Empowering Indonesia's Ageing Workforce: A Strategic Roadmap for Sustainable Economic Growth

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Abstract

Indonesia is expected to reach its demographic dividend peak by 2035. After this period, the productive-age population will transition into an ageing population, increasing dependency on the working-age group. This demographic shift demands holistic policies to create age-friendly work environments, empower the elderly, and ensure inclusive protection to sustain Indonesia's economy. By 2050, the population aged 65 and above will reach 56 million, with life expectancy increasing to 79.64 years. In 2023, approximately 53.93% of Indonesia's elderly population remained employed. Although Presidential Regulation No. 88/2021 addresses the National Elderly Strategy, it requires revision to enhance the empowerment and protection of elderly workers. Learning from other countries, ASEAN nations like Singapore and Malaysia have enacted re-employment laws for workers over 60. At the same time, Japan and South Korea implement re-employment programs, training, and workforce placement for the elderly. To address the ageing population, Indonesia must develop a comprehensive national strategy, including re-employment schemes, skill development, entrepreneurship, social protection, and the silver economy. A five-year roadmap (2025-2029) outlines the strategy's phased implementation: strengthening policies and public awareness in 2025, program implementation in 2026, expansion of re-employment and entrepreneurship in 2027, silver economy development in 2028, and program sustainability by 2029.

Keywords: ageing population, elderly workforce empowerment, re-employment programs, silver economy, sustainable economic strategy

1. Introduction

Indonesia is predicted to experience its demographic dividend by 2035, with the peak possibly occurring as early as 2032. This period is a critical opportunity to accelerate economic

growth, as the dominance of the working-age population will drive active production capacity. However, after the demographic dividend ends, the productive-age population will transition into an ageing population, creating potential challenges such as increased dependency on the working-age group.

The ageing population occurs when the percentage of elderly individuals in a region or country exceeds 10% due to changes in population structure (Rijanta et al., 2022). Over the past decade, Indonesia has witnessed a steady rise in the population aged 60 and above, reaching 11.75% in 2023 (BPS, 2023). This trend signifies the onset of an ageing society. If properly managed, this phenomenon can become a "second demographic dividend," where the elderly remain productive and contribute to economic growth (Heryanah, 2015).

The productivity of the elderly is vital for maintaining their welfare while supporting national economic development. However, Indonesia's demographic transition is accompanied by challenges such as preparing a sustainable social security and healthcare system to support the growing elderly population.

Another challenge is economic transformation toward an ageing society. Elderly individuals need empowerment to remain productive, while economic burdens on the working-age population must be mitigated. Poorly managed elderly populations may become a strain on the economy. Therefore, holistic policies are needed to promote age-friendly workplaces, provide re-employment opportunities, offer training programs, and establish inclusive social security systems to ensure economic sustainability.

In Indonesia, the elderly population is projected to increase from 9.6% in 2020 to 15.8% in 2035 (BPS, 2020). This rise underscores the urgent need for effective strategies to empower elderly workers and keep them engaged in the workforce. Programs such as skill training, flexible work opportunities, and advanced education can improve their quality of life. Additionally, policies encouraging companies to recruit and retain elderly workers must be strengthened to maximize their potential.

The main obstacle to elderly workforce empowerment is negative perceptions regarding their physical and mental abilities. Elderly individuals are often viewed as less adaptable to technological advancements or fast-changing work dynamics, leading to age discrimination (Posthuma & Campion, 2009). However, research shows that older workers bring extensive experience, loyalty, and strong work ethics, which are valuable company assets.

In response to these challenges, various countries have developed policies and programs to boost elderly workforce participation. ASEAN nations like Singapore and Malaysia have enacted laws supporting re-employment for workers aged over 60 (Asher, 2018). Similarly, Japan and South Korea have implemented training and workforce placement programs for the elderly to address labor shortages caused by an ageing population (MHLW, 2020).

In Indonesia, although no specific policies target elderly workers, some initiatives, such as retraining programs, have emerged, particularly in the informal sector. According to BPS (2021),

about 50% of Indonesia's elderly remain employed, predominantly in agriculture and informal trade. However, without systematic interventions, their productivity in the formal sector remains underutilized.

Integrating elderly workers into the formal workforce requires collaboration between the public and private sectors. Empowerment through skill training, workplace adjustments, and tax incentives for companies employing elderly workers can create a more inclusive labor market. This approach aligns with inclusive economic policies that promote social welfare through active participation from all societal components, including the elderly (OECD, 2021).

