

## The Development of Retirement Center in Malaysia: Lesson from Japan

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### ABSTRACT

The main objective of this paper is to look up the development of retirement centre or nursing homes in Malaysia with reference to Japan. The paper provides historical studies which have been analysed in this paper to show the benchmark for Malaysia. Some improvements of retirement center are developed throughout the case studies taken from other countries. This paper aims to give a picture of Malaysia elderly health care system in the future so that proper steps would be taken for a better retirement center.

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## INTRODUCTION

This section would introduce the elderly health care, with the definition of Quality of life (QOL) and some interpretation of cases that occur worldwide in order to give a better explanation on the topic. Quality of life is defined as the positive respond towards therapeutic encounter according to medical professionals. Through self-evident, the quality of life was qualitative and reflects itself through good and happy life that reaches the satisfactory level of the elderly [23]. The question arises on a simple matter of needs by elderly. Research by Wilby, F. & Chambless, C., suggested that many elderly were referred to the elderly care homes due to the higher monthly income and dependency to do heavy housework and bathing becomes the main determinant of the referral programme.

One of the case study done by Garvican, L., & Bickler, B., [14] at East Sussex, Brighton would give a good reflection of care homes in Malaysia within tens of years to come. The survey revealed the pressure felt by the authorities that provide elderly care services. The demand from the clients increase the costs of operation with reduction in funding allocations were making it worse. Some of these houses have started to take in clients that could provide extra payment. Some even refuse to take any client that is funded by public. Due to the worsen situation, some of the surveyed homes were on sale or due to close.

Another issues has been raised by Redfern, S., et. al. [27]. It is difficult to both care takers and elderly that chose to live in their own homes without proper supervision from expertise. This research shows that there should be more aspects taken into consideration besides costs. The question would arise; is it worth it to reduce cost but increase the burden and pressure? According to Michael Wolfson and Geoff Rowe, the increasing numbers of elderly will cause inappropriate burdens to their children in order to fund public pensions and health-care services. This problem has become a world phenomenon where inter-generations are slightly smaller than intra-generations and this problem also starting to occur in Malaysia. The growth of elderly care homes would implies the workers in the industry which dissatisfaction can be seen from the aspects of wages and benefits.

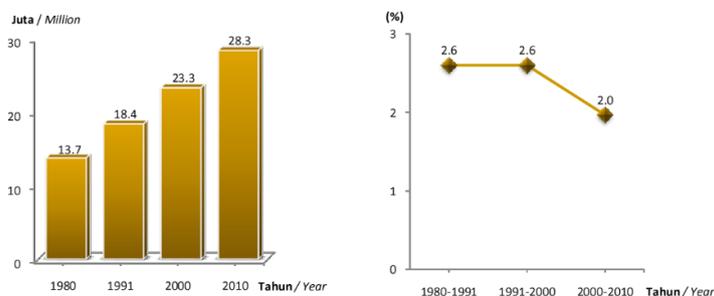
According to Eileen J. Porter [12], there is little known about older person's expectations of home care compare to practitioners and researchers' expectation. We as practitioners and researchers should consider what the older persons want, needs or feel when they are in home care. We cannot expect what we want is the same as what they want because we don't know what exactly they are thinking if we don't do research based on what they feel, their needs, and their comfort zone when they're in care house.

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## 2. Population Growth:

### 2.1 Statistic Of Population:

This section would briefly explain the population growth of elderly in Malaysia by showing the total population, growth of population and the projection in 2040. The statistic data was taken from Department of statistic Malaysia [10]. All of the data would reflect the population of elderly in the future which could be used for the purpose of the care homes development. The number of elderly that grows indicates the high demands for care homes which would in turn affect the economics of Malaysia and Malaysian individually on the aspects of expenditure.



**Fig. 1:** Total Population of Malaysia, 1980, 1991, 2000 and 2010. **Fig. 2:** Average Annual Population Growth Rate, Malaysia, 1980-2010.

