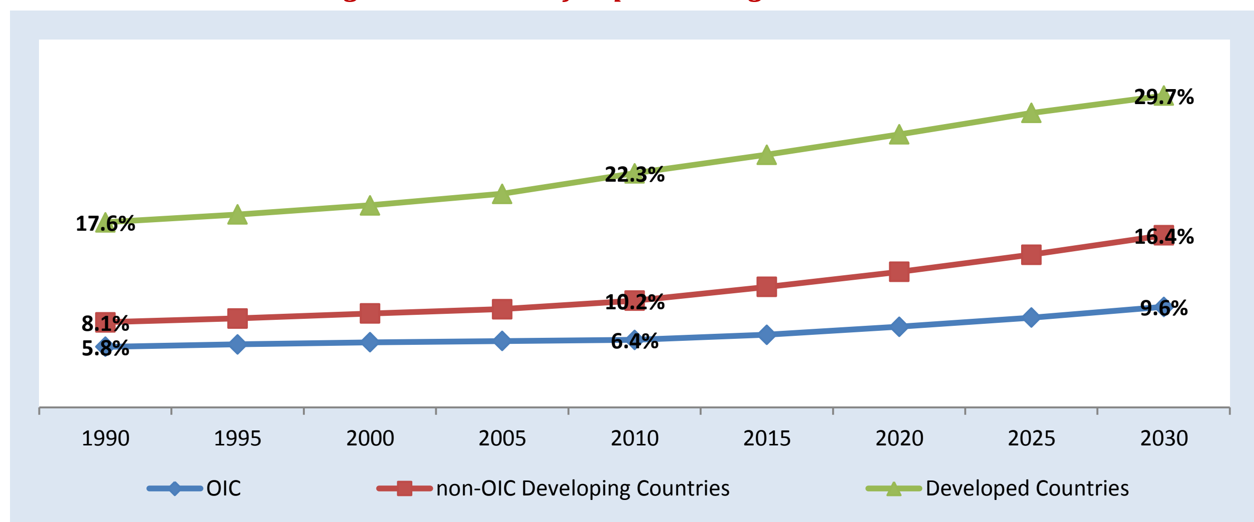
2.2 Changes in Population Structure towards more Elderly People

As shown in the above sub-section, the trends in fertility and life expectancy are transforming population structures towards more elderly people. In this sub-section, the transformation of population structures towards more elderly people is investigated by analysing two indicators, namely the share of elderly people in total population and the old age dependency ratio.

2.2.1 Share of Elderly People in total Population

As societies age, population structures undergo changes resulting in an increase in the share of elderly population (aged 60 or over) on the expense of other age groups such as; working age population (aged 15-59) and children (aged under 15). Figure 2.7 shows the share of elderly people in total population in OIC countries in comparison to other country groups.

Figure 2.7. Share of Population aged 60 or over

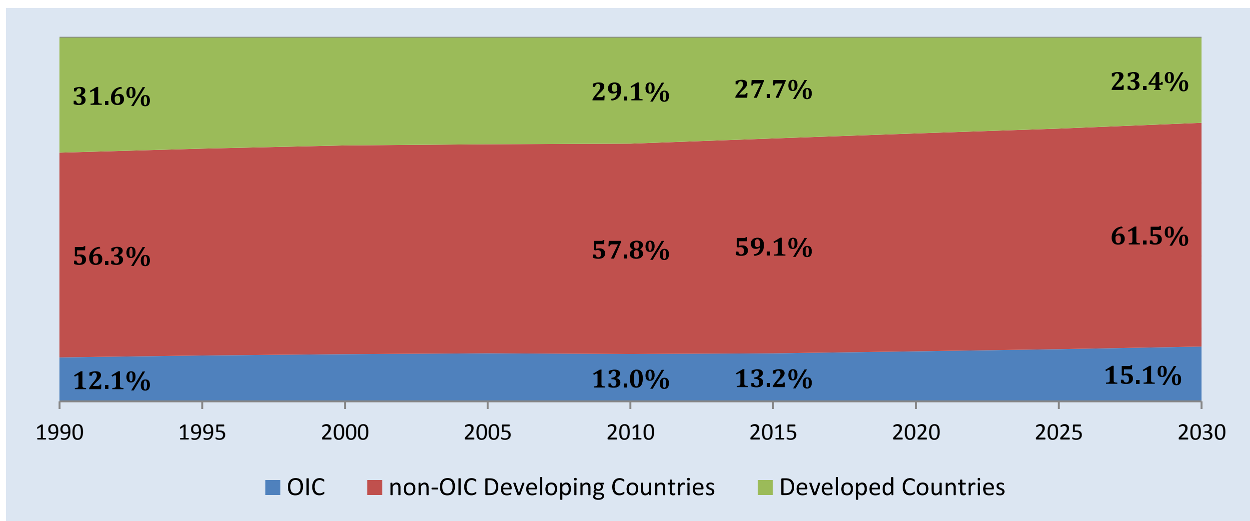


Source: SESRIC Staff Calculations based on the UN Population Ageing and Development Database 2014. Data weighted by country populations so that more populous countries affect the average more than smaller countries

As the figure reveals, population ageing is happening across the globe. However, the stages and speed of ageing are quite different depending on the country group. In OIC countries, the share of population aged 60 or over was somewhat stable between the years 1990 to 2010, increasing slightly from 5.8% in 1990 to 6.4% in 2010, corresponding to an increase by 10.3%. In the same time period, the share of population aged 60 or over increased by 25.9% in non-OIC developing countries (from 8.1% to 10.2%) and by 26.7% in developed countries (from 17.6% to 22.3%). This clearly demonstrates that the speed of ageing between the years 1990 to 2010 in OIC countries was less than half the speed of ageing observed in non-OIC developing countries and developed countries. However, after 2010 the speed of ageing in OIC countries is started to accelerate, and by 2030 the share of population aged 60 or over is projected to reach 9.6%. This presents an increase of 50% between the years 2010 and 2030 which is higher than the 33.2% increase projected for developed countries in the same period, but less than the 60.8% increase projected for the non-OIC developing countries.

In 1990, 31.6% of the world's elderly lived in developed countries, while 56.3% lived in non-OIC developing countries and 12.1% lived in OIC countries (Figure 2.8). Nevertheless, with the passage of time, more and more elderly are living in developing countries (both OIC and non-OIC) and less and less are living in developed countries. In 2015, 13.2% of the world's elderly are estimated to live in OIC countries (a raise from 12.1% in 1990) and the projections indicate that this will further rise to 15.1% by the year 2030. The same trend is observed in non-OIC developing countries, and a reverse trend is observed in developed countries. The percentage of elderly living in non-OIC developing countries increased from 56.3% in 1990 to 59.1% in 2015 and is projected to reach 61.5% in 2030. On the other hand, the percentage of the world's elderly living in developed countries is continuously in decline, from 31.6% in 1990 to 27.7% in 2015 to a projection of 23.4% in 2030.

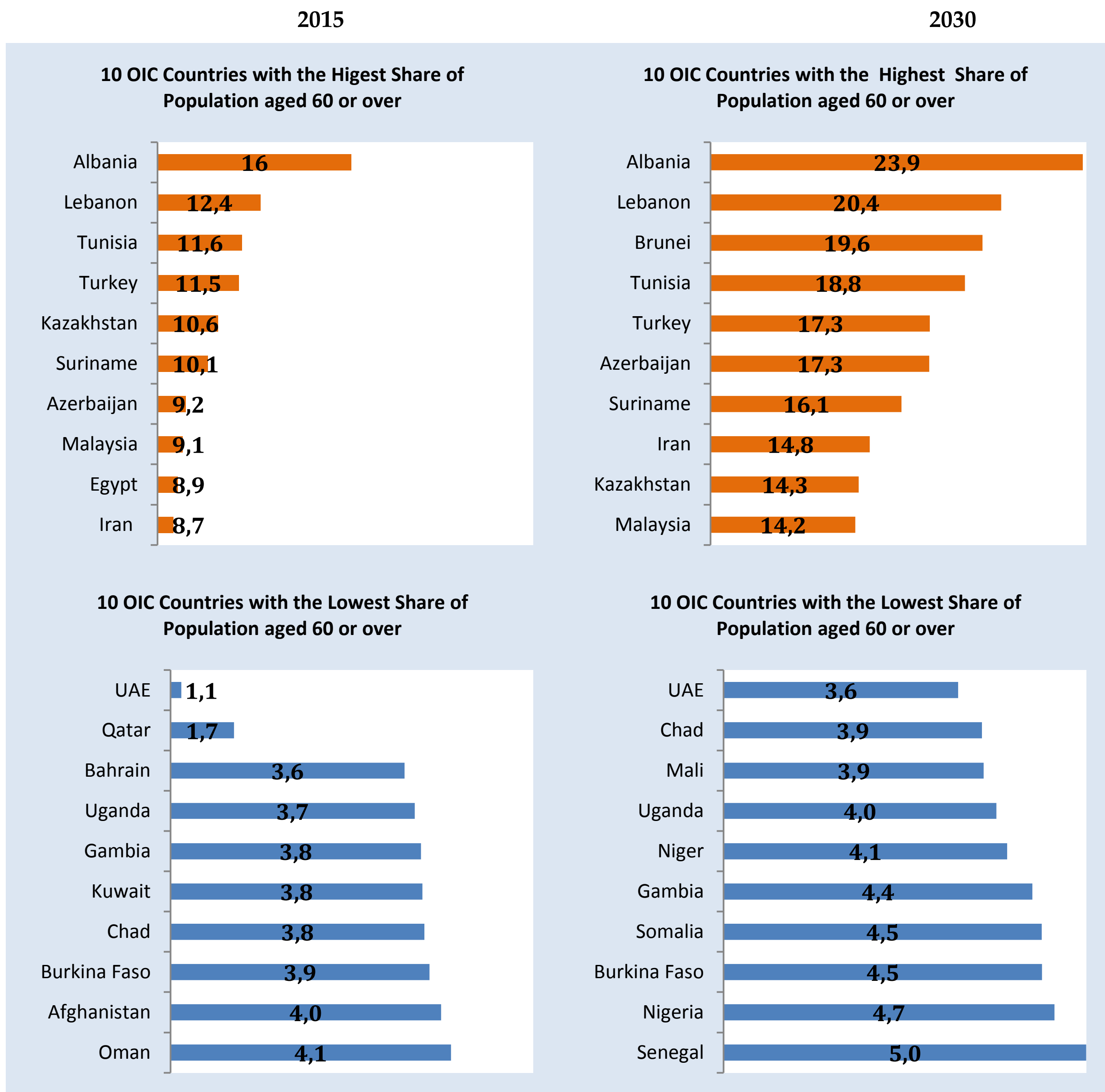
Figure 2.8. Geographical Distribution of World's Elderly



Source: SESRIC Staff Calculations based on the UN Population Ageing and Development Database 2014. Data weighted by country populations so that more populous countries affect the average more than smaller countries

As Figure 2.9 shows, a great deal of variance in ageing exists in OIC countries. In 2015, the list of the 10 OIC countries with the lowest share of population aged 60 or over is a mix group of countries, including some Gulf Cooperation Council (GCC) countries and some members in Sub-Saharan Africa. However, by 2030 the list will be completely dominated by OIC member countries in Sub-Saharan Africa with the single exception of UAE. As for the countries with the highest share of population aged 60 or over -and especially countries at the top of the list such as Albania and Lebanon- there is an urgent need to design and implement policies and institutional adjustment to deal with the looming ageing of the population.

