

Development of Public Welfare Requirement for Seniors in Taiwan

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Abstract. Developed countries around the world are currently experiencing a phenomenon called population aging. Western countries, however, have faced the aging population issue since the beginning of the last century, giving them some 100 years to prepare for the problem. According to the Taiwanese government's estimation, the senior population in Taiwan is anticipated to grow rapidly, increasing from 7% to 13.50% over the 24-year period from 1993 to 2017 (The Executive Yuan's 10 Year Plan Abstract for Long-Term Care of Aged People, 2007). The present study focuses on the relevant issue of how seniors prepare for their aged years in retirement and gradually join the aged society of Taiwan.

Keywords: Aged, Successful Aged, Social Welfare Requirement

1. Introduction

According to the statistics published by the Statistics Division of the Executive Yuan in January 2010, the senior population, which consists of people 65 years of age or older, continues to increase and has reached 10.7%, 68.6% of aging index (a drastic increase of 10.5% within 3 years). The aging index for Taiwan is lower than it is for Canada, Europe, and Japan but higher than it is for the United States, New Zealand, and other Asian countries. According to the Council for Economic Planning and Development, the percentage of the senior population is anticipated to go beyond 14% in 2017 in Taiwan. In addition, Table 1 indicates that the average life expectancy of males in 2008 is 75.59 years, while that of females is 81.94 years. Compared with the average life expectancy in 1970, male life expectancy has increased by 8.93 years over those 38 years, while that of females has increased by 10.4 years. These data prove that Taiwan has rapidly become a society with an aged population, increasingly bearing the burden of taking care of its aged people. The main factors that lead to an aging population are a decrease in birth rate and the improvement of life expectancy. Therefore, in recent years, how to "live our seniors in healthy and well caring conditions" remains an important consideration and issue that advanced countries must address using effective alternatives.

Table.1: Compiled Chart of Average Life Expectancy of the Population in Taiwan

Year	1970	1980	1990	1995	2000	2004	2008
Male	66.66	69.57	71.33	71.85	73.83	74.50	75.59
Female	71.56	74.55	76.75	77.74	79.56	80.80	81.94

Source : <http://www.moi.gov.tw/stat/>

In 1993, the aged people of 65 years old and above in Taiwan amounted to more than 7% of the total population, signaling the country's entry into the population aging phenomenon. In 2010, the population of aged people continuously increased to 10.7%. In the next few years, with the baby boomer¹ generation right after World War II entering their aged period, the aging trend of population will become even more obvious. The Council for Economic Planning and Development reports that in 2025, the percentage of the senior population will surpass 20%, meaning that there will be a senior in every five people, constituting a factual society of a super-aged population. Moreover, in 2060, the aged population is estimated to reach 44%, indicating that our population rapidly ages in an estimate of nearly 24 years (1993–2017), signifying a rapid rise of the aged population from 7% to 14% and the entry of Taiwan into what the United Nations defines as

¹ In 1945 soon after the end of WWII, the postwar baby boomer emerges worldwide. The American Association of Retired People (AARP) defines the baby boomer as people born during 1946–1964.

an “aged society.” This percentage is projected to further surpass 20% in 2025, which would result in a super-aged society in Taiwan (Council for Economic Planning and Development of the Executive Yuan, 2010).

The aging population is an evolving society shared by all advanced countries around the globe today. Western countries have already faced the issue of how to address the aging population since the beginning and the middle of the last century; they have some 100 years to prepare for this issue. However, our aged population is assessed to climb to 13.5% (Table 2) from 7% in 24 years (1993–2017), showing a trend of a rapid increase in the number of our aged people (The Executive Yuan’s 10 Year Plan Abstract for Long-Term Care of Aged People, 2007). The aged population and fewer children in our population structure, in addition to the changes in social pattern and family structure, involve increased concern for the health and care of the aged population. This ever-increasing controversial issue deserves proper attention from Taiwan’s government authorities. The Council for Economic Planning and Development in Taiwan estimates that by 2010, almost every 6.9 young people² will have to take care of one senior 65 years old or above. By 2020, every 4.4 young people will have to take care of one aged people. In 50 years (in 2060), every 1.2 young people will have to take care of one aged people.

In addition, by 2010 the index of the aging population (the population of 65 years old and above are divided by the population of 0–14 years old and then multiplied by 100) will become 68.64% (Council for Economic Planning and Development, 2010).

2. Implications and Purpose of Industry Development Related to the Senior Population

Nowadays, the baby boomer generation marks Taiwan’s prosperous economic development. From this generation, the 59-year-olds will become the eldest and will turn aged in 6 years. This generation marks not only high in population percentage but also in the main force of Taiwan’s aged society, which are deemed the most valuable seniors. With the advancement of this generation of seniors, the aged people market that has been long neglected has drawn considerable attention. More and more industries related to seniors have emerged recently, signifying ever-increasing commercial opportunities.

Table. 2: Comparison of the Time for the Aging Population Required

Country	The year of the ratio of the population over the age of 65 is reached					The period of the ratio double		
	7%	10%	14%	20%	30%	7%→14%	10%→20%	20%→30%
Taiwan	1993	2005	2017	2025	2040	24	20	15
Singapore	2000	2010	2016	2023	2034	16	13	11
South Korea	2000	2007	2017	2026	2040	17	19	14
Japan	1970	1985	1994	2005	2024	24	20	19
China	2001	2016	2026	2036	-	25	20	-
The United States of America	1942	1972	2015	2034	-	73	62	-
Germany	1932	1952	1972	2009	2036	40	57	27
England	1929	1946	1975	2026	-	46	80	-
Italy	1927	1966	1988	2007	2036	61	41	29
Sweden	1887	1948	1972	2015	-	85	67	-
France	1864	1943	1979	2020	-	115	77	-