The issues raised in this analysis include:

a. Transition to an Ageing Population: The increasing number of elderly individuals due to changes in population structure, leading to a shift from the demographic dividend to an ageing society.
b. Economic Dependency: Rising economic burdens on the working-age population as elderly individuals who are no longer productive dominate the population.
c. Lack of Specific Strategies and Policies: The absence of systematic and specific policies to empower elderly workers in Indonesia, particularly in the formal sector.
d. Negative Perceptions of the Elderly: Age discrimination (ageism) hinders elderly workforce participation, stemming from assumptions about declining physical and mental abilities.
e. Readiness of Infrastructure and Social Security: Challenges in preparing social security systems, healthcare programs, and training initiatives to support elderly individuals in remaining productive.
f. Underutilization of Elderly Workers in the Formal Sector: Most elderly workers in Indonesia are still engaged in the informal sector, while their productivity potential in the formal sector remains untapped.

2. Research Method

The evaluation of employment programs for empowering productive elderly individuals employs three primary approaches: desk study, Focus Group Discussion (FGD), and field surveys. The desk study involves analyzing secondary data from various sources, including academic articles, reports from international organizations such as the ILO and World Bank, and national policies related to elderly empowerment. This method provides a comprehensive understanding of program effectiveness by comparing it with relevant international practices. Additionally, analyzing local policies helps evaluate program alignment with national visions and identify opportunities for improvement based on best practices in other countries.

Focus Group Discussion (FGD) serves as a crucial method for gathering in-depth insights from stakeholders, including government representatives, academics, and the private sector. These discussions enable the collection of perspectives on program implementation, challenges, and opportunities. Government representatives offer insights into regulatory barriers, while

academics contribute theoretical and methodological approaches. The private sector provides a market-driven perspective on labor needs and productivity impacts. FGDs not only evaluate the economic aspects but also assess social impacts and program sustainability, serving as a foundation for policy recommendations and improvements.

The field survey complements the evaluation by collecting direct data from communities to understand the tangible impacts of programs at the local level. Surveys offer a representative overview of program effectiveness across diverse geographical and economic contexts. Data gathered from the field survey validate findings from the desk study and FGDs while providing practical information to adjust programs to better meet local needs. Together, these three methods form an evidence-based evaluation framework to optimize the empowerment of productive elderly individuals in Indonesia.

3. Results and Discussion

3.1. Profile of the Elderly Population in Indonesia

Data shows that the elderly population in Indonesia continues to grow. According to BPS, in 2020, around 10.8% of Indonesia's total population consisted of elderly individuals. Kompas Research and Development issues the Trend of Increasing Elderly Population in Indonesia.

Figure 1. Trend of Increasing Elderly Population in Indonesia
Source: Kompas Research and Development, 2022

The Figure 1 illustrates the trend in the increasing number of elderly individuals (aged over 60 years) in Indonesia from 2015 to 2045, with data segmented by gender. It shows a steady rise in the elderly population for both females (represented in red) and males (in blue). In every period, the number of elderly women consistently exceeds that of men. In 2015, the total elderly population was 23 million (12.1 million women and 10.9 million men). By 2045, this is projected to grow to 63.3 million, with 33.6 million women and 29.7 million men. The gender gap in the elderly population is notable, with women consistently outnumbering men by a significant

margin throughout the timeline. This reflects both population growth and demographic aging trends.

The March 2023 Susenas data reveals that 11.75% of the population are elderly, with a dependency ratio of 17.08. This means that for every 100 productive-age individuals (15-59 years), there are approximately 17 elderly people to support. Additionally, elderly women outnumber men (52.82% compared to 47.72%), and urban areas have a higher concentration of elderly individuals (55.35%) compared to rural areas (44.65%). Further classification shows that 63.59% of the elderly are "young elderly" (60-69 years), 27.76% are "middle elderly" (70-79 years), and 8.65% are "old elderly" (80 years and above). Yogyakarta has the highest proportion of elderly individuals (16.69%), followed by East Java and Central Java.

The elderly population is divided into two categories: potential elderly workers and non-potential elderly workers. This analysis focuses on potential elderly workers who are employed or nearing retirement. A significant portion of elderly individuals approaching retirement continues to bear economic responsibilities for their families and personal needs, compelling them to re-enter the workforce. This situation presents challenges that require both governmental and societal efforts to address.

The government has implemented a national strategy for the elderly population, focusing on empowerment and training programs, particularly in the employment sector. Policies are directed towards empowering elderly workers and providing them with adequate training.