Source:

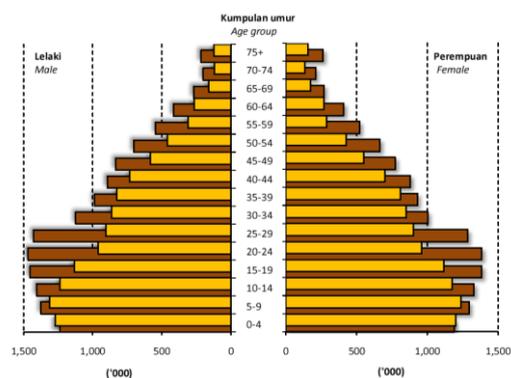
[http://www.statistics.gov.my/portal/download\\_Population/download.php?file=census2010/Taburan\\_Penduduk\\_dan\\_Ciri-ciri\\_Asas\\_Demografi.pdf](http://www.statistics.gov.my/portal/download_Population/download.php?file=census2010/Taburan_Penduduk_dan_Ciri-ciri_Asas_Demografi.pdf)

(Retrieved on 30 April 2014)

Within 30 years, Malaysia population was seen to increase its number to approximately 200% of its number in 1980. However, annual population growth has been decreasing by years (refer to figure 2). This chart summed up the facts that Malaysia would have more elderly in the future and less young generation.

Due to the total growth rate that is decreasing by year, Malaysia is having a higher number of young adult and teenagers. But the number of infants being born by years is decreasing (refer to figure 3). The results of these would produce a high number of elderly by year 2040 as projected in Chart 4.

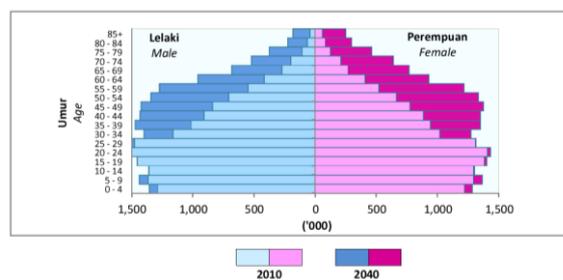
The facts that Malaysia would be populated by more elderly in the future is strengthened by Table 1, which shows the significant increase in percentage of number of elderly as projected by Department of Statistic Malaysia. Median Age in Table 1 has proven that Malaysia population is getting older generally with median age grow from 26.3 to 36 years old.



**Fig. 3:** No. of Population by Sex and Age Group, Malaysia, 2000 & 2010.

### Case Study:

A reference case to Japan is done to see the benchmark as Japan is one of the developed country and Malaysia is heading towards that within years to come. This chapter would also reflect the possible challenges for Malaysia in the future by taking references of other countries that has integrated elderly nursing home as part of their economic planning.



**Fig. 4:** No. of Population by Sex and Age Group, Malaysia, 2010 & 2040.

Tahun Year	0-14 ('000)	%	15-64 ('000)	%	65+ ('000)	%	Umur penengah Median age
2010	7,822.1	27.4	19,341.4	67.6	1,425.1	5.0	26.3
2015	7,733.4	25.4	20,971.9	68.8	1,779.9	5.8	28.2
2020	7,780.7	24.0	22,445.9	69.2	2,214.6	6.8	29.9
2025	8,009.5	23.4	23,533.4	68.6	2,751.3	8.0	31.5
2030	8,087.9	22.5	24,542.0	68.2	3,335.7	9.3	33.0
2035	7,893.4	21.1	25,606.1	68.5	3,889.9	10.4	34.5
2040	7,537.2	19.6	26,615.6	69.0	4,405.1	11.4	36.0

**Fig. 5:** Population Projection by Age Group, Malaysia, 2010-2040.

Source: [http://www.statistics.gov.my/portal/images/stories/files/LatestReleases/population/Ringkasan\\_Penemuan-Summary\\_Findings\\_2010-2040.pdf](http://www.statistics.gov.my/portal/images/stories/files/LatestReleases/population/Ringkasan_Penemuan-Summary_Findings_2010-2040.pdf)  
(Retrieved on 30 April 2014)

