

RECOGNISING THE CONCEPT OF THE GLOBAL AGEING POPULATION AND RETIREMENT ABROAD: EVIDENCE FROM MALAYSIA AS A HOST COUNTRY

Associate Professor Dr. Khairiah Salwa Mokhtar
Department of Political Science, School of Distance Education
Universiti Sains Malaysia, 11800 Penang, Malaysia
Email: khairiah@usm.my

Nurulhasanah Abdul Rahman*
Department of Political Science, School of Distance Education
Universiti Sains Malaysia, 11800 Penang, Malaysia
Email: hasanah.rahman89@yahoo.com

ABSTRACT

The rapid growth in the global ageing population necessitates an intensified effort for more research to be conducted that focuses on the issues surrounding the elderly. To answer this call, the current paper reviews the emerging concept of retirement abroad and describes the Malaysian experience as a host country. Many countries are struggling to manage their ageing populations, and efforts to ensure adequate policy focus on the elderly are alarmingly unconvincing. The global phenomenon of active ageing continues to evolve and motivate the elderly to explore new places and, to a certain extent, travel to other countries to enjoy their retirement years. This trend is known as retirement abroad. Wealthy foreigners are shifting their interest to countries that are cheaper and have warmer climates, particularly those in Southeast Asia. In response, the Malaysian government launched the Malaysia My Second Home Programme (MM2H) to promote Malaysia as a retirement hub for financially independent foreigners. With its focus on creating a good and affordable life experience, the MM2H programme is a remarkable second home programme for retirees, regardless of skin colour, race, and religion. However, to date, there is little information regarding the experience of the host country. In fact, studies related to the foreign ageing population in Malaysia are limited. With that, this study presents the current situation of the ageing population worldwide and what issues or avenues can be employed to lure them into Malaysia. Also, the policymakers are encouraged to include the global ageing population as part of the government policies owing to their benefits to the local economy and the positive impact of Malaysian reputation in the international arena.

Key words: Ageing population, elderly, Malaysia, foreign citizens, retirement abroad

INTRODUCTION

Over the years, many countries have faced a demographic transition due to the growth in the global ageing population. This increasing proportion of elderly people in society poses significant challenges to governments and requires urgent policy changes. Some governments have intervened by raising the age of participation in the labour force, while others have encouraged their elderly citizens to retire abroad (Guan, 2018; Hudson, So, Li, Meng, & Cardenas, 2019; Frimmel, 2021). The literature on the ageing population predominantly highlights early retirement, active ageing, and retirement homes (Zamzury & Omar, 2019; Ali, 2020; Kuhn, Grabka, & Suter, 2020; Yaacob, Nayan, Teh, & Hussain, 2020). Nevertheless, the discussion on specific post-retirement activities, especially those related to travelling across the country or settling down in a foreign country, is still in its infancy (Hudson et al., 2019; Ali & Ahmad, 2020).

The elderly are at severe risk of contracting COVID-19 (Chung, Rebecca, Singau, Pazim, & Mansur, 2020). As a result, many elderly people have opted to relocate or participate in a second home programme as a 'safe haven' to avoid infection in their home country. The choice of destination depends on the host country's level of medical and technological advancement and the quality of the healthcare systems (Chongkittavorn, 2020).

In essence, many elderly people prefer to retire abroad to pursue self-fulfilment and better quality of life than to continue to reside in their home country (Hudson et al., 2019; Shakuto, 2019; Wong, Musa, & Taha, 2017). To this end, the present study broadens policy perspectives by examining the extent to which a second home programme can regulate the wellbeing of the global ageing population from the vantage of the host country, in this case, Malaysia. As a matter of fact, the phenomenon of retirement abroad is under-research in Malaysia. Therefore, the Malaysian government may consider seizing this opportunity to rectify the issue of the global ageing population, which is now in great demand (Wong et al., 2017; Mokhtar & Rahman, 2020).