Potential elderly workers who can be re-employed are relatively few and often limited to specific job types and qualifications. Meanwhile, existing labor regulations do not yet address the re-employment of retired workers. Special regulations are needed to govern elderly individuals returning to the workforce, ensuring that policies are oriented toward protecting elderly workers.

3.1.1. Elderly Workers and Productive Retirement Preparation

Elderly workers who are not re-employed require special attention in terms of empowerment and training to ensure they remain productive as they approach retirement. The government plays a crucial role in implementing appropriate policies to support elderly individuals in maintaining their economic stability. Population ageing occurs when the proportion of individuals aged 60 and above increases while the proportion of those under 15 decreases (Cicih, 2018).

Population projection analysis using three scenarios—optimistic, moderate, and trend—indicates a significant increase in the proportion of people aged 65 and older, particularly from 2020 onward, accelerating during the 2040-2045 period. According to the trend scenario, optimistic scenario, and moderate scenario, there is no significant difference in the number of individuals aged 65 and above from 2020 to 2035. However, between 2040 and 2045, the optimistic scenario projects the highest figure, with 50.85 million elderly individuals in 2045. In comparison, the moderate scenario projects 48.99 million, and the trend scenario estimates 47.33 million for the same year.

Elderly individuals are often perceived as unable to participate fully in the workforce due to declining health and competitiveness. However, many elderly individuals remain capable and productive. According to Law No. 13 of 1998 on Elderly Welfare, an elderly individual is considered "potential" if they are still able to perform work and/or activities that produce goods and/or services.
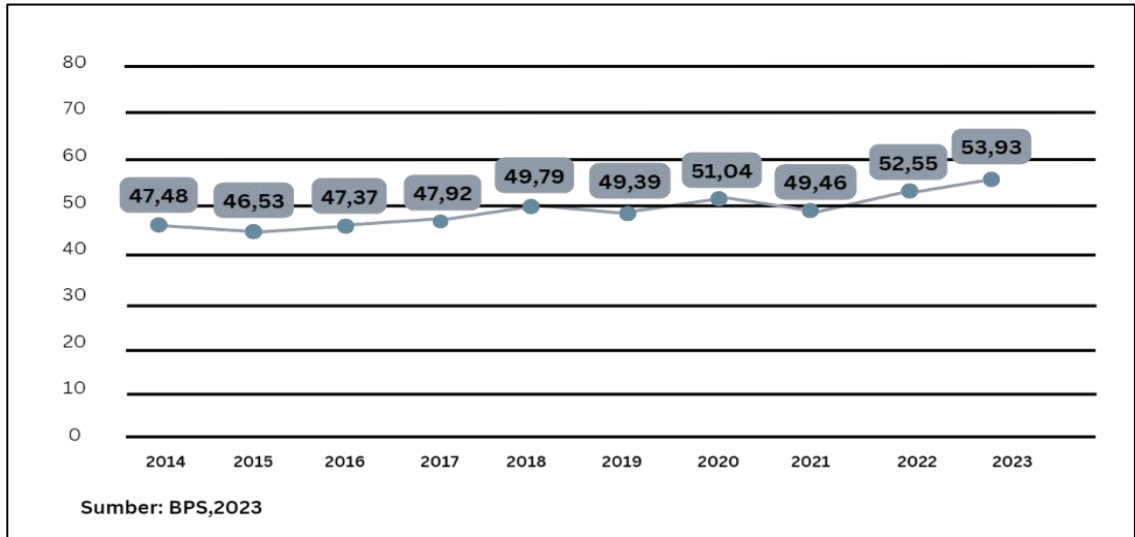

Figure 2. Percentage of Elderly Workers, 2014-2023
Source: BPS, 2023

The participation of potential elderly individuals in productive activities is one way to empower the elderly while prioritizing their psychological, social, cultural, and health needs, as illustrated in Figure 4. In 2023, the percentage of elderly individuals working in Indonesia reached approximately **53.93%**, reflecting the significant number of elderly people who remain active in the workforce. Over the past decade, the percentage of working elderly individuals increased by 6.45 percentage points, rising from 47.48% in 2014 to 53.93% in 2023.

Several factors influence the decision of elderly individuals to continue working, often at the expense of their leisure time. According to Wirakartakusumah and Anwar (1994) in Junaidi et al. (2017), these factors include physical and mental capability, economic pressure, and self-actualization or emotional motives.