#### *Japan: The Development Of Elderly Health Care:*

Japan elderly care system started back in 7th century. Up until 1722, there was no centre built to treat and cure the elderly. The systems go to home care with neighbouring people helped to take care of the elderly. When the government started to see the issues of elderly, they looked back at ways to make the systems better by sending services, medications, and foods to the allocated homes that had elderly. In 1722, the first ever centre for elderly was built. But the centre did not just focus on elderly, but it also provide recuperation centre. Hence, it was called recuperation centre instead of elderly care centre. This centre brought about the first hospital in Japan in 1861 in Nagasaki. The systems in the hospital did not provide any services of care takers, so the patients need to bring their own care takers. The term care takers actually started to arise in Japan in 1869 where the job description for care takers was given; it developed into a career known as nurse. Modern implementation of elderly healthcare started in 1922 with Health Insurance Law being enacted. In 1923, Japan had its first public health centre that provides community medicine to the society. Japan suffered quite a loss during World War II with loss of population through diseases. After war in 1948, a law known as Public Health Nurses, Midwives and Nurses Law was implemented this brought about the tremendous number of nurses by years making hospital nursing more mainstream. Around the years, more hospitals were built to cater the health, declining the mortality rate. In 1973, free geriatric medical treatment was introduced; enabling easier access to the medical treatment for the elderly. However, this action has taken in to a different direction. Since the health care system was improved, Japan's population ages. With free treatment, they tend to spend more time in hospital causing a massive disadvantage of funding. Thus, a new law was introduced by limiting the age with special condition. In 1986, health care facilities were built to accommodate the demand of nursing for elderly. To reduce number of bedridden elderly in hospital, home-visit nursing care system was introduced in 1991.

#### *Japan: Nursing Home Development:*

Brasor, P., & Tsubuku, M., has adressed the issues that Japan has to face now due to the change of culture; traditional culture would has elderly staying with their families but has changed in 2th century due to the change of lifestyle. It has opened an opportunity of business by dominating small cheap lands to provide care for the elderly. The situation has become worse by restriction of funding from the government forcing the care takers to take ahead payment before taking in the elderly. This phenomenal has lead towards a situation where people would have to start saving for their end-life instead of depending on their family members.

Acording to an article from The Japan Times the costs of operation for elderly nursing care hits 8.9 trillion yen in 2012 and it is projected to be 21 trillion yen in 2025.. Matsuyama, K. has also stated that the number of elderly is increasing by year with more cases of elderly living alone. Almost half of the elderly is living alone right now in Japan with the projected value increase within 20 years. With 25 cases of elderly dying alone in

2010 according to Takeo, Y., Japan is now in a desperate situation for solution. Some development in technology has helped the government to find an alternative solution by producing low-cost nursing home robots to cater the needs of elderly. Japan is also planning to shift more nursing care center into home-visit nursing care system to save the budget while integrating a close network between parties concerned.

#### *Reflection On Malaysia:*

The things that Malaysia is lacking nowadays are proper facilities. Ramzi Nasser [26] stated that a relatively high level of mild depression among elderly and a lack of mobility were found. Generally, normally functioning elderly residents were well nourished and had moderate daily activity levels. This situation is almost the same in Malaysia where the care center for elderly is usually lack activity provided for them and most of the center only provided a place for them to stay.

From this section forwards, case studies from other countries are taken into account in order to propose an opportunity Malaysia can take for future development of nursing homes for elderly. According to Savvopoulos A. & Virvou M. [32], the usage of technology is crucial to be implemented in elderly to make a better and friendlier lifestyle for them. The requirements of installing basic computer technology for the usage of elderly has been proven to be required as presented by a model constructed by Strong, M. L., Guillot, L. & Badeau, J., where over 70% of the elderly were capable of using the system used in the model. Implementation of technology is also required for the data of elderly in the care homes which ease the communication of information among the care takers and the elderly which would increase the productivity of the care homes system. A glimpse to the future, robotic aids such as companion robots, and robotic wheelchairs are being developed by now. They would be a great addition to the care homes and at some points in the future, the implementation of it might become necessary; something that can be seen from implementation of technology nowadays. But this issues would create an implications towards expenditure for care homes causing an increased possibility of getting more paid care home in Malaysia if this method were to be applied.

Another factor that contributes to the higher expenditure for elderly care homes was highlighted by some guidelines for a better care home. However, these guidelines are necessary for a higher quality of living for elderly. One of the discussed matters concerns the provision of specialists from relevant fields such as physiotherapists, psychologists, and dieticians. Creating a better structure and facilities and providing a continuous good service to each elderly are another aspects that should be taken into consideration. Besides that, sustainable design has been pressurized the development of elderly care homes in order to provide a better, safer, and comfortable living environment.

