

Social cash transfers for Asia

Ensuring social protection/social pensions in old age in the context of rapid ageing

Intergovernmental regional seminar report

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United Nations
ESCAP



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Social cash transfers for Asia

The seminar was organised by HelpAge International, the United Nations Economic and Social Commission for Asia and the Pacific, and International Labour Organization.

It was supported by the Japan Foundation and Department for International Development (UK).

This report summarises the main issues debated at the seminar and its results.

Also available is a CD which contains:

- list of participants
- full text of all presentations
- working group feedback

Further resources on social protection and social pensions are available at www.helpage.org

HelpAge International is a global network of not-for-profit organisations with a mission to work with and for disadvantaged older people worldwide to achieve a lasting improvement in the quality of their lives.

Social cash transfers in Asia

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Foreword

Rapid ageing in Asia and the Pacific is not only widely acknowledged, but also an unavoidable and irreversible process. Societies must therefore adapt to the new situation in ways that preserve the achievements of the past while meeting the challenges of the future.

Poverty reduction in old age is an area where the past and future converge. Despite unprecedented levels of economic growth and poverty reduction, there are still over 700 million people in Asia who cannot fulfill their basic needs. Many of them are old.

It is in this context that social pensions are being discussed in the region. The debate is guided by two key questions, focusing on issues of morality and economics respectively. The first question asks whether it is right to provide universal non-contributory pensions to older people. Many would suggest there are other alternatives, like contributory pensions in the informal sector or subsidised insurance schemes. Certainly, these are valid options, but compared with the provision of universal non-contributory social pensions, such schemes would still leave a large proportion of older people without coverage. Is this then a moral choice? Yes. Ensuring security in old age within the realm of fair societies is based on the moral imperative of reciprocity between generations.

The second question relates to economic matters. Are social pensions affordable? The debate takes place in both theory and practice. The ILO has carried out macro-economic modelling which demonstrates that comprehensive universal social protection packages are affordable in most countries. As could be observed during the seminar discussions, the cost of pension schemes can vary according to the entry age, amounts distributed and other variables. There is, therefore, room for analysis and debate.

Wherever we see older people receiving non-contributory pensions, we get the message that, however small, this regular income makes a difference to them, not only in terms of purchasing power but also in terms of recovered dignity within their families and communities.

More than 80 participants from 13 countries, representing governments, international organisations, donors and NGOs, gathered in Bangkok under the sponsorship of UNESCAP, Japan Foundation, ILO, DFID and HelpAge International, to discuss these issues and set a course for future action. As shown in the following pages, this was a very productive event involving collaboration between different organisations, which established a way forward for improving social protection for older people in the region.

Eduardo Klien
Regional Representative
HelpAge International, Asia/Pacific
April 2007

Introduction

Introduction: Social pensions context in Asia

Twelve Asian governments, seven of them in developing countries, have introduced some form of social assistance through regular cash transfers to poor older people. A few schemes offer universal coverage, while others are directly targeted at poverty alleviation. Some involve millions of people, as in India, while others reach much smaller populations. There is a large variety of schemes, from subsidies at local/provincial levels to national schemes that provide a regular income.

The schemes available in the seven developing Asian countries are typically small in amount and narrow in their coverage. They are accorded a low profile and priority in terms of resource allocation and political recognition, not strengthened by relevant impact studies, and frequently perceived as charity handouts to the poorest older people. There is minimal in-country discussion of these schemes and virtually no inter-country dialogue among government policy makers. However, in the past two years, civil society organisations with support from international organisations have initiated pilot projects to involve older people in monitoring the delivery of these schemes at the local level. Moreover, they have promoted research and learning on existing cash transfer schemes as a means of highlighting the social protection needs of the poorest older people and their families.

‘It is hoped that the seminar will be a catalyst for policy action in the area of social protection and social pensions.’

Dr Kanwaljit Soin
HelpAge International

Statement

We, the participants from 13 countries in the Asia Regional Seminar on ‘Ensuring Social Protection/Social Pensions in Old Age in the Context of Rapid Ageing in Asia,’ express our appreciation to the organisers of this event. We were able to learn from the efforts and initiatives of governments in the region aimed at ensuring income security to our older populations.

We expect that this seminar and its outcomes will contribute to the MIPAA+5 review at country and regional levels. In particular, we would like to declare that:

1. There is clear evidence internationally of the positive impact of non-contributory social pensions in the reduction of poverty as well as in social and economic development.
2. The existence of several schemes for delivering social pensions and other forms of social protection in Asia is a demonstration of the intent and commitment of our governments to ensure income security for all Asians in old age.
3. Recent economic studies, as well as the experience of several countries, demonstrate that social pensions are an affordable and cost-effective way of delivering social protection to older people.