On the other hand, elderly participation in the labor market not only highlights their productive potential but also reflects unmet socioeconomic conditions. This indicates that while elderly individuals are capable of contributing to the workforce, their participation may also stem from the need to address economic challenges and maintain financial stability.

3.1.2. Elderly Workforce Distribution in Indonesia

Based on data from BPS (2023), the percentage of elderly men working (67.87%) is significantly higher than that of elderly women (41.04%). When classified by region, the percentage of elderly workers in rural areas (63.34%) is notably higher than in urban areas

(47.02%). Furthermore, the majority of working elderly individuals fall into the "young elderly" category (aged 60-69), which accounts for a substantial 61.91%.

According to Susenas data cited by *Kompas*, 78% of elderly workers are engaged in the informal sector, while 21.5% are employed in the formal sector. Among those in the informal sector, 50.8% are self-employed, and 33.7% are assisted by unpaid or temporary workers. The provinces with the highest percentage of elderly workers in the formal sector include: (1) DKI Jakarta: 33.5%; (2) Riau: 31.2%; (3) Kepulauan Bangka Belitung: 30.5%. Meanwhile, provinces with the highest percentage of elderly workers in the informal sector are: (1) Bali: 75.8%; (2) North Kalimantan: 75.6%; (3) Jambi: 75.1%. This data highlights the dominance of informal sector employment among elderly workers in rural areas and the need for targeted policies to address their welfare and economic contributions.

3.2. National Strategy for the Elderly

Presidential Regulation No. 88 of 2021 on the National Strategy for the Elderly (Stranas Lanjut Usia) provides strategic guidance to address the demographic challenges posed by the increasing number of elderly individuals in Indonesia. With the elderly population projected to reach 15.8% by 2035 (BPS, 2020), this strategy focuses on protecting and empowering the elderly to ensure they remain productive and maintain their well-being.

The strategy emphasizes a comprehensive approach across multiple sectors, including health, employment, social security, and social participation, grounded in the principle of Active Ageing. This principle highlights the significant role of the elderly as active contributors to economic and social development, ensuring their rights to healthcare, education, and employment are adequately protected.

Key Pillars of the National Strategy:

a. Enhancing Social Protection, Income Security, and Individual Capacity
   The government aims to strengthen social security systems, provide access to financial assistance programs, and deliver education and skill development programs. These initiatives empower the elderly to remain independent and competitive in later life, promoting economic security and overall well-being.

b. Improving Health and Quality of Life
   The strategy prioritizes promoting healthy lifestyles, such as balanced nutrition and preventive healthcare campaigns. Expanding access to quality healthcare—both preventive and curative—is essential to reduce illness rates among the elderly. A long-term healthcare system is being developed to ensure elderly individuals receive appropriate and sustainable care.

c. Building Elderly-Friendly Environments
   This pillar focuses on creating safe and supportive environments for the elderly by enhancing community awareness of ageing issues and developing infrastructure that ensures mobility, security, and comfort for daily activities.

d. Strengthening Institutional Support for the Elderly

The government seeks to improve the quality and standards of elderly care services, including education, training, and certification programs for professionals who serve the elderly population.

e. Promoting Rights, Protection, and Participation

Efforts focus on safeguarding elderly rights, preventing discrimination and violence, and encouraging active participation in society. Legal frameworks are being reinforced to ensure elderly individuals receive equal treatment and opportunities.

The National Strategy emphasizes integrating elderly individuals into the workforce through empowerment, skill development, and flexible work arrangements to ensure they remain productive and contribute to the national economy.

a. Elderly Empowerment through Training and Skill Development

The government has introduced reskilling and upskilling programs to equip the elderly with skills suited to modern labor market demands, particularly in technology-driven sectors. These programs also encourage elderly workers to transition into informal sectors, such as micro, small, and medium enterprises (MSMEs), enabling them to start or manage businesses independently.

b. Flexible and Elder-Friendly Work Models

The strategy promotes flexible work arrangements, such as reduced working hours, part-time opportunities, and remote work options. These models accommodate the physical and mental needs of elderly workers, enabling them to remain productive without undue strain. Companies are encouraged to adopt inclusive policies and are offered incentives for hiring elderly workers or implementing phased retirement programs.

c. Role of MSMEs and Entrepreneurship for the Elderly

MSMEs serve as a vital platform for elderly individuals to remain economically active. Programs offering financial assistance, market access, and entrepreneurship training are being developed to support elderly individuals in managing small businesses, fostering economic independence, and contributing to local economies.