In aspect of duration, according to Samantha Strens and Eva Kahana, the number of elderly requiring long-term care in society is getting higher. Due to the increasing number of elderly around the world, most country are having this crisis. But the problem is the place for this elderly to stay is not enough and if there is any the fee is too expensive for them to pay. This situation happens to Malaysia because even the place provided is comfortable and has a lot of facilities, the fee is way too expensive. According to Gary A. Hoover (2004), the increasing in elderly population is mostly related to poverty. With all the new technology and the paying system at retirement center that has started in most country, the probability for elderly to become a homeless people is high if they don't have any children to support them or the children can't afford to support them, because they don't have enough money to pay for the retirement center fees.

Looking at the perspective of fall accidents, it has become quite important to look at since treating the injury would increase the unnecessary costs. The prevention method has been identified which has been divided into low tech and high tech method. The low tech includes proper meal for better eye vision and detailed exercise routine which is cheaper compared high tech method that requires installation of monitoring camera in a premises.

Due to all of these factors that increase the expenditure for an elderly, it has become a chance of entrepreneurship. According to Davis, J. A., Marino, L. D., & Vecchiarini, M. [7] financial performance is positively reflected in nursing homes investments. The variation of financial performance depends on the risk taken by the firm; lower risk would produce a good short term financial performance while higher risk shows a good long term financial performance with poor short term financial performance.

#### *Discussion:*

When we look at the community programme perspective we can see that Japan has started to develop a programme where they are sending the nurse to home daily. This programme can be very helpful and easier for the elderly where they don't have to go out from the house to get a medical treatment.

Beside that Japan has already develop a robotic and technology towards the retirement center to help the elderly who lived there. By using this kind of technology it can encourage elderly to be independence where they can live on their own without needing any help from others. This programme can also build up their self-esteem because they no longer need help from others.

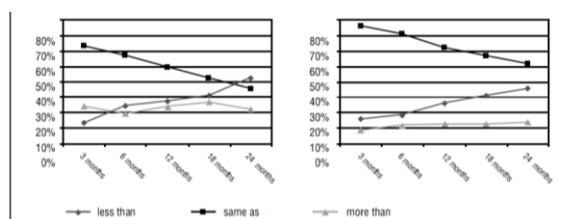
From business perspective, all this programme can be a good investment for them because they are living a better life when they enter to the retirement center. They can choose whether they want to have a good way of living by pay more expensive fees, for they can have a sufficient way of live and they can get that with a cheaper price.

From overall perspective it has a pro and cons by developing all this programmes. In a good way there will be more choices for them to choose how they want to lived. By using robotic to help them in daily basic needs it can upgrade their knowledge about technology these days. By build more and more retirement house like this it can awaken there society awareness towards this world phenomenon problems.

There are some bad sides by developing these programmes, the cost sometimes can be more expensive than what they can pay and this can lead to another problem where people who can't pay the price would end up being homeless. More funding are needed in order to be able to cover all the elderly who needs help because the amount of elderly is increasing year by year.

#### Conclusion And Recommendation:

This chapter would try to impose some solutions that would be necessary to look up to for the parties concerned. As proposed by McClimont B., 2002, responds from the government is crucial to fund the care homes. Depends on this value, care home could develop into a better homes for later life or just diminish with time. Reablement could possibly be one of the most effective cost reduction method by reducing the number of hours spend in care homes (refer to Figure 1). What reablement does was adapting elderly and sick people with a certain skills without making them better.



**Fig. 6:** Changes in Amount of Home Care Usage after Reablement.

Bell, L., provided an alternative solution towards this problem by looking at bringing the services that exist in nursing care homes to the homes of the elderly themselves. A solution that could bring a new perspective towards expenditure of unnecessary costs on transportation while bringing the family closer. If in any way possible, less funding is coming and more private care homes are being built, the proposed solution would give an options for those who do not want to spend thousands of ringgit per year in their pocket to private care homes.

Any organizations concerned need to take some serious action towards learning a good design and management of Elderly health care and retirement center. One good example is the acquisition of retirement centre by KPJ Healthcare, who has bought 51 percent shares of a retirement village from Jeta Gardens in Australia [31]. The steps taken should be praised since Malaysia is still a non-developed country in sense of retirement centre or care homes. What KPJ could learn from the retirement village could be applied in Malaysia by looking at the strength and weakness of the retirement centre. A baby steps that could.

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