GLOBAL AGEING POPULATION

The number of elderly in the world will exceed the number of youth for the first time in history by the year 2030 (United Nations -UN, 2017; Subramaniam, 2020). According to the UN, the elderly are projected to have doubled by 2050 and tripled by 2100 (UN, 2017). Consistent with the UN definition, most countries describe the elderly as those aged 60 years and above (Balachandran & James, 2019; Scheffel & Zhang, 2019).

Previously, researchers argued that the world is facing a greater challenge than economic crises, climate change, and extreme poverty, which emphasises the rapid demographic transformation of the ageing population (Kwan & Drolet, 2015; Mokhtar, Rahman, & Haron, 2020). Indeed, there is a growing concern that the current global technological advancements lead to significant economic change and disparities, which are having adverse effects on society. Reduced fertility and mortality rates have given rise to populations' increased survival and extended life expectancy (Mansor, 2019; Subramaniam, 2020). Accordingly, the proportion of elderly people increases dramatically and affects all countries, albeit at different speeds. Notwithstanding, many countries are experiencing a swift and persistent growth in the number and percentage of elderly people in their population (Graycar, 2018; Scheffel & Zhang, 2019). Policymakers worldwide are therefore moving with urgency to establish policies that address the needs of the ageing population.

Some developed countries are shifting towards the concept of active ageing and are experiencing a growing demand for facilities and programmes to cater for this marginal population (Stewart, Auais, Belanger, & Phillips, 2019; Subramaniam, 2020). Active ageing refers to the concept of elderly people who are healthy, independent, and productive from physical, mental, and financial perspectives (World Health Organization, 2002; UN, 2017). However, it should be noted that active ageing does not necessarily mean a life without disease (Paul, Ribeiro, & Teixeira, 2012; Stewart et al., 2019). Instead, it indicates improved longevity resulting from a balanced interaction between the physical and mental health of the elderly through the maintenance of their daily activities even with age-related diseases (Kostopoulos, Kyritsis, Ricard, Deriaz, & Konstantas, 2018; Lin, Jeng, & Yeh, 2018; Zamzury & Omar, 2019).

Some scholars have indicated that the elderly deserve to have sustained enjoyment of life after decades of working to make a living (Zaninotto, Wardle, & Steptoe, 2016; Hudson et al., 2019; Frimmel, 2021). For instance, the elderly in Australia, Europe, Germany, and the United Kingdom generally have good financial support and healthy and active lives (Foster, 2018; Liotta et al., 2018). With increasing life expectancy, retirement years are a time the elderly can utilise to explore the world and different cultures and live their lives to the fullest. For that reason, some people may be motivated to retire to other countries to satisfy their personal desires and remain socially engaged. Scholars primarily refer to this concept as retirement abroad (Huisman, Klokgieters, & Beekman, 2017; Kozerska, 2017; Gusmano & Okma, 2018).

RETIREMENT ABROAD

Retirement abroad is increasingly being documented as an essential and universal requirement for an active and healthy ageing population. Recent trends in older age migration have led to a plethora of studies demonstrating that many retirees opt for a second home programme in foreign countries to obtain a better standard of living (Hudson et al., 2019; Kuhn et al., 2020). Indeed, researchers have concluded that having a second home for retirement is becoming a social phenomenon worldwide (Sunil, Rojas, & Bradley, 2007; Hudson et al., 2019; Kuhn et al., 2020). In fact, this retirement option is not a new topic in relation to Western countries such as Australia, Europe, United States, and the United Kingdom (Cribier, 1980; Haas, Bradley, Longino, Stoller, & Serow, 2006; Foster, 2018).

However, the literature on retirement programmes tends to refer to, for example, pull-and-push motivation factors, social demographic inequalities, and the impact of economic, social, and political changes in the host countries (Husa, Vielhaber, Jostl, Veress, & Wieser, 2014; Wong et al., 2017; Kuhn et al., 2020), and there is scant information on retirement programmes in the Malaysian context.