d. Strengthening Social Security and Pension Systems

To ensure the economic welfare of elderly individuals, the government is expanding social security coverage, including pensions and retirement benefits, for both formal and informal sector workers. Accessible healthcare through programs like BPJS ensures elderly workers maintain their health while contributing to the workforce.

e. Inclusive Policies and Equal Access

The strategy includes developing inclusive labor policies to combat age discrimination and guarantee equal opportunities for elderly individuals. Public awareness campaigns aim to shift societal perceptions about the elderly's capabilities, encouraging businesses to create age-friendly work environments. Collaboration between the government, private sector, and communities is critical to achieving a more inclusive workforce that values elderly contributions. Through the comprehensive implementation of these

strategies, Indonesia aims to empower its elderly population to live dignified, healthy, and productive lives while continuing to play an essential role in economic and social development.

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3.3. Benchmarking

3.3.1. The Silver Economy and Elderly Empowerment Programs in Various Countries

The silver economy refers to all economic activities related to the needs and consumption of the elderly population. This concept is becoming increasingly relevant as the global trend of population ageing accelerates. According to a United Nations report (2019), by 2050, approximately 16% of the world's population will be aged 65 or older. With the growing elderly demographic, sectors such as healthcare, housing, technology, and tourism are projected to experience significant growth to meet the demands of this age group. The silver economy encompasses products, services, and innovations that aim to enhance elderly well-being in health, social, and financial aspects.

This demographic transformation presents a significant economic opportunity for both developed and developing countries. Elderly individuals are not only consumers of healthcare services but also users of technology, service providers, and active contributors to economic sectors through entrepreneurship or part-time employment. Consequently, the silver economy has a broad impact on global and local economic structures, challenging nations to create supportive policies that foster economic growth driven by the elderly population.

The silver economy has seen rapid growth due to the increasing purchasing power of the elderly. In many countries, elderly individuals represent a stable-income group, drawing from pensions, investments, or asset management. According to the European Commission (2020), the silver economy's market potential is enormous, projected to reach €5.7 trillion by 2025. Key sectors like healthcare, assistive technology, age-friendly housing, and transportation play essential roles in driving this market growth. Healthier and longer-living elderly individuals generate new demands, stimulating economic growth across various industries.

In Asia, particularly Japan and South Korea, the silver economy has become an integral part of national growth strategies. Innovations in healthcare technology and products that support independent living for the elderly—such as robotic caregiving solutions or smart homes—demonstrate how these countries capitalize on the economic potential of their ageing populations. Such initiatives not only create new job opportunities but also improve the elderly quality of life while ensuring their continued economic contribution.

Table 1. Global Economy and Silver Economy Policies and Programs

Country	65+ % Elderly	Silver Economy Policy/Program	Source
Japan	28.70%	Extended Employment System, Productive Elderly, Elderly Technology	Cabinet Office, Japan (2021)
Italy	23.10%	Aging Well Program, Elderly Infrastructure	OECD (2019), Eurostat
Germany	22.40%	Flexible Pension, Health Support for the Elderly	European Commission (2018)
Finland	22.30%	Elderly Technology, Holistic Health Support	Eurostat, OECD (2019)
Portugal	22.10%	Elderly Social Welfare Program, Adaptive Pension	European Commission (2018)
Greece	21.90%	Healthy Elderly Program, Strengthening Elderly Economy	OECD (2019)
Bulgaria	21.60%	Elderly Social Services, Part-Time Elderly Work	Eurostat, OECD (2019)
Sweden	20.60%	Digital Silver Economy, Elderly Training	European Commission (2018)
France	20.50%	Elderly Training, Pension Reform	European Commission (2018), Eurostat
Spain	20.30%	Early Retirement, Corporate Initiatives for Elderly	OECD (2019), European Commission (2018)
Croatia	20.20%	Elderly Stabilization Policy, Elderly Social Programs	Eurostat
Denmark	19.90%	Productive Elderly Policy, Elderly Health Support	OECD (2019)
Austria	19.60%	Flexible Pension, Sustainable Elderly Reform	European Commission (2018), OECD
Switzerland	19.10%	Elderly in the Workforce, Elderly Digital Training	OECD (2019)
Belgium	18.90%	Elderly Pension Reform, Elderly Participation Policy	Eurostat, European Commission (2018)
Canada	18.40%	Elderly Retraining, Silver Economy Innovations	OECD (2019), UN DESA (2020)
South Korea	18.30%	Re-employment Act, Productive Elderly Policy	ILO (2018), OECD
Netherlands	18.00%	Pension Reform and Healthy Elderly	Eurostat, OECD
Poland	17.90%	Flexible Elderly Work, Pension Reform	European Commission (2018)
Taiwan	17.10%	Silver Talent Program, Digital Training for Elderly	UN DESA (2020), OECD

To sustain silver economy growth, countries must implement policies that support elderly participation in the economy. Nations like Japan and Germany have adopted policies promoting extended employment, enabling the elderly to work longer. According to the ILO (2018), longer workforce participation among the elderly positively impacts the economy, addresses labor shortages, and harnesses their extensive work experience.