Figure 2.9. OIC Countries with the Highest and Lowest Share of Population aged 60 or over, %



Source: UN Population Ageing and Development Database 2014

2.2.2 Old Age Dependency Ratio

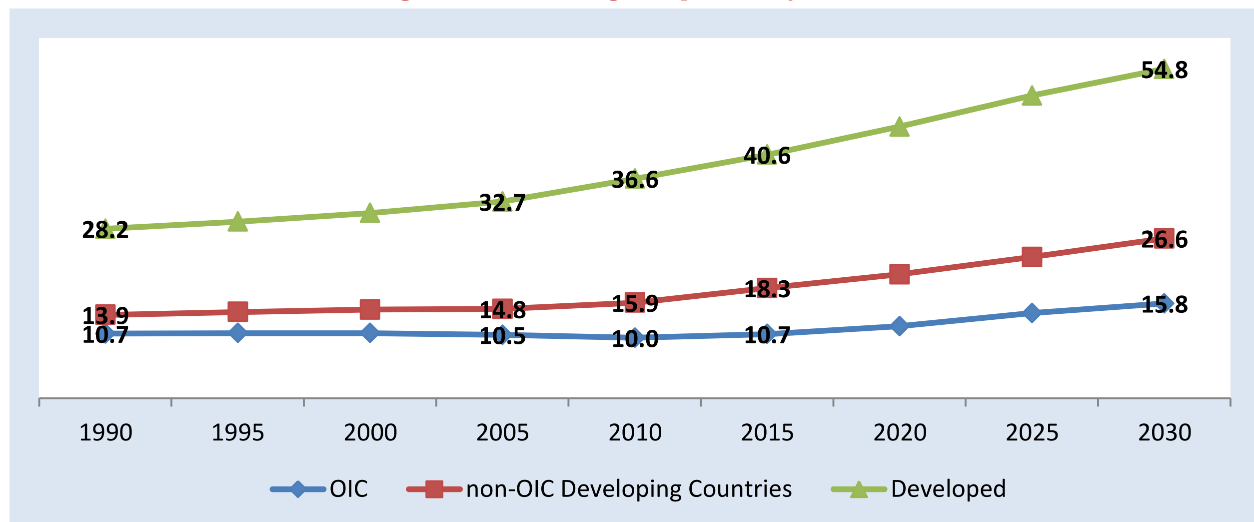
Old age dependency ratio indicates the potential effects of changes in population age structures for social and economic development, pointing out broad trends in social support needs. The ratio highlights the burden of demographic old age dependency in a population; that is, how many “elderly dependents” need to be supported by each person of working age. Simply put, the old age dependency ratio is the number of elderly people aged 60 or over for every 100 people aged 15-59, and is given by the following formula:

$$\text{Old Age Dependency Ratio} = \frac{\text{Number of people aged 60 or over}}{\text{Number of people aged 15 to 59}} \times 100$$

The old age dependency ratio for OIC countries in comparison to other country groups is shown in Figure 2.10. The figure shows that the old age dependency ratio in developed countries and non-OIC developing countries has been increasing continuously since 1990,

and is projected to continue with this trend up to 2030. However, the story in OIC countries is quite different, where the old age dependency ratio has been almost flat during the period 1990-2015, but is projected to accelerate starting from the year 2015. Figure 2.10 also illustrates that the burden of elderly demographics in developed countries is high (40.6 in 2015 and projected to increase to 54.8 by 2030), while the burden of elderly demographics in non-OIC developing countries is relatively moderate (18.3 in 2015 and projected to increase to 26.6 by 2030). OIC countries on the other hand are in an extremely advantageous position of having a low burden of elderly demographics (10.7 in 2015 and projected to increase to 15.8 by 2030). This provides OIC countries with a historical window of opportunity that -according to the figure- will last to at least 2030 to achieve their development goals and narrow the gap with developed countries. In this historical window of opportunity, OIC countries have the advantage of a larger working population and a low demographic burden of elderly people.

Figure 2.10. Old Age Dependency Ratio



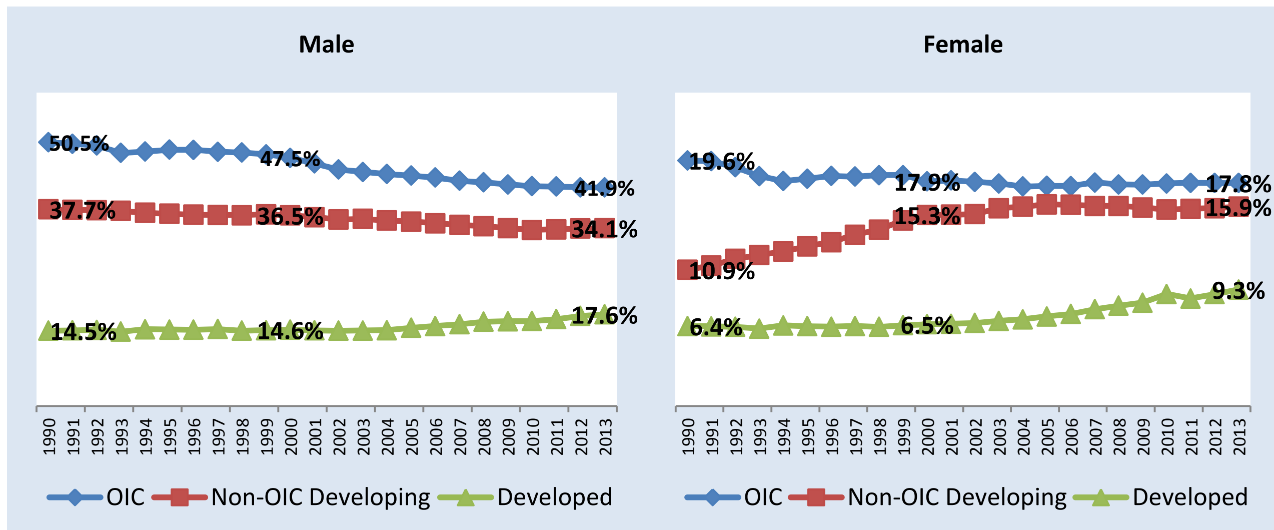
Source: SESRIC Staff Calculations based on the UN Population Ageing and Development Database 2014. Data weighted by country populations so that more populous countries affect the average more than smaller countries

2.3 Labour Force Participation of Elderly People

By the time people become old, the expectation is that they have transitioned into retirement. However, as Figure 2.11 reveals, many elderly people continue to work especially in the developing world (OIC and non-OIC).

The labour force participation rate (LFPR) of elderly is used to determine elderly's participation into economic life. More precisely, LFPR of elderly measures the portion of elderly in the working-age population that engages actively in the labour market. In other words, this rate refers to older people who supply labour for the production of goods and services during a specified period.

Figure 2.11. Labour Force Participation Rate of Elderly People (aged 65+)



Source: SESRIC Staff Calculations based on ILO, Key Indicators of Labour Market (KILM), 8th edition. Data weighted by country populations so that more populous countries affect the average more than smaller countries

Elderly in the OIC & non-OIC Developing countries work until more advanced ages owing mainly to the limited coverage of social security schemes, as well as the relatively low value of the pensions received by those who are covered. However, the figures for OIC countries are trending lower which may indicate an improvement in social protection for elderly people. On the other hand, the figures are trending higher in developed countries indicating deterioration in the adequacy of social security schemes and pensions or/and an increase in the statutory retirement age.

Figure 2.11 also reveals gender discrepancies in labour force participation for elderly people. Labour force participation for elderly women is significantly lower than that of males. Finally, in OIC countries the decline in labour force participation for females is slower than that of males. Labour force participation for females has declined from 19.6% in 1990 to 17.8% in 2013, corresponding to a 10.1% decline; whereas, for males the rate dropped from 50.5% to 41.9% corresponding to 17.0% decline. This can be explained by the fact that women in general and regardless of their age group are entering the labour market in increasing numbers since 1990.

Many factors influence labour force participation among older persons. Economic conditions and retirement policies both play a key role. On the other hand, health-related challenges and reductions in physical strength constitute other reasons which explain declining rates of economic activity with age.

Moreover, older workers are more likely to work in the agricultural and informal sectors as well as to work part time which implies a lack of retirement benefits, lower wage rates and limited training opportunities.

Older people often face discrimination in hiring, promotion, and access to job-related training. A growing number of countries are adopting laws to combat discrimination against older workers. According to the ILO, some form of legislation against age discrimination in employment exists in approximately 50 countries around the world.

3 SOCIAL AND ECONOMIC WELLBEING OF ELDERLY

As discussed in the previous section, population ageing is a phenomenon that occurs across the globe. In this context, the size of the older population relative to other age groups challenges existing family relationships, health services and social security. Therefore, understanding older persons' potential to contribute to their families, communities and society requires information well beyond mapping the demographic characteristics of their situation.

In view of the above, this section provides a profile of the older population in OIC countries with respect to their social and economic characteristics such as living arrangements, health as well as social security.

3.1 Living Arrangements of Elderly in OIC Member Countries

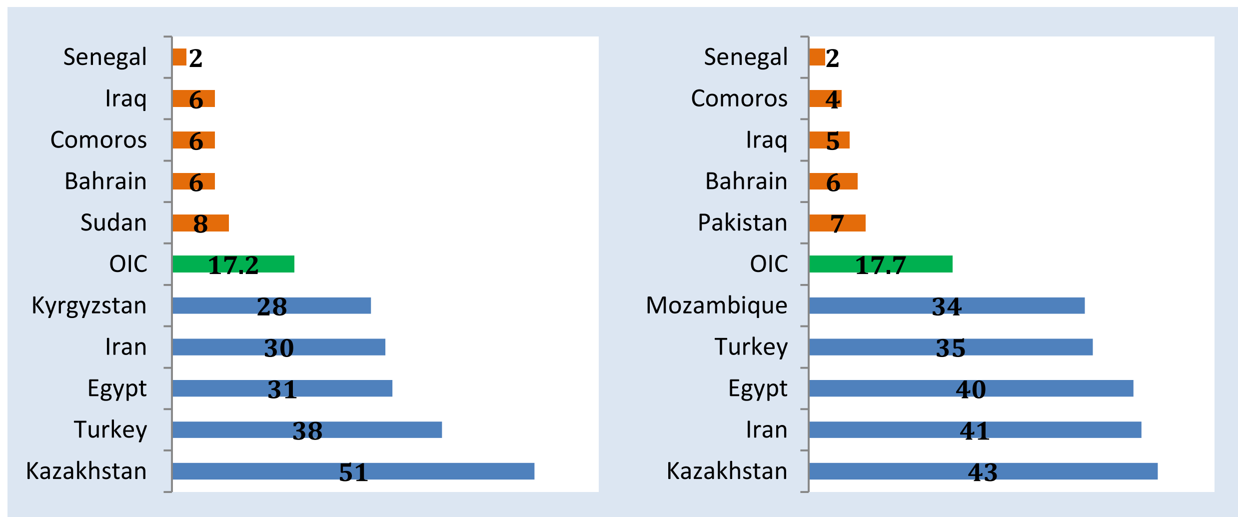
The living arrangements of older persons are determined by cultural norms and familial support. In an aged population, older persons have relatively fewer children and grandchildren than in a youthful population. As a result, older persons in more aged populations are less likely to live in multi-generational households and are more likely to live independently which means living either alone or with a spouse only.

Living independently might be the preferred arrangement for some older people. In developed countries where older persons have sufficient economic resources, including pensions and asset income, living independently constitutes a sign of economic self-sufficiency and higher standards of living. On the contrary, this type of living arrangement might be an undesired situation for older persons having limited source of revenue and depending heavily on their children.

In this context, there are major differences between countries regarding residential arrangements among older persons. While multigenerational co-residence is less common in developed countries, skipped-generation family, consisting of grandparents and grandchildren, is relatively common in many developing countries. These arrangements emerge as a response to many challenges. Children may stay with grandparents if one or both of the parents have died, if parents have migrated for work or if divorce makes it difficult for parents to raise their children. Therefore, older women are more likely to live in this type of household.

Figure 3.1 shows ten OIC Member Countries with the highest percentage of older men and women living alone in 2012. Kazakhstan has the highest rates of men and women living alone among OIC Member Countries with 51% and 43%, respectively. On the other hand, Senegal has the lowest rate of men and women living alone with 2%.