MALAYSIA MY SECOND HOME PROGRAMME

In Malaysia, a retirement programme, the Malaysia My Second Home (MM2H) programme, was established under the National Tourism Development Strategy through the Ninth Malaysian Plan (2006–2010) (Mosbah & Khuja, 2014). This government initiative promotes Malaysia as a retirement hub for affluent foreigners with the aim of boosting the economy and the tourism industry (Guan, 2018; Jayaraman, Khu, & Kiumarsi, 2019).

The MM2H was launched in 2002 for non-Malaysian senior citizens to stay in Malaysia for a definite period. Technically, the MM2H programme is the same as the Silver Hair Programme, which was established in 1987 and has been rebranded. Even though the initial target group of the Silver Hair Programme was retirees from countries that have close economic and diplomatic ties to Malaysia (i.e. Japan and the United Kingdom), the age limit of the MM2H programme had been lowered to include foreigners younger than 50 years of age (Mosbah & Khuja, 2014; Wong et al., 2017; Guan, 2018). It offers incentives to MM2H applicants to stay in the country for ten years on a multiple-entry social pass with the respective visas.

Owing to a series of reforms, the MM2H programme is continually being revised as a government-initiated tourism programme to promote Malaysia as a second home destination for financially independent foreigners. The main objective of the MM2H programme has thus shifted from the original objective, which was to focus on senior citizens and retirees, to attract investors whom the Ministry of Home Affairs has approved to stay in Malaysia for an extended period.

Some researchers have claimed that the MM2H programme is an inbound migration policy (Wong et al., 2017; Jayaraman et al., 2019), while others have portrayed it as a tangible manifestation of the retirement migration concept (Ono, 2008; Guan, 2018). Nevertheless, the MM2H programme, as part of Malaysian foreign policy, continues to represent a retirement and investment programme to cater to the foreign elderly and strengthen the Malaysian economy.

MM2H AS A RETIREMENT PROGRAMME

Previous studies have noted that prospective applicants for retirement programmes often complain about the unclear retirement policy classifications used in different countries (Wong et al., 2017; Khan, Misnan, & Ismail, 2018). For instance, some countries use the term 'Elite Visa', while others refer to the 'Golden Visa', 'Retirement Visa', and 'Special Resident and Retirees Visa'. In other countries, global retirement programmes are described in the local language, which complicates their efforts to draw prospective applicants. However, the Malaysian government uses the MM2H programme to promote the concept of retirement abroad and the second home programme.

The implementation of the MM2H programme marks the effort of the Malaysian government to adhere to the Sustainable Development Goals developed by the United Nations and demonstrates the government's commitment to strengthening the wellbeing of the global ageing population. Thus, the MM2H programme provides evidence that the Malaysian government supports global sustainable goals through engagement, partnership, and international relations to cater to senior foreign citizens.

The MM2H programme provides proper accommodation, facilities, and culture sharing through socialising and blending with the locals. In some countries, the cost of living for foreign citizens is expensive, and locations for their accommodation are sometimes restricted to a designated area, away from the locals (Wong et al., 2017). With the intention to protect the local cultures and lifestyles, the host country's decision, in a way, neglects the emotional wellbeing of the second home programme participants.

However, the Malaysian government allows the foreigners who participated in the programme to choose any location in the country to reside. Besides, the participants are encouraged to socialise and blend with the locals through numerous community programmes. For instance, National Library Malaysia organised the Malay Language Workshop annually by inviting the participants to learn and use the Malay language in their daily lives (Jaafar, 2015). The participants are exposed to basic communication skills using the Malay language and, at the same time, promote the Malaysian cultures.

With the availability of decent healthcare services, the MM2H programme offers a supportive environment for the elderly to live well in Malaysia. It further documents the government effort to support the global sustainable agenda through the inclusion of the elderly in society, reflecting people of all ages. In addition, the programme offers a significant evidence-based analysis of the social and economic outlook of retired migrants in Malaysia. In other words, the programme presented the Malaysian practical initiative in attending to senior foreign citizens, rather than depending on academic proposals or policy papers.