Furthermore, policies that encourage elderly entrepreneurship, such as access to capital and training programs, are critical to the silver economy's development. Elderly individuals interested in starting new businesses or entering the informal sector require government support and fair access to economic opportunities. Regulations ensuring social protection and healthcare for elderly workers are equally important in creating an age-friendly economic environment.

As the global elderly population continues to grow, the silver economy is predicted to expand further, becoming a crucial pillar of the global economy. Countries that adapt their policies and infrastructure to support active and productive ageing populations will benefit from the economic opportunities presented by this trend. Technology, innovation in services, and inclusive employment policies are key factors in ensuring the elderly can actively participate in economic and social life.

Ultimately, the silver economy not only addresses the challenges posed by an ageing population but also serves as a source of sustainable economic growth. Its future success depends on collaboration among governments, the private sector, and society to create an environment that enables elderly individuals to remain productive and empowered.

3.3.2. Benchmark for Elderly Empowerment in ASEAN, Asia, and Latin America

a. Reemployment Act – Singapore

The Reemployment Act in Singapore supports elderly workers to remain employed beyond the official retirement age of 62. This policy emerged in response to demographic changes, including increased life expectancy and the growing elderly population. Eligible workers can extend their employment until 67, recently revised to 70 under specific conditions. Implemented on January 1, 2012, the act requires employers to offer contract extensions to employees meeting performance and health standards. It applies to full-time and part-time local workers (Singaporean citizens and permanent residents) with at least three years of service in the company. The policy ensures elderly participation in the workforce, safeguards their well-being, and meets national labor demands.

b. SkillsFuture – Singapore

The SkillsFuture initiative, launched in 2015, aims to enhance the skills of workers across all age groups, including elderly individuals, to address economic challenges and support lifelong learning. Managed by the SkillsFuture Singapore Agency (SSG) under the Ministry of Education, it provides retraining opportunities for older workers to stay relevant in a dynamic labor market, particularly in technology-driven sectors.

c. 60+ Employment Incentives – Malaysia

The 60+ Employment Incentives program encourages companies to employ individuals aged 60 and above. This policy addresses demographic and economic challenges, such as the ageing population and extended life expectancy. Companies receive financial incentives to hire elderly workers, promoting active and productive ageing while reducing reliance on social assistance.

d. Extended Employment System – Japan

Japan's Extended Employment System allows elderly workers to remain employed beyond the official retirement age of 60. It addresses Japan's rapidly ageing population and declining workforce by leveraging the experience and productivity of older employees. Regulated under the Elderly Employment Stabilization Law, companies must offer employment extensions until 65 and are encouraged to extend contracts up to 70.

e. Reemployment Act – South Korea

South Korea's Reemployment Act promotes job sustainability for elderly workers past the retirement age of 60. The act encourages companies to either rehire workers under new contracts with adjusted salaries and responsibilities; and extend employment without terminating the original contract. The policy addresses South Korea's ageing population and declining birth rates, ensuring elderly individuals remain active contributors to the workforce.

f. Productive Elderly Policies – South Korea

South Korea's Productive Elderly Policies aim to empower individuals aged 60 and above to participate actively in the economy. The government focuses on employment opportunities, health initiatives, and overall well-being, utilizing the elderly's experience and skills to offset demographic challenges.

g. Silver Talent Program – Taiwan

Taiwan's Silver Talent Program encourages elderly individuals aged 55 and above to re-enter the workforce through flexible and skill-appropriate roles. This initiative addresses demographic challenges as the elderly population is projected to reach 20% by 2025. The program provides: retraining and upskilling opportunities; flexible work options, such as part-time roles, consulting, or mentorship positions; and access to government and private sector training for skill development.

h. Senior Worker Inclusion Programs – Chile

Chile's Senior Worker Inclusion Programs aim to improve workforce participation for individuals aged 50 and above, addressing age discrimination and unemployment. Managed by SENCE (National Training and Employment Service), the program focuses on reskilling (offering digital and technical skills training); re-employment (Incentives for

companies hiring elderly workers); and entrepreneurship support (Encouraging elderly individuals to start small businesses).