Figure 3.1 Ten OIC Countries with the highest and lowest proportion living independently, 60 years or over, men (left) and women (right), (%), 2012

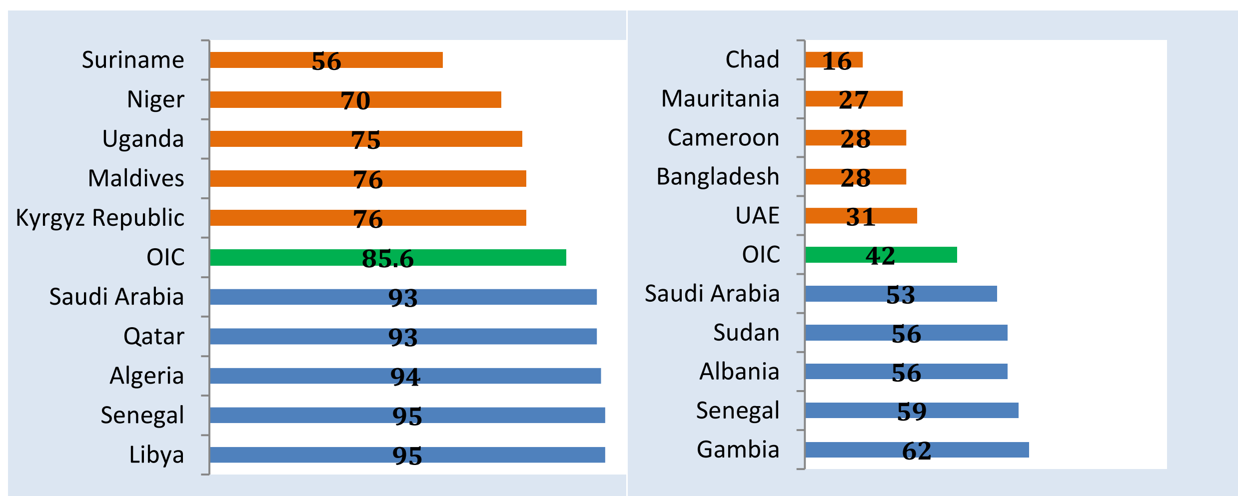


Source: United Nations, DESA

The marital status has also important implications for many aspects of older persons' well-being. For example, spouses can be primary sources of material, social and emotional support during times of illness and hardships. Older persons living alone are more likely to be lonely and depressed than those living with a partner. Therefore, living together with a spouse has advantages for an older person.

As shown in figure 3.2, Suriname was the OIC country with the lowest proportion of older men currently married (56%) in 2012, and Libya with the highest rate of 95%. On the other hand, with only 16%, Chad has the lowest percentage of older women currently married, whereas Gambia has the highest rate with 62%. Therefore, with an average of 85.6%, older men are more likely to be married than older women in OIC countries.

Figure 3.2. Ten OIC Countries with the highest and lowest proportion currently married, 60 years or over, men (left) and women (right) (%), 2012



Source: United Nations, DESA

3.2 Health of Elderly in OIC Countries

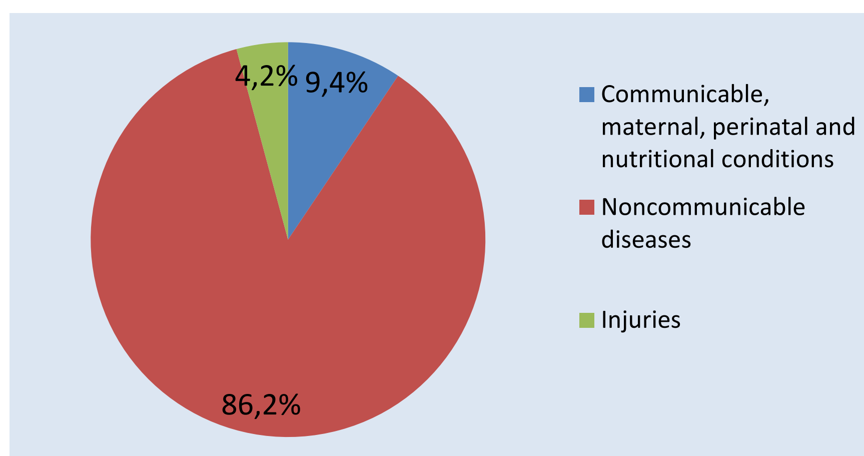
As mentioned in the introduction, advancing health and well-being into old age is among the priority directions of the Madrid International Plan of Action on Ageing (MIPAA). Older individuals in good health can enjoy a greater sense of well-being and participate more actively in the economic, social, cultural and political life of society. In this respect, this section highlights the leading causes of death, chronic conditions and impairments as well as mental health.

3.2.1 Leading Causes of Death

The twentieth century has witnessed a decline in mortality rates. Between 1950 and 2015, the chances of surviving to old age improved remarkably in all country groups. Today, those who survive to age 60 can also expect to live longer than in the past years. In this context, the life expectancy at age 60 was 16.5 years in the period 1990-1995 and has increased almost one year in the period 2010-2015. However, it is unclear how many of the additional years of life are spent in good health.

Success in controlling communicable diseases has led both to lower mortality rates and a shift in the major causes of death. As the share of deaths from communicable diseases has declined (9.4%), non-communicable illnesses such as cardiovascular disease, stroke and cancer represent a greater proportion of causes of death among older people. In 2012, non-communicable diseases caused an estimated 86.2% of deaths among persons aged 60 years or above worldwide (Figure 3.3). Only 4.2% of deaths among elderly in the world are caused by injuries in 2012.

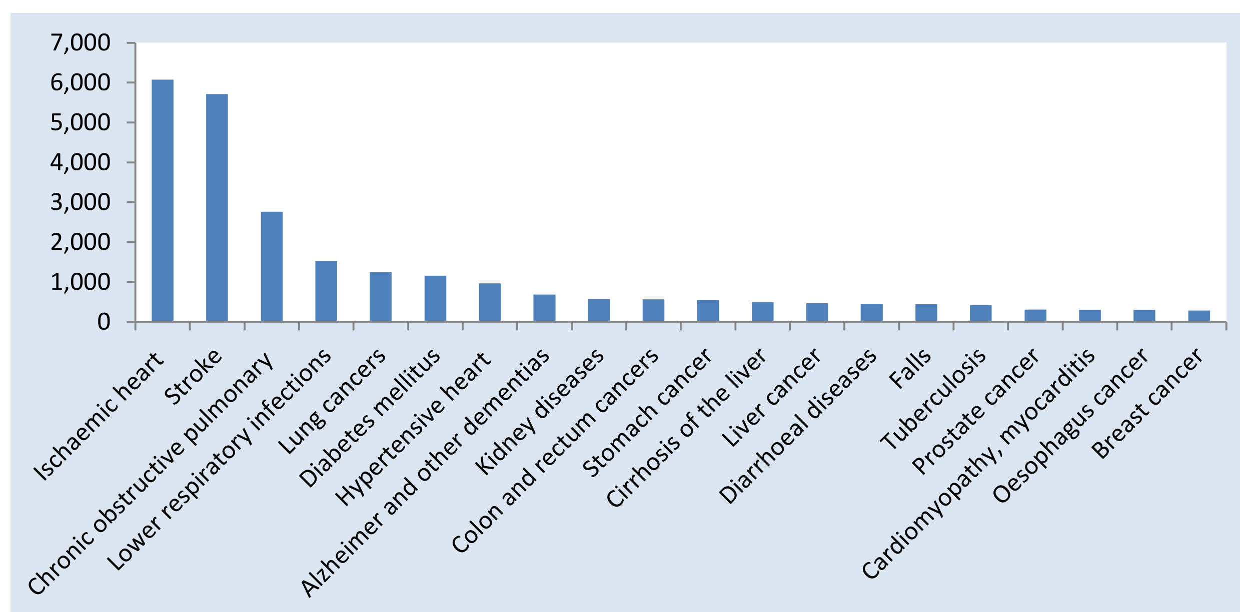
Figure 3.3: Causes of global death among persons aged 60 years or over, 2012



Source: Global Health Estimates, 2014

In this context, the 20 most frequent causes of death among persons aged 60 years or over are shown in Figure 3.4. Ischaemic heart disease and stroke are the leading causes of death, followed by chronic obstructive pulmonary disease, lower respiratory infections and lung cancers. Diabetes mellitus and hypertensive heart are the sixth and seventh most common causes of death respectively, and together, they were the causes of more than 2.1 million elderly deaths in 2012.

Figure 3.4. Leading causes of global death among persons aged 60 years or over, 2012 (thousands)

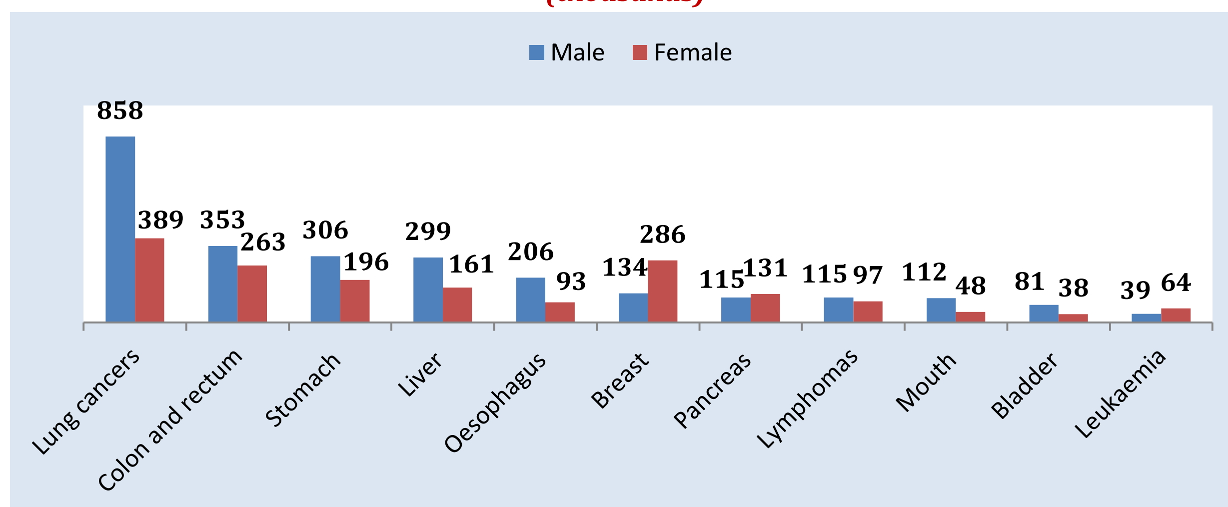


Source: Global Health Estimates, 2014

The relative importance of the most common cancers, in terms of numbers of deaths among persons aged 60 years or over in the World, is summarized in Figure 3.5. Globally, lung cancers are the most common cause of death from cancer among men and women. Colon and rectum cancers are the second most common cause of cancer deaths in total. For men, stomach cancer mortality is second overall, whereas breast cancer is the second leading cause of cancer for women. Stomach cancers are the third leading cause and liver cancer the fourth leading cause globally. Prostate cancer is fifth globally.

For women, the most common cancer at the global level is trachea, bronchus and lung cancer, followed by breast cancer and colon and rectum cancer. Other cancers such as stomach, liver and pancreas represent leading causes of cancer deaths globally.

Figure 3.5. Cancer Mortality among persons aged 60 years or over in the World, 2012 (thousands)



Source: Global Health Estimates, 2014

3.2.2 Chronic Conditions and Impairments

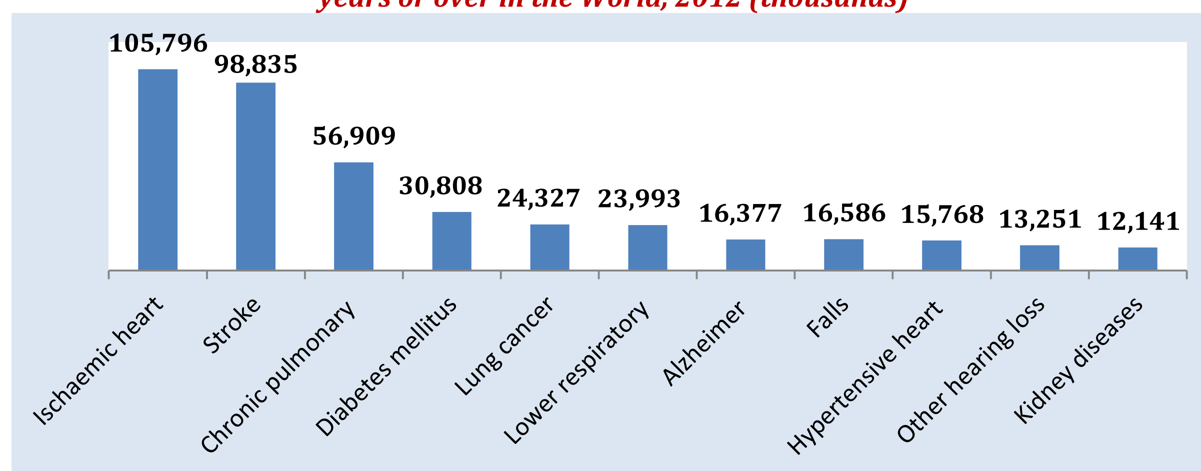
The average global prevalence of moderate and severe impairment is about three times higher among persons aged 60 years or over than among those aged 15-59 years. In both developed and developing countries, women's advantage in life expectancy is accompanied by a greater burden of chronic disease and impairment in old age. In other words, women live longer than men but spend a greater proportion of their older years in poor health.