The MM2H programme proved the Malaysian government commitment to translating global policies into domestic legislation. Introduced in 2002, the programme continues to serve the global ageing population to date. It allows foreign retirees from any part of the world the ability to track Malaysia's progress in caring for the ageing population. Constant monitoring and review by respective ministries should be carried out to ensure the wellbeing of the participants is taken care of accordingly.

CONCLUSION

With the growth of the global ageing population, the concept of retirement abroad demands substantial attention. It is widely documented that the elderly (especially those without chronic diseases) who are financially independent are opting for second home programmes to improve their quality of life. After investing decades in their work to earn a living, the decision to retire abroad is appropriate as it offers greater freedom and the opportunity to embrace new lifestyles and different cultures. The MM2H programme provides a broad avenue for retirees to remain socially engaged and celebrate their retirement with new life experiences. The Malaysian government actively encourages foreign retirees to consider Malaysia as a host country and retirement destination and welcomes the global ageing population with open arms.

ACKNOWLEDGMENT

The authors thank the Malaysian government, the Ministry of Education and Universiti Sains Malaysia for the Long-Term Research Grant Scheme (LRGS - 203.PJAUH.67212003) and USM Fellowship Scheme 2019.

REFERENCES

- Ali, M. N. (2020). Business model canvas template for a retirement home: A review from different concept in Malaysia. *International Journal for Studies on Children, Women, Elderly, and Disabled*, 9(1), 1-9.
- Ali, M. N., & Ahmad, A. (2020). Understanding elderly as travel companionship in silver hair community in Malaysia. *International Journal for Studies on Children, Women, Elderly, and Disabled*, 10(6), 74-80.
- Balachandran, A., & James, K. S. (2019). A multi-dimensional measure of population ageing accounting for Quantum and Quality in life years: An application of selected countries in Europe and Asia. *SSM-Population Health*, 7, 1-9. <https://doi.org/10.1016/j.ssmph.2018.100330>.
- Chongkittavorn, K. (2020, June 23). 7 secrets of Thai COVID-19 success. *Bangkok Post*. <https://www.bangkokpost.com/opinion/opinion/1939416/7-secrets-of-thai-covid-19-success>.
- Chung, C. F., Rebecca, T. S., Singau, J., Pazim, K. H., & Mansur, K. (2020). The repercussions of Covid-19 pandemic on the wellbeing of older people in Malaysia: A literature review. *International Journal for Studies on Children, Women, Elderly, and Disabled*, 11(10), 17-23.