i. Elder-Friendly Workplace Certification – Brazil

Brazil's Elder-Friendly Workplace Certification recognizes companies that create inclusive environments for elderly workers. The program ensures workplaces provide tailored physical, mental, and professional support to accommodate older employees. This initiative addresses Brazil's ageing population, which is projected to reach 22% by 2050.

j. Promoting Elderly Entrepreneurship – Argentina

Argentina's Promoting Elderly Entrepreneurship program empowers elderly individuals to develop their businesses and remain productive. The program focuses on: entrepreneurship training (Covering financial management, marketing, and business strategies); mentorship (Experienced professionals guide elderly entrepreneurs); access to financing (Providing microcredit and low-interest loans); and business networks (Facilitating collaboration and market access).

This initiative ensures elderly individuals maintain economic independence while contributing to the local economy.

3.4. Roadmap for Productive Elderly Workforce Empowerment (2025-2029)

Based on the outlined strategies, the following is a five-year roadmap for empowering Indonesia's productive elderly workforce. This roadmap includes policy strengthening, re-employment program implementation, skills training, entrepreneurship development, and the promotion of the Silver Economy. Each year has a specific focus to strengthen elderly participation in the labor market, improve their well-being, and optimize their role in economic development.

3.4.1. The Roadmap

In the first year (2025), the focus is on policy strengthening and raising public awareness regarding the potential of productive elderly workers. This begins with the development of a National Action Plan aimed at elderly workforce empowerment. The plan includes re-employment programs, skills training, and incentives for the private sector. To support this initiative, a Government Regulation will be issued to guarantee elderly workforce rights, social protection, and access to healthcare. A national media campaign will also be launched to transform societal perceptions about elderly productivity, encouraging companies to be more inclusive in hiring elderly workers and recognizing their value as experienced human resources.

In the second year (2026), efforts shift to the implementation of re-employment programs and skills training for elderly workers. The National Re-employment Program will be launched, offering tax incentives to companies that hire elderly individuals. Collaboration with state-owned enterprises (SOEs) and private companies will create flexible job roles, such as part-time positions, consultancy, and mentorship opportunities. Additionally, Productive Elderly Training

Centers will be established in key provinces to offer programs focused on digital skills, managerial training, and entrepreneurship. These training programs will be adapted to the physical and cognitive abilities of elderly participants, aligning with Industry 4.0 advancements.

The third year (2027) focuses on the expansion of re-employment initiatives and the development of elderly entrepreneurship. The re-employment programs will be replicated across Indonesia, particularly in regions with significant elderly populations, and flexible working schemes-such as remote work or part-time roles-will be introduced. To support entrepreneurial elderly workers, incubation programs will provide access to capital, business training, and mentorship. Experienced elderly individuals will be encouraged to contribute as mentors or entrepreneurs, particularly in local economic sectors like services and retail.

By the fourth year (2028), the roadmap prioritizes program evaluation and the development of the Silver Economy. Comprehensive evaluations will assess the effectiveness of re-employment and skills training programs, with universities and research institutions involved in the process. Policies will be revised based on evaluation results to improve program outcomes and address areas needing additional intervention. The growth of the Silver Economy will be promoted through innovations in elderly-friendly products and services, such as health technologies, elderly tourism, and care services. Elderly individuals will be actively involved in the Silver Economy, contributing to the creation of products and services tailored to their needs.

In the fifth year (2029), the roadmap emphasizes program sustainability and the strengthening of collaboration among stakeholders. A National Productive Elderly Commission will be established to ensure long-term program sustainability and alignment with demographic and economic shifts. A flexible pension scheme will also be implemented, enabling elderly individuals to receive partial pension benefits while continuing to work part-time. Coordination among key ministries-such as the Ministry of Manpower, Ministry of Social Affairs, and Ministry of Health-along with private-sector partnerships, will be strengthened. Regular monitoring and evaluation will be conducted to ensure program goals are achieved, with adjustments made based on feedback from elderly participants.

The success of this roadmap will be measured by several key indicators: the implementation of policies protecting elderly workforce rights, increased participation of elderly individuals in the labor market, significant coverage of skills training programs, expanded contributions of the Silver Economy to GDP, and the growth of elderly-owned small or micro-enterprises supported through access to capital and incubation programs.

This five-year plan aims to create a structured and sustainable system to empower Indonesia's elderly workforce, ensuring their active participation in economic development while improving their overall well-being.