The disability-adjusted life year (DALY) is a measure of overall disease burden, expressed as the number of years lost due to ill-health, disability or early death. It was developed in the 1990s as a way of comparing the overall health and life expectancy of different countries.

Ischaemic heart disease, stroke and chronic obstructive pulmonary diseases are the most common causes of impairment among persons aged 60 years or over (Figure 3.6). Persistent conditions such as diabetes, lung cancers and lower respiratory infections are especially common at higher ages.

In this context, developing countries tend to have high rates of impairment attributable to preventable causes such as injuries and they often lack access to basic interventions such as eyeglasses, cataract surgery, hearing aids or assistive devices that can keep functional limitations from becoming disabling.

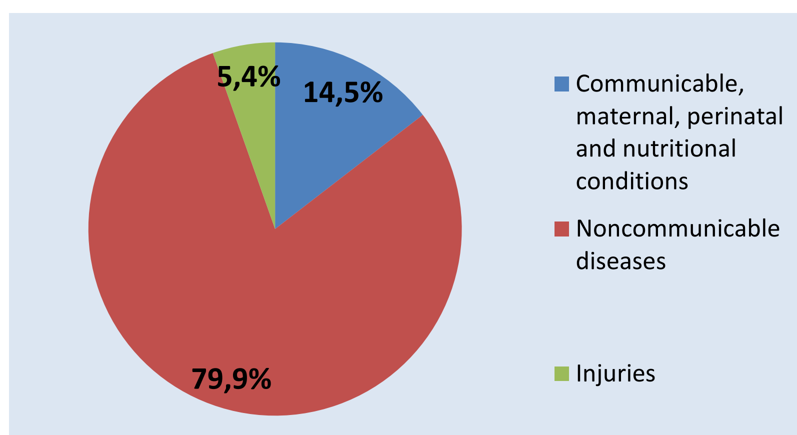
Figure 3.6. Ten leading causes of moderate and severe disability among persons aged 60 years or over in the World, 2012 (thousands)



Source: Global Health Estimates, 2014

In OIC Member Countries, with 79,9%, noncommunicable diseases represent the major component of moderate and severe disability among persons aged 60 years or over, followed by communicable, maternal, perinatal and nutritional conditions (Figure 3.7).

Figure 3.7. Causes of moderate and severe disability among persons aged 60 years or over in OIC Member Countries, 2012



Source: Global Health Estimates, 2014

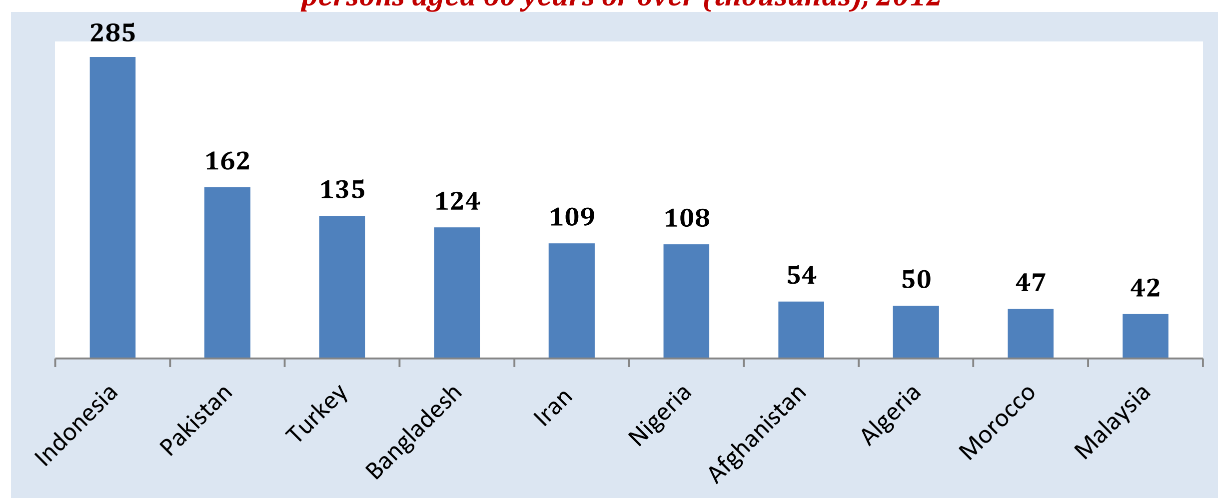
Moreover, rising levels of obesity, increased tobacco and alcohol consumption in some populations, the emergence of new infectious diseases including HIV/AIDS and the resurgence of malaria undermine advances in health among older persons.

3.2.3 Mental Health

Country studies in developing countries show that a high proportion of older people suffer from depression, loneliness and anxiety. These problems arise with major life changes such as the death of a spouse or a sudden decline in health. Depression often occurs together with other disorders such as dementia, heart disease, stroke, diabetes or cancer. Although depression often improves with treatment, the condition is frequently overlooked among the old because of a lack of knowledge among caregivers and health professionals. In developed countries, an estimated 1-3% of those over the age of 65 suffer from severe depression and an additional 10-15% suffer from milder forms (UN, 2011).

Figure 3.8 shows ten OIC Member Countries with the highest number of mental behaviour disorders among persons aged 60 years or over in 2012. Indonesia has the highest number of mental behaviour disorders with 285.000 older persons followed by Pakistan and Turkey.

Figure 3.8. Ten OIC Countries with the Highest Number of Mental Behaviour Disorders among persons aged 60 years or over (thousands), 2012

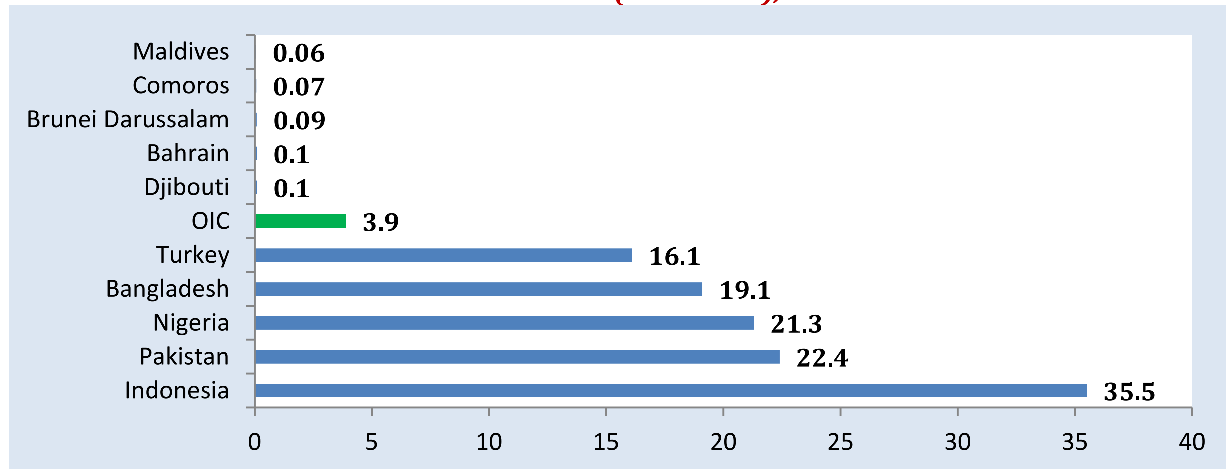


Source: Global Health Estimates, 2014

Moreover, Alzheimer and other dementias cause profound disability. In 2010, an estimated 36 million people worldwide were living with dementia and the number is projected to double every 20 years (UN, 2011). People with dementia are often specifically excluded from residential care and are sometimes denied admission to hospitals.

Indonesia, Pakistan, Nigeria, Bangladesh and Turkey have the highest number of Alzheimer's disease and other dementias among OIC Member Countries (Figure 3.9). However, Djibouti, Bahrain, Brunei Darussalam, Comoros and Maldives have the lowest number of Alzheimer's disease and other dementias.

Figure 3.9. Ten OIC Countries with the Highest and Lowest Number of Alzheimer's Disease and other Dementias (thousands), 2012



Source: Global Health Estimates, 2014

3.3 Social Security of Elderly

As people become older, they depend less on income from employment. Generally, the majority of the population is excluded from access to well-paid jobs at older ages. For the majority of older people, private savings and intra-family transfers are not sufficient to guarantee a decent level of income security until the end of their lives.

Given these challenges, public social security pensions remain a key element of support of ageing people. In most countries, qualifying for pension benefits requires a minimum period of contributions. Besides, income security in old age depends on the access to social services such as health care and long-term care. If affordable access to such services is not provided, older people are pushed into extreme poverty.

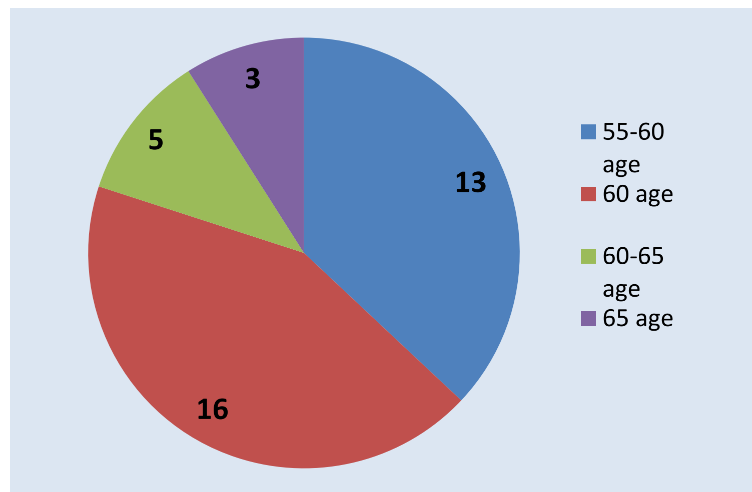
In this context, this section looks at the statutory retirement age as well as the social protection for older people.

3.3.1 Statutory Retirement Age

Most countries have a statutory retirement age at which workers covered by the system receive a pension and other retirement benefits. The most common statutory retirement ages correspond to 60 among OIC Member Countries (Figure 3.10). In this context, 13 out of 37 OIC countries have a pension and retirement ages comprised between 55-60. Workers who retire earlier than the specified age can claim reduced benefits. In the

absence of retirement benefits many older people need to work as long as they are physically able.

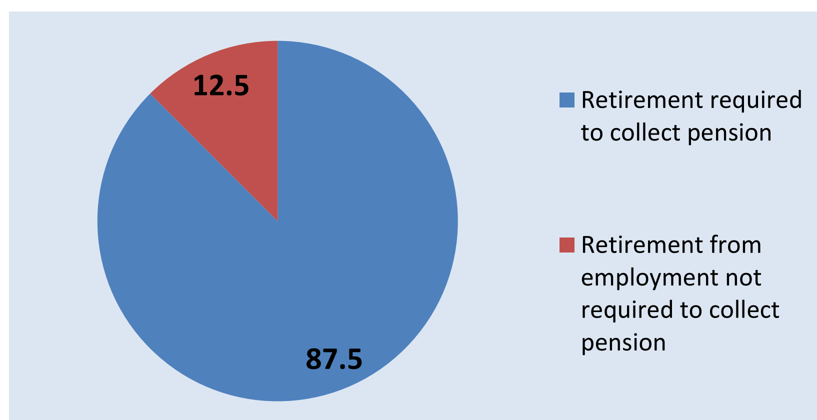
Figure 3.10. Statutory retirement ages in OIC Member Countries, number of countries



Source: ILO (2014b)

Closer examination of the requirements in OIC countries (Figue 3.11) reveals that 87.5% of these countries engage in mandatory retirement requiring complete withdrawal from all employment as a condition for receiving retirement pension. Some of the OIC countries which require this condition, include Algeria, Bahrain, Benin, Lebanon, Niger, Turkey and Uzbekistan. On the other hand, 12.5% of OIC countries may be classified as having a pension age as there is no obligation to retire from work to collect a pension.