- Cribier, F. (1980). A European assessment of aged migration. *Research on Aging*, 2(2), 255-270. <https://doi.org/10.1177/016402758022013>.
- Foster, L. (2018). Active ageing, pensions and retirement in the UK. *Journal of Population Ageing*, 11(2), 117-132. <http://doi.org/10.1007/s12062-017-9181-7>.
- Frimmel, W. (2021). Later retirement and the labor market re-integration of elderly unemployed workers. *The Journal of the Economics of Ageing*, 19, 1-13. <https://doi.org/10.1016/j.jeoa.2021.100310>.
- Graycar, A. (2018). Policy design for an ageing population. *Policy Design and Practice*, 1(1), 63-78. <https://doi.org/10.1080/25741292.2018.1426972>.
- Guan, B. T. C. (2018). Retirement migration: The Malaysia My Second Home (MM2H) programme and the Japanese retirees in Penang. *International Journal of Asia Pacific Studies*, 14(1), 79-106. <https://doi.org/10.21315/ijaps2018.14.1.4>.
- Gusmano, M. K., & Okma, K. G. (2018). Population aging and the sustainability of the welfare state. *Hastings Center Report*, 48, 57-61. <https://doi.org/10.1002/hast.915>.
- Haas, W. H., Bradley, D. E., Longino Jr, C. F., Stoller, E. P., & Serow, W. J. (2006). In retirement migration, who counts? A methodological question with economic policy implications. *The Gerontologist*, 46(6), 815-820. <https://doi.org/10.1093/geront/46.6.815>.
- Hudson, S., So, K. K. F., Li, J., Meng, F., & Cardenas, D. (2019). Persuading tourists to stay–Forever! A destination marketing perspective. *Journal of Destination Marketing & Management*, 12, 105-113. <https://doi.org/10.1016/j.jdmm.2019.02.007>.
- Huisman, M., Klokieters, S. S., & Beekman, A. T. F. (2017). Successful ageing, depression and resilience research; a call for a priori approaches to investigations of resilience. *Epidemiology and Psychiatric Sciences*, 26(6), 1-5. <https://doi.org/10.1017/S2045796017000348>.
- Husa, K., Vielhaber, C., Jostl, J., Veress, K., & Wieser, B. (2014). Searching for paradise? International retirement migration to Thailand - A case study of Hua Hin and Cha-am. In K. Husa, A. Trupp, & H. Wohlschlagl (Eds.), *Southeast Asian mobility transitions: issues and trends in migration and tourism, edition: Discussions on Geography and Regional Research* (pp. 137-167). The University of the South Pacific.
- Jaafar, M. I. C. (2015). *Let's learn Malay language workshop*. <https://www.pnm.gov.my/pnm/resources/flipbook/BuletinPustaka2-2015/files/pustaka%20isu%202%20final%206012016%20smallest.pdf>.
- Jayaraman, K., Khu, S. Y., & Kiumarsi, S. (2019). Emigrants' motivation business model for intention to participate in the Malaysia My Second Home programme. *International Journal of Services and Operations Management*, 33(2), 187-207. <https://doi.org/10.1504/ijssom.2019.100292>.
- Khan, M. J., Misnan, S. H., & Ismail, H. N. (2018, August). *Second home programmes development and Malaysia experience* [Paper presentation]. In Proceedings of 7th International Graduate Conference of Engineering, Science and Humanities, Johor Bahru, Malaysia.
- Kostopoulos, P., Kyritsis, A. I., Ricard, V., Deriaz, M., & Konstantas, D. (2018). Enhance daily live and health of elderly people. *Procedia Computer Science*, 130, 967-972. <https://doi.org/10.1016/j.procs.2018.04.097>.
- Kozerska, A. (2017, May). Successful ageing from the perspective of young adults in Poland. In *Proceedings of the International Scientific Conference*. Volume II, 421-434. <https://doi.org/10.17770/sie2017vol2.2336>.
- Kuhn, U., Grabka, M. M., & Suter, C. (2020). Early retirement as a privilege for the rich? A comparative analysis of Germany and Switzerland. *Advances in Life Course Research*, 47, 1-10. <https://doi.org/10.1016/j.alcr.2020.100392>.
- Kwan, C., & Drolet, J. (2015). Towards age-inclusive sustainable development goals: exploring the potential role and contributions of community development. *Community Development Journal*, 50(4), 589-607. <https://doi.org/10.1093/cdj/bsv036>.
- Lin, C. S., Jeng, M. Y., & Yeh, T. M. (2018). The elderly perceived meanings and values of virtual reality leisure activities: A means-end chain approach. *International Journal of Environmental Research and Public Health*, 15(4), 1-13. <https://doi.org/http://dx.doi.org/10.3390/ijerph15040663>.
- Liotta, G., Canhao, H., Cenko, F., Cutini, R., Vellone, E., Illario, M., ... & Marazzi, M. C. (2018). Active ageing in Europe: Adding healthy life to years. *Frontiers in Medicine*, 5, 123-126. <https://doi.org/10.3389/fmed.2018.00123>.
- Mansor, N. (2019, April 16). Dividend from an ageing population. *News Straits Times*. <https://www.nst.com.my/opinion/columnist/2019/04/479798/dividend-ageing-population>.
- Mokhtar, K. S., & Rahman, N. A. (2020). Understanding the concept of policy transfer: A systematic literature review approach. *International Journal of Politics, Publics Policy and Social Works*, 2(5), 1-13. <https://doi.org/10.35631/IJPPSW.25001>.
- Mokhtar, K. S., Rahman, N. A., & Haron, M. S. (2020). Complying with the United Nations' Sustainable Development Goals: A case of the Malaysian ageing population and infectious disease. *Global Journal of Business & Social Science Review*, 8(1), 1-11. [https://doi.org/https://doi.org/10.35609/gjbsr.2020.8.1\(1\)](https://doi.org/https://doi.org/10.35609/gjbsr.2020.8.1(1)).
- Mosbah, A., & Al Khuja, M. S. A. (2014). A review of tourism development in Malaysia. *European Journal of Business and Management*, 6(5), 1-9.
- Ono, M. (2008). Long-stay tourism and international retirement migration: Japanese retirees in Malaysia. *Senri Ethnological Reports*, 77, 151-162.
- Paul, C., Ribeiro, O., & Teixeira, L. (2012). Active Ageing: An Empirical Approach to the WHO Model. *Current Gerontology & Geriatrics Research*, 2012, 1-10. <https://doi.org/10.1155/2012/382972>.
- Scheffel, J., & Zhang, Y. (2019). How does internal migration affect the emotional health of elderly parents left-behind? *Journal of Population Economics*, 32(3), 953-980. <https://doi.org/10.1007/s00148-018-0715-y>.
- Shakuto, S. (2019). Postwork intimacy: Negotiating romantic partnerships among Japanese retired couples in Malaysia. *American Ethnologist*, 46(3), 302-312. <https://doi.org/10.1111/amet.12828>.
- Stewart, J. M., Auais, M., Belanger, E., & Phillips, S. P. (2019). Comparison of self-rated and objective successful ageing in an international cohort. *Ageing & Society*, 39(7), 1317-1334. <https://doi.org/10.1017/S0144686X17001489>.
- Subramaniam, P. (2020, October 24). The changing nature of ageing. *The Edge Markets*. <https://www.theedgemarkets.com/article/changing-nature-ageing>.