3.4.2. Design of the Re-employment Program in Indonesia

Indonesia is facing significant demographic changes with a steadily increasing elderly population. According to the Central Statistics Agency (BPS), the proportion of elderly individuals is projected to reach 15.8% by 2035. With rising life expectancy, it is crucial to develop policies and programs that ensure the continued participation of elderly individuals in the workforce. The Re-employment Program for productive elderly individuals aims to empower them to remain active contributors to the economy, reduce dependency, and ensure their well-being in later years.

This program is designed to provide flexible and inclusive opportunities for elderly workers, ensuring they remain productive while addressing age-related limitations. The initiative focuses on inclusive policies, skills development, and age-friendly work environments while eliminating workplace age discrimination. Through proper regulation, elderly workers can continue contributing to the workforce safely and comfortably.

Program Objectives:

a. Improve access for productive elderly individuals to the workforce through inclusive employment policies.

b. Facilitate elderly reintegration into the labor market by providing relevant skills training and flexible work opportunities.

c. Encourage companies to actively hire elderly workers through incentives and special policies.

d. Promote the physical, mental, and economic well-being of elderly workers by fostering age-friendly workplaces.

Key Components of the Re-employment Program:

a. Development of Inclusive Regulations
   - Elderly Re-employment Policies: Draft specific regulations that protect elderly workers' rights, such as anti-age discrimination policies, age-friendly workplace standards, and flexible employment schemes.
   - Flexible Work Arrangements: Introduce flexible working options, such as part-time roles, remote work, and short-term contracts tailored to elderly individuals' capacities.
   - Mandatory Retirement Age Adjustments: Review mandatory retirement policies and allow contract extensions for productive workers beyond the official retirement age.

b. Skills Training and Development
   - Specialized Elderly Training: Offer skill-based training programs aligned with elderly needs, including digital literacy, entrepreneurship, and roles in service sectors like healthcare and education.

- Competency Certification: Provide government-recognized competency certificates for elderly individuals completing training, enhancing their competitiveness in the labor market.

c. Incentives for Companies
- Tax Incentives and Subsidies: Offer tax breaks and subsidies to companies hiring elderly workers to cover workplace adaptation or training costs.
- Elder-Friendly Workplace Certification: Recognize companies committed to empowering elderly workers with special certifications that improve their corporate image and give them priority in government project tenders.
- Company Recognition Programs: Award businesses that demonstrate significant commitment to employing elderly workers as role models for other companies.

d. Public-Private Partnerships (PPP)
- Industry Collaboration: Involve the private sector, including business associations and trade chambers, to create job opportunities and design age-friendly employment models.
- Involvement of Cooperatives and MSMEs: Promote the participation of cooperatives and small-medium enterprises (SMEs) in hiring elderly workers, particularly in local economic sectors with lower physical demands.

3.4.3. Monitoring and Evaluation

a. Program Performance Assessment: Establish a task force to monitor the program's implementation and evaluate its performance regularly.

b. Research and Surveys: Conduct periodic research and surveys to assess the effectiveness of re-employment programs and adjust policies accordingly.

c. Productive Elderly Data Collection: Gather data on elderly individuals willing to work, their skills, and health conditions to align them with suitable job opportunities.

3.4.4. Strengthening Social Protection

a. Social Security Protection: Ensure elderly workers have access to social protection programs, including health insurance and retirement benefits, to mitigate uncertainties in later life.

b. Workplace Health Programs: Provide health services tailored to elderly workers, including periodic health checks, psychological support, and ergonomic workplace adjustments.

4. Conclusion and Recommendations

To address the ageing population, Indonesia must develop a comprehensive national strategy, including re-employment schemes, skill development, entrepreneurship, social protection, and the silver economy. A five-year roadmap (2025-2029) outlines the strategy's

phased implementation: strengthening policies and public awareness in 2025, program implementation in 2026, expansion of re-employment and entrepreneurship in 2027, silver economy development in 2028, and program sustainability by 2029.

Recommendations:

a. Nationwide Implementation: The re-employment program must be expanded across Indonesia, prioritizing regions with large elderly populations and open job markets, such as major cities and industrial areas.

b. Vocational Education System Adjustments: Indonesia's vocational education system should adapt to elderly employment trends by offering suitable training and extended apprenticeship opportunities for elderly individuals.

c. Public Awareness and Education: The government must launch public campaigns to highlight the importance of empowering elderly workers, and fostering positive perceptions among companies and the wider community.

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