Figure 3.11. Retirement in OIC Member Countries, %

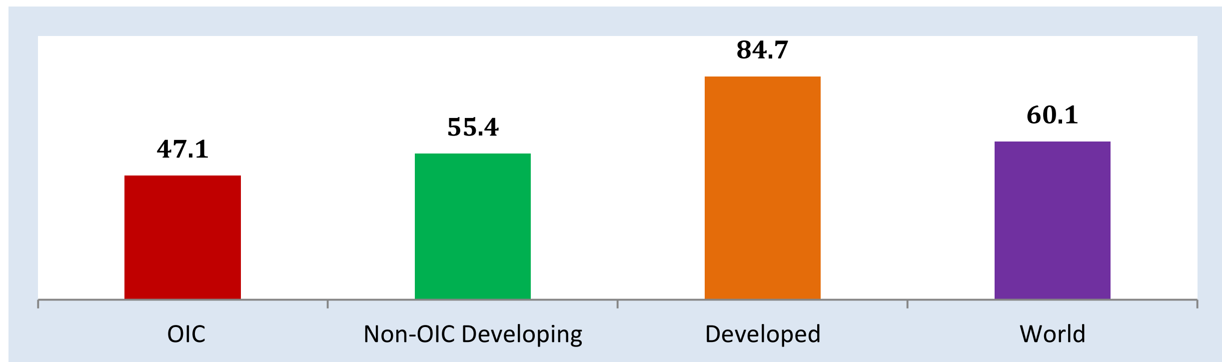


Source: ILO (2014b)

On a global scale, only 60% of older persons above statutory pensionable age receive an old age pension (Figure 3.12). Despite an extension of pension coverage in many countries, significant inequalities persist among country groups. For example, in OIC countries, less than half of older persons receives an old age pension which would provide them with a certain level of income security. In non-OIC developing countries, 55% of older persons receive a pension. In contrast, almost 85% of older people in developed countries receive a pension. These figures show that access to income security in old age is closely associated

with the statutory retirement age conditiond as well as the existing inequalities in the labour market and in employment conditions.

Figure 3.12. Share of population above statutory retirement age receiving an old age pension by contribution (%), 2008-2012



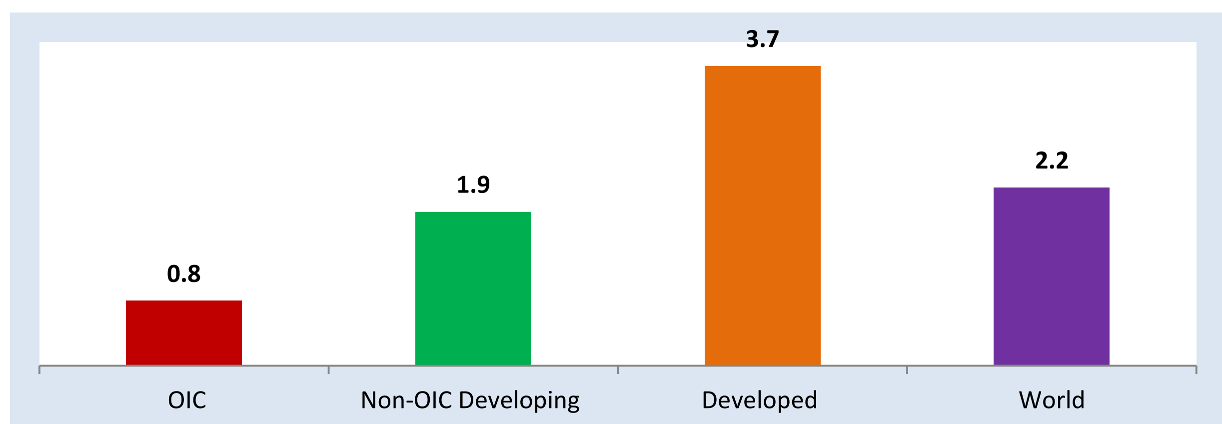
Source: ILOSTAT

3.3.2 Social Protection

Generally, the objective of social protection is to reach all older persons in need at an appropriate monetary level of benefit provision.

In this context, between 2008 and 2012, only 0.8% of GDP is allocated to public social protection expenditure for older persons in OIC countries (Figures 3.13). In contrast, with 3.7%, public social protection expenditure for older people takes the highest proportion of GDP in developed countries. It is worth mentioning that variations among country groups are influenced by differences in the demographic structure of the population and also by diversity in the policy mix between public and private provision for pensions and social services.

Figure 3.13. Public social protection expenditure on benefits as a percent of GDP by 65+, 2008-2012



Source: ILOSTAT

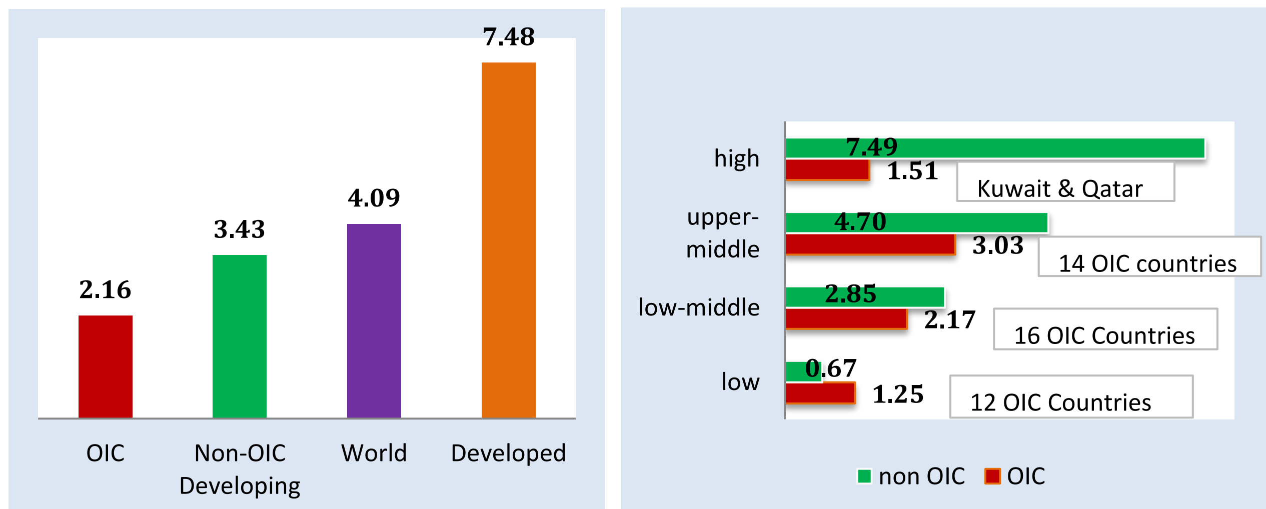
These variations among country groups in expenditure levels reflect the situation in which most older persons in developed countries enjoy their rights to retirement and to income security in old age. However, these rights are given only to a minority in developing countries.

Many OIC countries experienced a significant increase in pension coverage between 2000 and 2013. For example, Tunisia improved pension coverage for the self-employed, domestic workers, farmers, fishers and other low-income groups in 2002. It also increased the proportion of pension beneficiaries among people aged 60 and over from 33.9% in 2000 to 68.8% in 2006 (UN, 2011). In this context, Figure 3.14 (left) compares pension spending as a percentage of GDP in different country groups. Pension spending as a share of GDP in OIC countries represents 2.16%, which is significantly lower than all other country groups. The developed countries have the highest spending on pensions with 7.48% of GDP, which is around two times more than the World's average of 4.09% and developing countries average of 3.43%.

It can be argued that most of the OIC countries have lower income per capita comparing to the non-OIC developing countries. As there are several other social issues to be addressed in developing countries, pension payments receive lower part of GDP comparing to developed countries.

As shown in figure 3.14 (right), different income group of OIC countries are compared with the same income group of non-OIC countries. Low-income OIC countries, which are mostly located in Sub-Saharan Africa, perform better than their non-OIC counterparts. Meanwhile, total pension spending as a share of GDP in all other income groups of OIC countries are lower than their non-OIC counterparts. For high-income OIC countries, data is available only for two countries, Kuwait with 2.7% and Qatar with 0.31%. It is worth mentioning that the average of these countries, 1.51%, is only slightly higher than the average of low-income OIC countries, 1.25%.

Figure 3.14. Pension spending as a share of GDP by country groups (left) and income groups (right), %, 2013 or latest after 2002



Source: World Bank Pensions Database

4 INSTITUTIONS FOR THE ELDERLY

In many countries, elderly are still excluded from the formulation and implementation of policies and programmes. An important way to prevent older persons from being neglected is to encourage the development of institutions that represent elderlys' interests.

In order to mainstream ageing issues into national development policies, governments have to recognize the importance of dealing with these challenges in an integrated way. For example, pensions cannot be considered just a concern of older persons. The current workforce is supporting the retired ones which represent the "pay-as-you-go" principle. Since any changes in policies will take time to be implemented, the impact will not be only on those who are old today but also on those who will be old tomorrow.

In this context, this section highlights the issues of social integration and participation of older people, national level policy analysis of older population, human rights, and pension funds for elderly.

4.1 Social Integration and Participation of Older People

Older persons should have the possibility to become actively engaged in the development process and in society so that their skills and knowledge can be used by everyone. In this context, the MIPAA highlights the importance of older persons' participation in the decision making process. It encourages "the establishment of institutions of older persons at all levels to represent older persons in decision-making".

The active participation of older persons in society depends on providing them with the opportunity to contributing to society. Generally, the contributions of older persons reach beyond their economic activities and extend into their roles in families and in the community such as care for family members, household maintenance and voluntary activities in the community. On the other hand, participation in social, economic and cultural activities contributes to the personal well-being of older persons.

4.1.1 Institutional Arrangements

A variety of institutional arrangements such as units and departments represent major instruments for including ageing issues into government action. In most countries, these arrangements are located within the ministries of labour, health, and social affairs. Their objective is to provide governments with a coherent response to ageing. These arrangements can also include inter-departmental, inter-agency and inter-ministerial bodies, national focal points on ageing, councils and commissions. However, in some countries, responsibilities for ageing issues are not attributed to any coordinating body.

In this context, only 10 OIC member countries, for which data are available, have established a specific institutional arrangement within a Ministry, Department or Agency to tackle ageing issues (Table 4.1). For instance, in Tunisia, "older persons" are part of the

Ministry's title. More precisely, this institutional arrangement is tasked with developing an inter-departmental strategy to address ageing issues.

For 9 OIC countries, there is no specific body on ageing within a Ministry. However, at least one Ministry usually deals with ageing. For example, in Bahrain, Cameroon and Lebanon, the specialised body on ageing is located under the Ministry of Social Affairs.

As another example, Indonesia has set up the National Commission on Ageing that serves as advisory body to the governmental institutions. This body could be seen as a first step towards ensuring that older persons will be taken into account in policy making.

The establishment of institutions also enables younger people to see older persons engaged in the development of life-long learning which benefit local communities. At the same time, this process helps foster intergenerational relations.