Source : The Council for Economic Planning and Development of the Executive Yuan (2008)

With Taiwan entering into a society of aged population, the issues regarding the market requirements for seniors have become more and more important. As the healthy life expectancy continues to extend, mental

² Young people indicate the working population of 15–64 years old.

age becomes less and less important. On the contrary, “functional age” has been discussed more. Although there is no way to revert the aging process, with the seniors showing decreased physical and mental capabilities, they can still function properly in daily routines. Although we have no way to fight against the natural course of the aging process, by restoring the aging functions of the seniors to their original status, we can still help them live with daily independence using effective tools and technologies. We can help them maintain their existing standard of living. All designed and developed tools to help the seniors live an independent life for functional health are the very market of opportunities (Tsai, 2008). What we call functional health must go through “considerate senior estimation indexes” to satisfy a specific functional design for aged conditions. Generally speaking, a considerate estimation for a senior’s medical diagnosis includes items of general medical, physical, and mental status, social function, functional status, environmental features, career’s status, and economic factors. The purpose is to understand how the seniors address different situations under different items and to provide available and relevant medical assistance. Therefore, in this study, we used what Tsai (2008) (from the Institute for Information Industry) proposed, the conceptual framework (Table 3) on the paper “Marching towards Aged Society—Issue and Commercial Opportunities on seniors” as the basis of our study.

The aging phenomenon, involving physical, mental, and social facets, can limit some activities performed by the seniors. Therefore, the design of the environment, availability of resources, and economic stability, which are prerequisites of the aging phenomenon, try to satisfy the requirements for various functions in terms of technology, products, or service. These creative designs will create successful market opportunities on seniors (Tsai, 2008; Tsai & Chen, 2009).

Table 3: Concept and Representative Implications of Estimation Items for Considerate Senior Caring		
Estimation items	Concept	Representative Implications
General medical and body estimation	Physical	Functional deterioration of various organs caused by aging results in a limitation to activities and physical strength. The design of products shall take account of operating convenience in the first place and priority.
Mental condition estimation	Mental	Deterioration of intellectual ability caused by aging results in a limitation to recognition, response speed, and capability. The design of products shall take account of operating and learning convenience in the first place and priority.
Social function estimation	Society	Physical and mental deterioration as well as aging result in the conversion of role played at career retirement as well as the decrease of social resources and inter-personal relations. The design of products shall take account of satisfying the dynamic force of inter-personal relations.
Functional status estimation	Functions	The decrease or loss of ability of various types of daily independent living caused by aging. Among these, the ability of independent living can be categorized by level into daily self-reliant independent living, daily lifestyle functions and advanced daily living activities. As long as these functions can be satisfied, the silver-hair seniors can have a healthy lifestyle pattern with agile physical and mental operation.
Environment feature estimation	Living environment	The aging results in a proper adjustment of living environment and space arrangement, or relevant guidance equipment in order to sustain physical convenience and safety after deterioration.
Caring status estimation	Level of resources	After aged, the provision of external, internal resources for assistance to independent living, including internal resources such as original living adaptability experience, financial and income-earning; and external resources such as relations and support of family members and social network, institutions’ service, etc. The design of service products shall consider satisfying these resource requirements.
Economic estimation	Economic capability	Retiring from work or unable to work results in a shortcoming of economic support, requiring other means to living, economic support of children or government’ s relevant policies and regulations for living support.

Source: Institute for Information Industry MIC (2008)

3. Results

The prosperous development of an industry depends not only on the huge market and opportunities but also on many other relevant factors, including government policies, production and sales environment, reconstitution of resources and information, cultivation of dedicated talents in related fields, etc. No development of an industry involves an external environment. Therefore, the fundamental conditions, manufacturers' structure, and behavior shall affect the performance of an industry more or less. If we judge the operation achievement by a few items of indices, we may lose the big picture of the entire industry potentials. However, if we can explore the industry from theoretical views on the industry's organizational framework toward seniors' residence, we may have a better understanding of the issue. Then, we may be in a better position to improve and grasp the commercial initiatives. From this perspective, the primary development model for the social population structure of Taiwan in 2025 will further its study on the following eight aspects: economic security and financial management, mental and physical health and interpersonal communications, aged residence environment requirement planning, social involvement and caring, health care, leisure and entertainment requirement on seniors, seniors' learning and manpower recycle, and retirement lifestyle planning for seniors.

As Taiwan is heading for an aged society, with the trend of baby boomer generation reaching their elderly period, the entire national economic development will be affected. An increase in the baby boomer generation population becoming aged will make a substantial impact on national politics, economy, and society development. The aged people will also constitute the main force of the country on the consumption market, thus changing the commercial and consumption behavior patterns of the Taiwanese people and increasing national finance spending on senior retirement pensions, health care, and social welfare. Moreover, the aged population displays a low job-pursuing attitude, influencing the national labor production force if there is a marked decrease in the young work force. Further, the fewer children trend may deteriorate the rate of young people caring for seniors, and when the family members are on the decrease annually, the family function will be reduced as well (The Council for Economic Construction of the Executive Yuan, 2010). In 2009, the OECD proposed The Healthy Aging Policy to serve as an important framework for policy implementation, including (1) improving the integration of aged, economic, and social lifestyles, (2) constructing a better lifestyle, (3) building a health care system that is tailored to the requirements of the aged people, and (4) considering the effects on social and environment dimensions.

Various countries have conducted their own policy efforts to better address the aged population in physical, mental, and social domains and to allow the aged to actively enter the society without any discrimination. So doing will certainly maintain the good health status and independent living quality of the aged, which will surely reduce the medical care cost and the dependence on social welfare resources while keeping the welfare of the aged.

4. References

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