- Sunil, T. S., Rojas, V., & Bradley, D. E. (2007). United States' international retirement migration: The reasons for retiring to the environs of Lake Chapala, Mexico. *Ageing & Society, 27*(4), 489-510. <https://doi.org/10.1017/S0144686X07005934>.
- United Nations [UN]. (2017). *Ageing - Thailand, Malaysia, Indonesia and Cambodia: Demographic Transition, Policy and Programmatic Responses. Selangor, Malaysia: International Council on Management of Population Programmes (ICOMP)*. http://site.icomp.org.my/Clients/icompl/icompl-ippf-ageing_case-studies-for-website.pdf.
- World Health Organization (WHO). (2002). *Active ageing a policy framework*. https://apps.who.int/iris/bitstream/handle/10665/67215/WHO_NMH_NPH_02.8.pdf;jsessionid=BA3B5CDC54BF205A1D7FF0786D7CE883?sequence=1.
- Wong, K. M., Musa, G., & Taha, A. Z. (2017). Malaysia my second home: The influence of push and pull motivations on satisfaction. *Tourism Management, 61*, 394-410. <https://doi.org/10.1016/j.tourman.2017.03.003>.
- Yaacob, W. N. A. W. A., Nayan, N. M., Teh, M. Z., & Hussain, N. H. M. (2020). Elderly living environment: gardening as restorative benefits in retirement homes. *International Journal for Studies on Children, Women, Elderly, and Disabled, 9*(1), 61-67.
- Zamzury, S. N., & Omar, M. R. (2019). Healthy ageing in women: Anti-ageing properties of common herbs from modern and Islamic perspective. *International Journal for Studies on Children, Women, Elderly, and Disabled, 7*(6), 17-22.
- Zaninotto, P., Wardle, J., & Steptoe, A. (2016). Sustained enjoyment of life and mortality at older ages: analysis of the English Longitudinal Study of Ageing. *BMJ: British Medical Journal, 355*, 1-8. <https://doi.org/10.1136/bmj.i6267>.