Table 4.1 National Institutional Arrangements on Ageing

Country	National Institutions
Bahrain	Specialised body within several Ministries (Ministry of Health and the Ministry of Social Affairs)
Cameroon	Specialised body within the Ministry of Social Affairs, Directorate for Social Protection of Handicapped People and Older People
Guyana	Specialised body within the Ministry of Labour, Human Services and Social Security, Social Security and Senior Citizens Welfare Department
Indonesia	Specialised body, National Commission on Ageing
Jordan	Specialised body within the Ministry of Social Development, Department of Elderly Health Promotion within the Ministry of Health
Lebanon	Specialised body within the Ministry of Social Affairs
Mozambique	Specialised body within the Ministry of Women Affairs and Social Action, Department of Older Persons
Senegal	Specialised body within the Ministry of Social Actions and National Solidarity, Divison of Older Persons
Tunisia	Ministry of Women's Affairs, Family, Children and the Elderly
Uganda	Specialised body within the Ministry of Gender, Labour and Social Development, Department for Persons with Disabilities and Older People

Source: UNFPA, Overview of Available Policies and Legislation, Data and Research, and Institutional Arrangements Relating To Older Persons - Progress Since Madrid, 2011

4.1.2 Literacy and education

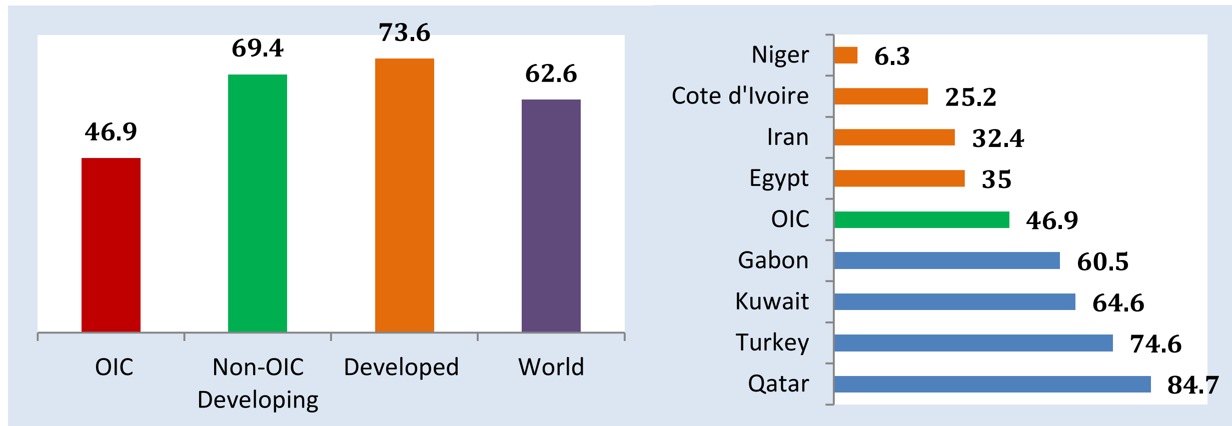
Education and literacy also play a key role in social integration and participation of older people. Although global levels of education and literacy have risen significantly over the past century, they tend to be lower for older persons than for younger people.

As shown in figure 4.1 (left), rates of literacy among the older population vary widely among country groups. Between 2008 and 2012, with 73.6%, developed countries have the highest literacy rates among persons aged 65 years or over, followed by non-OIC developing countries with 69.4%. In contrast, OIC countries, as a group, have the lowest rate of literacy among older people with only 46.9%.

At the individual OIC country level (Figure 4.1, right), the highest rate of literacy among older people was observed in Qatar (84.7%), followed by Turkey (74.6%). On the other

side of spectrum, Niger has the lowest rate of literacy among older population with only 6.3% followed by Cote d'Ivoire (25.2%).

Figure 4.1. Literacy rates among persons aged 65 years or over (left), and OIC Member Countries with the highest and lowest literacy rates among persons aged 65 years or over (right) (%), 2008-2012



Source: UNESCO

In this context, it is worth mentioning that older persons, especially those residing in rural areas, are more likely to be illiterate than other parts of the population. Due to economic and cultural barriers, older persons in rural areas are usually not able to go to school when they are young. In particular, the illiteracy rate is high among older women because "they were not exposed to educational opportunities at a time when tradition was more in control of their lives, denying them the right to education" (UN, 2013b).

On the other hand, the lack of educational opportunities for youth have some spillover effects throughout a person's life. In this context, a person who never learned how to read and write ends up with a low-wage job which fail to provide social security and health care benefits. The lack of appropriate health care and retirement income would increase the possibility of a person suffering from ill health and poverty in old age.

Illiterate older persons are also unaware of their rights and benefits including their social security benefits. Therefore, education and literacy are important elements of empowering older persons and ensuring that they receive their benefits. Besides, jobs for those with higher levels of education tend to be more sustainable, physically and economically.

4.2 National Level Policy Analysis of Older People

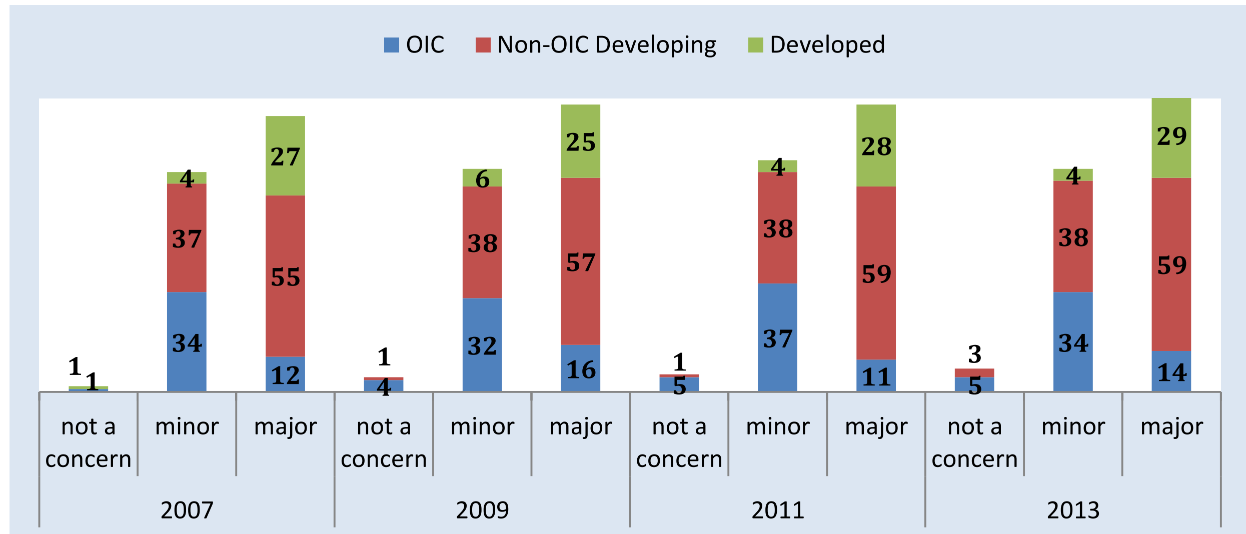
Since 2002, some OIC countries have introduced policies or strategies that allow ageing concerns to be translated into existing and new laws, policies and programmes (Appendix, Table A.4.1).

The policies implemented by the government reveals the level of social protection and wellbeing of elderly people. However, due to the economic and historical predominance, developed countries have better social support schemes and institutions for elderly comparing to developing countries, including the OIC member countries. In this context, the following sections highlight the level of governments concern about the ageing people, the size of the working-age population and the measures adopted to address population ageing.

4.2.1 Level of Concern about Ageing of the Population

Level of concern about ageing of the population indicates the government's level of concern about the growing size or the proportion of older persons in the population and its consequences for health and social welfare provisions. It is categorized into 3 levels such as major concern, minor concern and not a concern.

Figure 4.2 Level of concern about ageing of the population, 2007-2013 (number of countries)



Source: Population Policies Datasets - UN DESA Population Division

Between 2007 and 2013, the majority of OIC member countries considered the growing size or the proportion of older persons in the population only as a minor concern or even as not a concern. In 2013, only 14 out of 57 OIC countries considered the growing size or the proportion of older persons in the population and its consequences for health and social welfare provisions as a major concern. Five OIC countries, namely Cameroon, Djibouti, Niger, Oman and Yemen don't have any concern about the ageing population or the challenges that growing size of ageing will bring in the future.

On the contrary, population ageing has been a major concern for almost all developed countries over the same period. In 2013, 29 out of 33 developed countries considered the issue as a major concern, while only four developed countries, namely, Argentina, Iceland, Lichtenstein and Swaziland consider it as a minor concern.

As for developing countries, a higher proportion of non-OIC developing countries consider population ageing among the major issues of the government. However, there is still a significant number of non-OIC developing countries regarding it as a minor concern. Since 2007, there has been only a negligible change regarding the level of concern. In 2013, governments of 59 non-OIC developing countries accepted growing size of elderly people in the population and related consequences as a major challenge, 38 as a minor challenge and 3 of them didn't concern about it at all.

4.2.2 Level of Concern about the Size of the Working-Age Population

Range of working-age population varies across different regions and countries but generally it varies from 20 to 65 years. Sensible change in the share of working-age population in the labour force might bring dramatic economic impact and have a potential

to influence the wellbeing of elderly. Working-age contributes to the economic growth of a country. More precisely, if the share of the working-age population decreases relatively to retired and youth ones, the economy will have to depend on smaller proportion of the working-age population.

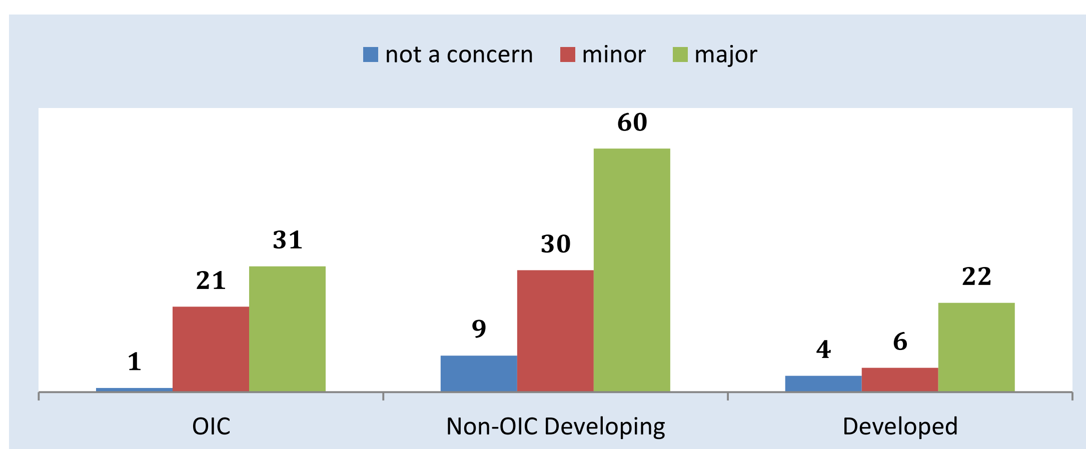
In this context, it is observed that 45 OIC countries implement defined-benefit schemes where the pensions today come from contributions of todays' workers. Thus drop in the share of working-age population has a potential to negatively influence elderly wellbeing programs including pensions.

There is no specific age limit at which people are considered elderly. However, after certain age, generally after 50, people may face age discrimination at workplace. People might have health issues and have lower motivation to career prospects in this age, which causes discriminatory behavior of employers. All this leads to decreasing elderly participation in labour force. Employment of elderly people can be the most effective tool for their social wellbeing and also for the overall economic development of a country. Employment allows older people to be more economically independent, rather than just receiving pensions. It also keeps them more socially active.

Based on the Population Policies Datasets, UN DESA, the level of concern about the size of the working-age population indicates government's level of concern regarding the current size of the working-age population in relation to the domestic labour market or in relation to the size of the dependent populations.

As shown in figure 4.3, there is no large gap among the proportions of developed, non-OIC developing and OIC countries regarding governments concern about the size of the working-age population. However, higher proportion of developed countries consider the issue as a major concern (almost 70%) followed by non-OIC developing and OIC countries with 60% and 58.5%, respectively. Meanwhile, around 40% of OIC countries (21 countries) consider the current size of the working-age population only as a minor concern.

Figure 4.3. Level of concern about the size of the working-age population in 2011 (number of countries)



Source: Population Policies Datasets - UN DESA Population Division

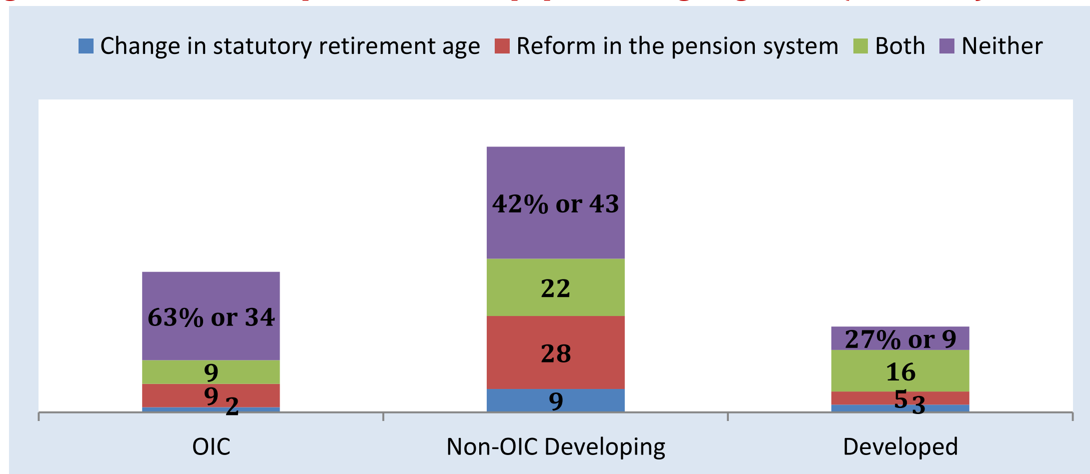
4.2.3 Measures Adopted to Address Population Ageing

Measures and policies adopted depend on the economic determinants and governments strategies in each country. For example, what would be the government's reaction if the numbers of youth approaching to the working-ages were much higher than the number of people retiring? It depends on whether having a certain increase in the number of unemployed has less or more negative socioeconomic impact than increase in retirees. If the budget allows, government might accept the policy in order to decrease the statutory retirement age. This policy will lead to an increase in governments spending on pension while decreasing unemployment rate. In practice, the strategic goal of most countries is to attain lower unemployment rate.

On the other hand, earlier retirement might be less preferred for elderly wellbeing if social support as pension payments is sensibly lower than employers' benefits. Through conducting pension systems reform, OIC countries can come closer toward developed countries pension schemes. By this way, individuals will have options to save and invest some part of their earnings in order to have more financial independence after retirement.

Figure 4.4, gives information about whether the government has adopted specific measures in the last five years to address population ageing in the country. These measures include change in statutory retirement age as well as reform in the pension system

Figure 4.4 Measures adopted to address population ageing, 2013 (number of countries)



Source: Population Policies Datasets - UN DESA Population Division

In 2013, 34 OIC countries didn't accept any measure to address population ageing. 9 OIC countries made a reform in their pension system and changed statutory retirement age.

In contrast, developed countries are advancing their elderly oriented pension schemes. 27% of the developed countries and 42% of non-OIC developing countries didn't implement any measure. In other words, 73% of developed countries and 58% of non-OIC developing countries made reforms in the pension systems or at least changed statutory retirement ages in 2013.

4.3 Human Rights of Older People

Human rights are universal and the international instruments developed in order to protect human rights apply to all members of society including the ageing population.

The norms in international human rights treaties apply to older persons in the same way they apply to other segments of society. More precisely, there are no universal human rights instruments or comprehensive provisions that focus specifically on older persons. However, two international human rights instruments contain explicit references to old age. First, Article 7 of the United Nations International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families includes "age" in the list of prohibited grounds for discrimination. Second, the Convention on the Rights of Persons with Disabilities includes references to age in articles 8, 13 and 25 on the right to health as well as in article 28 on the right to an adequate standard of living and social protection. For example, article 25 of the aforementioned Convention requires that health services should be "designed to minimize and prevent further disabilities, including among older persons".

The International Covenant on Economic, Social and Cultural Rights and the International Covenant on Civil and Political Rights include relevant provisions for protecting the human rights of older persons including the right of all individuals to good health, an adequate standard of living, freedom from torture, legal capacity, and equality before the law.

The International Covenant on Economic, Social and Cultural Rights has recommended that health policies should take into account the needs of the elderly, "ranging from prevention and rehabilitation to the care of the terminally ill", and has higlighted the importance of "periodical check-ups for both sexes; physical as well as psychological rehabilitative measures aimed at maintaining the functionality and autonomy of older persons; and attention and care for chronically and terminally ill persons, sparing them avoidable pain and enabling them to die with dignity".

The Convention on the Elimination of All Forms of Discrimination against Women and the International Convention on the Elimination of All Forms of Racial Discrimination also contain provisions which promote and protect the human rights of older persons.

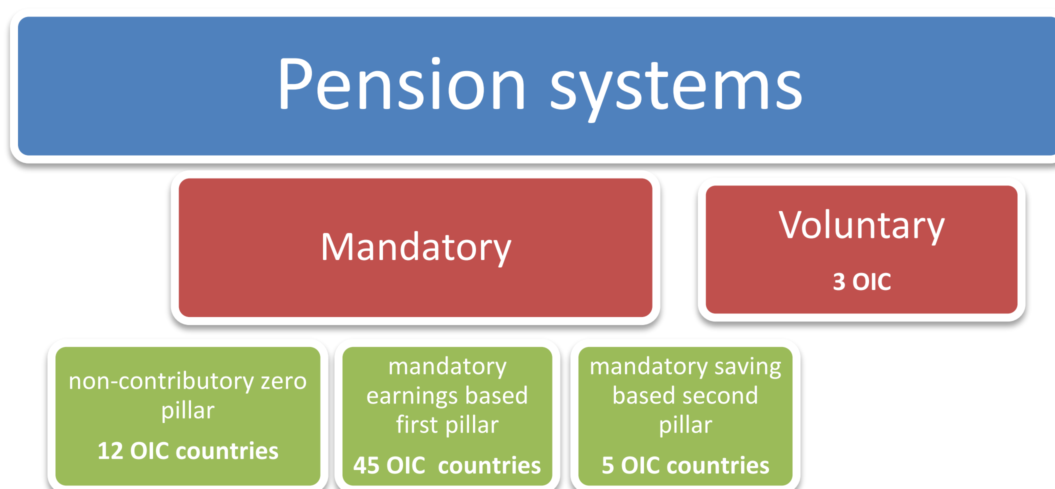
On the other hand, human rights mechanisms have identified older men and women as being a group at particular risk of human rights violations and requiring specific measures of protection. For example, the risk to which older persons are exposed is explicitly recognized in article 16 of the Convention on the Rights of Persons with Disabilities. In this context, WHO (2008) estimates that 4-6% of older persons at home and in the community have suffered some form of abuse.

The Committee on Economic, Social and Cultural Rights has also identified accessibility as a key component of the rights contained in the International Covenant on Economic, Social and Cultural Rights. In this context, accessibility allows older persons the full exercise of their rights, including a decent standard of living, health and education.

4.4 Pension Funds for Elderly

Pensions have become important institutional solutions to guarantee income security in old age. Pension savings are mandatory for all labour force and deducted from the employee's earnings. World Bank classified mandatory pension systems into 3 pillars: zero pillar, pillar 1 and pillar 2 (figure 4.5). In this context and as shown in Figure 4.5, there are 12 countries out of the 48 OIC member countries, for which data is available, which use several pillars at the same time such as pillar 1 and pillar 2. Only Kazakhstan, Kyrgyzstan and Tadjikistan are using voluntary pension scheme in addition to the mandatory.

Figure 4.5 Pension systems design in OIC Countries, number of countries



Source: World Bank Pensions Database

Note: Data are available for 48 OIC member countries of which 12 OIC member countries use multiple pillar pension systems (see table 4.2)

Zero pillar is also called social pension system. Pension system can be attributed to a zero pillar when pensions are allocated to reduce poverty among elderly people, according to the World Bank definition. In this system, the size of the pensions might depend on the individuals work history, but generally it does not. It has a flat rate and aims to target the elderly with the lowest old-age incomes. Beneficiaries can be elderly people that do not qualify for the pillar 1 and pillar 2 pensions. 12 OIC member countries introduced this system in addition to the pillar 1 and/or pillar 2 except Bangladesh that uses only pillar 0 (figure 4.5).

Majority of mandatory pension systems in the world (around 80%) can be categorized into the pillar 1. Among OIC countries, 45 out of 48 countries or around 94% for which data are available use the pillar 1 pension scheme as a main system to generate pensions (figure 4.5). In this system, governments allocate pensions to all citizens. The amount of pension that individuals receive is dependent on their own contribution during the employment period. Elderly people who reached certain ages, generally around 60 for women and 65 for men, and worked a certain number of years, usually 25-35 are eligible to receive pensions under pillar 1 pension scheme.

The pillar 2 is where individuals pay some part of their earnings as savings to specific privately managed financial institutions. Within the limits that laws and regulations allow, a fund manager can invest collective savings. In order to protect citizens, regulators strictly monitor pension funds and similar institutions in order to limit the size of their investments into risky assets. Five OIC countries, namely Kazakhstan, Kyrgyzstan, Tajikistan, Maldives and Niger implement the second pillar but these countries use it in combination with pillar zero and/or pillar 1.

As shown in Table 4.2, a total of 12 OIC member countries adopted multiple pillar pension systems. As mentioned above, only Kazakhstan and Kyrgyzstan use all three pillars (table 4.2).

Table 4.2. OIC member countries that adopted the multiple pillar pension system

№	Countries	Pillar 1	Pillar 0	Pillar 2	Voluntary
1	Albania	✓	✓		
2	Azerbaijan	✓	✓		
3	Brunei Darussalam	✓	✓		
4	Egypt	✓	✓		
5	Kazakhstan	✓	✓	✓	✓
6	Kyrgyzstan	✓	✓	✓	✓
7	Malaysia	✓	✓		
8	Maldives		✓	✓	
9	Nigeria		in two states	✓	
10	Tajikistan	✓		✓	✓
11	Turkmenistan	✓	✓		
12	Uzbekistan	✓	✓		

Source: World Bank Pensions Database (Appendix, Table A.4.2)

Pension systems can also be classified into different groups based on the management type and financing mechanism. Generally, public institutions manage pension systems. However, since the last decade, the market share of private pension funds has increased significantly. According to the World Bank, 82% of pension funds worldwide are publicly managed and only 18% are privately managed.

According to the World Bank classification, the pillar 1 pension system is a mandatory publicly managed scheme. Based on the financing mechanism, defined-benefit schemes (DB) adopt a special formula, different points or rating mechanisms that help to determine the pension based on the employment history of an individual. Notional defined-contribution schemes (NDC) mean that benefits depend on the amount of contributions made and notional interest rate which correspond to the average wage growth. Through Provident Funds/Publicly managed defined-contribution schemes (PF), benefits depend on the amount of contributions and the investment returns that individuals earn.

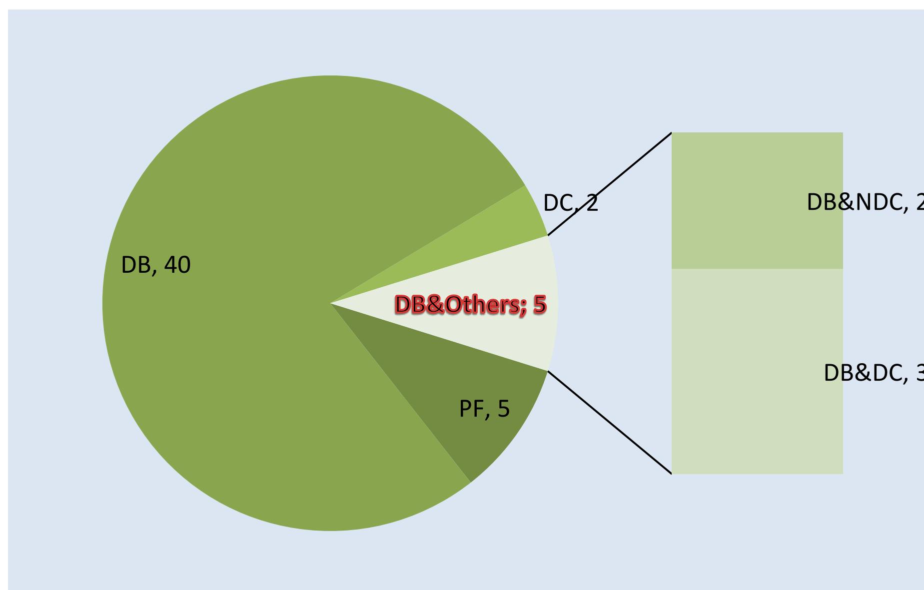
Pillar 2 refers to the mandatory privately managed schemes that exist in two forms such as defined benefit (DB) or defined contribution (DC) which are fully funded.

As mentioned above, a zero pillar doesn't depend on individual contributions and earnings. Thus, it has no financing mechanism that exists in other pillars. Pensions are allocated through estimations on individual's incomes and needs. Generally, these pensions use a flat rate.

45 OIC countries implement DB scheme. Out of that five use it in combination with NDC or DC schemes (figure 4.6). DB pension schemes are unfunded which mean that the pensions today are paid from the contributions of today's workers. Today, 48% of total pensions worldwide are unfunded (Montserrat et al, 2012).

Only two OIC countries implement an exclusively DC scheme and three in combination with DB scheme (figure 4.6). DC scheme can be fully funded which means that pensions are paid from the individual's contributions through the employment history. In the world, 27% of pension schemes are fully funded. Also, DC scheme can be partially funded which signifies that a part is paid by the government and another part is compiled from individual earnings during an active employment period. In this context, 25% of total pension schemes worldwide are partially funded (Montserrat et al, 2012).

Figure 4.6. Pension schemes in OIC Member Countries, number of countries



Source: World Bank Pensions Database (Appendix, Table A.4.2)

5 CONCLUDING REMARKS AND POLICY RECOMMENDATIONS

This report looked at the state of elderly in OIC member countries and highlighted some ageing issues such as demographics, social and economic wellbeing as well as institutions for the elderly.

The demography of ageing in OIC countries reveals a number of features that merit the attention of the authorities concerned with the formulation of social, economic and health policies for this country group. Between 1990 and 2010, the speed of ageing in OIC countries was less than half the speed of ageing observed in other country groups. However, after 2010, the population ageing in OIC countries started to accelerate. By 2030, the share of older population is estimated to reach 9.6%. This phenomenon reflects the decline in fertility over the last few decades. Today, older people in OIC countries are expected to live almost one year longer than they did two decades ago. While the old age dependency ratio in OIC countries is projected to accelerate starting from 2015, labour force participation for elderly in OIC countries is trending lower. Therefore, changes in the age structure of the population will be profound for OIC countries.

An analysis of the current social and economic status of older persons in OIC countries underlines a high degree of heterogeneity and rapid and complex changes. Compared with older women, older men are more likely to be married but women tend to live longer and are often widowed. In general, older persons in developing countries tend to live in multigenerational households. In contrast, older residents in developed countries are more likely to live alone or with a spouse than with their children.

Non-communicable illnesses represent a greater proportion of deaths among older people. Ischaemic heart disease, stroke and chronic obstructive pulmonary diseases are the most common causes of impairment among persons aged 60 years or over. Health status of older persons in OIC countries vary considerably. Indonesia, Pakistan, Nigeria, Bangladesh and Turkey have the highest number of Alzheimer's disease and other dementias among OIC Member Countries. .

On the other hand, ageist stereotypes and high levels of unemployment continue to undermine older persons' access to the labour market. The most common statutory retirement age in OIC Member Countries is 60. However, in OIC countries, less than half of older persons receive an old age pension.

Older persons in OIC countries are still facing a number of major socio-economic challenges. As a group, OIC countries have the lowest rates of literacy. As a result, low levels of literacy and educational attainment have hindered the full participation of older persons in society. Between 2007 and 2013, the majority of OIC member countries considered the growing size of older persons only as a minor concern or even as not a concern. In this context, with a view to tackle ageing issues, only 10 OIC countries have established an institutional arrangement within a Ministry, Department or Agency.

Generally, the pension systems in the OIC countries correspond to the mandatory earnings. Within this system, the amount of pension that individuals receive depends on their own

contribution during the employment period. Moreover, few OIC countries have been developing strategies to transit from totally state owned pension institutions into privately managed schemes.

Population ageing presents challenges for governments and society. Therefore, it should be planned in order to transform these challenges into opportunities. In this context, effective policies and programs need to take into account budget realities as well as an understanding of how the government bureaucracy actually operates.

In fact, compared to other major changes in society, population ageing is predictable. Therefore, governments have the major advantage knowing its implications well in advance and can plan for it. Appropriate policies and programs in OIC countries need to be based on solid evidence concerning the demographic, economic and social situation of the older people.

Overall, the following issues, which have been highlighted in the report, should be considered by the policymakers in OIC countries for developing policies and specific actions to address the elderly-related challenges.

Access to education, employment, health care and basic social services will enable elderly to live decently. In this regard, establishing working groups and committees of academics, policy makers, bureaucrats charged with implementing ageing issues will play a key role. In fact, such groups constitute the most appropriate forum for developing policy and recommendations.

Income security, flexible employment opportunities, access to affordable health care and medicines, housing and transportation, elimination of discrimination, violence and abuse targeted at older people constitute major challenges that should be addressed by governments. Therefore, the international community need to do much more on ageing in the development sphere. In this context, explicit development goals related to the older population must be considered. Besides, in OIC countries, it is necessary to improve research and analysis on ageing based on good quality data. Moreover, OIC countries need to have good monitoring mechanisms and be flexible to adapt new regulations and instruments to create favourable social and economic conditions for elderly.

From a human rights perspective, OIC countries are recommended to take appropriate legislative, administrative, social, educational and other measures to combat violence and to protect elderly in their private and public spheres including from the abusive behaviour of their families, relatives and caregivers.

Older persons need more and long-term health-care services. Therefore, national social protection floors should guarantee a minimum “access to a nationally defined set of goods and services, constituting essential health care”. This is particularly important for older persons because it has a role in protecting against health-related poverty.

At the OIC cooperation level, efforts should be made to facilitate the exchange of experience and best practices in the area of ageing among the member countries. Cooperation opportunities for mutual learning and cooperation in this area in terms of training and research activities should be explored and fully utilized. In this context, the

exchange of skills, knowledge and experience among OIC member countries would be a beneficial form of cooperation. For example, the experience of Turkey in establishing institutions for elderly could be considered as a successful model to be transferred to other member countries. In addition, organizing expert group meetings and seminars on ageing related issues could provide opportunities for exchangin knowledge and know-how among the member countries.

The problem of deteriorating old age dependency ratios will be profound in the rural areas, particularly in the less productive farming areas of the OIC member countries. Therefore, rural development policies and projects could be seen as a significant contribution to overcome the ageing-related challenges in OIC member countries. In this context, policies for improving production and productivity, stimulating investment and introducing appropriate technologies in rural areas are recommended.

Considering the fact that noncommunicable diseases represent the major component of moderate and severe disability among persons aged 60 years or over in OIC countries, special attention should be given to the issue of developing early diagnosis and appropriate preventive measures and treatment services for older persons, including those who have mental health problems.

APPENDIX

ANNEX I. THE STRUCTURE OF THE MADRID INTERNATIONAL PLAN OF ACTION ON AGEING

The Madrid International Plan of Action
Older Persons and Development
Issue 1: Active participation in society and development (2 objectives, 13 actions)
Issue 2: Work and the ageing labour force (1 objective, 14 actions)
Issue 3: Rural development, migration and urbanization (3 objectives, 20 actions)
Issue 4: Access to knowledge, education and training (2 objectives, 14 actions)
Issue 5: Intergenerational solidarity (1 objective, 7 actions)
Issue 6: Eradication of poverty (1 objective, 8 actions)
Issue 7: Income security, social protection/social security and poverty prevention (2 objectives, 13 actions)
Issue 8: Emergency situations (2 objectives, 18 actions)
Advancing Health and Well-Being into Old Age
Issue 1: Health promotion and well-being throughout life (3 objectives, 27 actions)
Issue 2: Universal and equal access to healthcare services (4 objectives, 22 actions)
Issue 3: Older persons and HIV/AIDS (3 objectives, 9 actions)
Issue 4: Training of care providers and health professionals (1 objective, 3 actions)
Issue 5: Mental health needs of older persons (1 objective, 10 actions)
Issue 6: Older persons and disabilities (1 objective, 10 actions)
Ensuring Enabling and Supportive Environments
Issue 1: Housing and the living environment (3 objectives, 17 actions)
Issue 2: Care and support for caregivers (2 objectives, 14 actions)
Issue 3: Neglect, abuse and violence (2 objectives, 12 actions)
Issue 4: Images Of ageing (1 objective, 8 actions)

Source: UNFPA, Overview of Available Policies and Legislation, Data and Research, and Institutional Arrangements Relating To Older Persons - Progress Since Madrid, 2011

ANNEX II ADDITIONAL TABLES

Table A.4.1 National policies on ageing in OIC Member Countries adopted since 2002

Country	National Policies
Albania	The document of cross sector policies on ageing 2008
Bahrain	National strategy and document for elderly rights
Bangladesh	National Policy on Ageing 2007
Egypt	National strategy and plan of action 2007
Jordan	Strategy for the Older population "Active, healthy ageing and old age care in Jordan" 2008
Mozambique	National Policy on Older Persons 2002, National Plan for Older People 2006-2010
Oman	National Strategy and Plan of Action 2007-2008
Palestine	National Strategic Plan to care for the elderly and working plan of the Madrid Plan
Qatar	National Strategy on Ageing 2007
Saudi Arabia	National Strategic Plan for Healthy Ageing 2010-2015
Tunisia	Decennial Plan to care about the Elderly 2003
Turkey	The Situation of Elderly people in Turkey, National Plan of Action on Ageing 2007
Uganda	National Policy for Older Persons 2009

Source: UNFPA, Overview of Available Policies and Legislation, Data and Research, and Institutional Arrangements Relating To Older Persons - Progress Since Madrid, 2011

Table A.4.2 Modality of pension schemes in OIC Member Countries

Country	Pillar 1	scheme	Pillar 0	scheme	Pillar 2	scheme
Albania	✓	DB	✓	T		
Algeria	✓	DB				
Azerbaijan	✓	DB, NDC	✓	T		
Bahrain	✓	DB				
Bangladesh			✓	T		
Benin	✓	DB				
Brunei Darussalam	✓	PF	✓	U		
Burkina Faso	✓	DB				
Cameroon	✓	DB				
Chad	✓	DB				
Cote d'Ivoire	✓	DB				
Djibouti	✓	DB				
Egypt, Arab Rep.	✓	DB	✓	U		
Gabon	✓	DB				
Gambia, The	✓	PF				
Guinea	✓	DB				
Guyana	✓	DB				
Indonesia	✓	PF				
Iran, Islamic Rep.	✓	DB				
Iraq	✓	DB				
Jordan	✓	DB				
Kazakhstan	✓	DB	✓	U	✓	DC
Kuwait	✓	DB				
Kyrgyz Republic	✓	DB, NDC	✓	B	✓	DC
Libya	✓	DB				
Malaysia	✓	PF	✓	T		
Mali	✓	DB				
Maldives					✓	DC
Mauritania	✓	DB				
Morocco	✓	DB				
Niger	✓	DB				
Nigeria			✓	U in two states	✓	DC
Oman	✓	DB				
Pakistan	✓	DB				
Saudi Arabia	✓	DB				
Senegal	✓	DB				
Sierra Leone	✓	DB				
Sudan	✓	DB				
Syrian Arab Republic	✓	DB				
Tajikistan	✓	DB			Tajikistan	DC
Togo	✓	DB				
Tunisia	✓	DB				
Turkey	✓	DB				
Turkmenistan	✓	DB	✓	T		
Uganda	✓	PF				
United Arab Emirates	✓	DB				
Uzbekistan	✓	DB	✓	T		
Yemen, Rep.	✓	DB				

Source: ***World Bank Pensions Database***

B - Basic pensions refer to either flat rate or depend on years of work.
T- Targeted programs pay benefits only to those with the lowest old-age income.
U - Universal: Social pension non-contributory, non-earning related for all the population above certain age.
DB - Defined-benefit schemes have a formula directly related to individual earnings.
NDC - Notional defined-contribution schemes benefits depend on the amount of contributions made and notional interest credited to individual accounts.
PF – Through Provident Funds/Publicly managed defined-contribution schemes benefits depend on the amount of contributions and the investment returns that individuals earn.

Tajikistan, Kyrgyzstan and Kazakhstan have also complementary pension schemes.

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