For these reasons, we call on our governments, the UN bodies, the international donor community and civil society to continue their commitment and strengthen their support to the analysis, research, debate and implementation of social pension programmes in the region.

‘The seminar will also promote cooperation among social actors that work on poverty reduction.’

Mr Takashi Sudo
Japan Foundation

The Asia regional seminar

The Asia regional seminar brought together representatives of 13 Asian countries, including senior government officials and other stakeholders in the social protection realm to discuss the merits of expanding social protection to older people in the context of rapid ageing in Asia. This seminar was facilitated by HelpAge International (HAI). Recognising the significance of this initiative, the Japan Foundation, UK Department for International Development (DFID), United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP) and International Labour Organization (ILO)

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‘Means-testing is problematic for two reasons: it misses many people, and it is expensive to operate. There is no broad-based support for targeted schemes, which results in them being fiscally constrained.’

Mr Jomo Kwame Sundaram *UNDESA, New York*

extended support and collaborated in organising the event. The seminar is the first event in Asia where government representatives from 11 countries had the opportunity to discuss social pension schemes for older people. The agenda for the seminar was divided into six sessions, with the first five providing an opportunity to learn and deliberate on the key issues and experiences of social protection in Asia, and the effectiveness of social pensions. This led into a final group session to discuss and plan the follow-up agenda of the stakeholders.

The sessions included the following:

- In the opening session UNESCAP, HAI and Japan Foundation presented statements of commitment and support for the aims and objectives of the seminar
- The second session provided two keynote speeches: one by the Assistant Secretary General for Economic Development, Department of Economic and Social Affairs (DESA), United Nations, and the other by the Deputy Chief Executive, HAI, London, followed by discussion.
- The third session was sub-divided into regional presentations for South Asia, South East Asia and East Asia. Senior government representatives from 10 countries presented information about national experience, challenges ahead, and the prospect and potential for expanding social protection to older people
- The fourth session was on broader themes relating to older people and social protection, such as demographics, ageing in poverty, the impact of transfers on older people, and the cost and fiscal space for social pensions schemes
- The fifth session explored the role of civil society, as well as donor perspectives on social pensions and their effectiveness
- The final session was group work that fed into developing agenda points for action.

Issues discussed

Key note speeches

Jomo Kwame Sundaram *Assistant Secretary-General for Economic Development, Department of Economic and Social Affairs (DESA), United Nations, New York*

Mr Sundaram outlined the issue of ageing in Asia and the need for new social protection systems to be developed in the region. There has been an evolving debate about social pensions in recent years, from an influential World Bank policy paper that argued government expenditure may be swamped by social expenditure¹, through to an ILO-led campaign to extend social security and coverage for all. There have been positive effects where universal non-contributory social pensions have been introduced, the ILO estimating that poverty can be reduced by 35-40% and it requires expenditure of only 1-2% of GDP, though more research is needed in the Asian context. Mr Sundaram argued that redistribution is a legitimate goal and that the welfare state and productive economies can co-exist. Additionally, he noted that current social safety nets are ineffective in reaching many vulnerable groups, hence the need for national pension systems that are comprehensive and universal.

The old age crisis may be greatly exaggerated because dependency ratios decrease when taking into account older people’s longer working lives and decreasing child dependency ratios. The ageing crisis is quite manageable with proactive social policy in place. There are social pension choices available, but vested interests tend to only look at private pension funds.

In answering questions, Mr Sundaram said means-testing is problematic for two reasons: it misses many people, and it is expensive to operate. There is no broad-based support for targeted schemes, which results in them being fiscally constrained. With universal coverage, all groups receive something, which enables governments to gain wider public support for such schemes.

¹ World Bank, *Averting the Old Age Crisis: Policies to Protect the Old and Promote Growth*, Oxford University Press, 1994.

Enhancing social pensions: A key tool in poverty reduction

Mark Gorman *Deputy Chief Executive, HAI, London*

Social pension systems in the developing world have often been implemented to supplement contributory pensions to reduce old-age poverty. Some impacts of pensions in different parts of the world include: significant falls in poverty rates, improved health status of older women, improved health and education of grandchildren, and protection for the poor during major crises.

The key choice in developing social pensions policy is whether social pensions should be a) means-tested and restricted to vulnerable older people or b) universal transfers which raise the living standards of the widest possible section of the population.

There is a need to continue the debate to learn more about the impact and fiscal costs of social pensions. The public should also be involved in the discussion.

In response to questions, Mr Gorman said that in relation to universal coverage, starting coverage at higher age levels may be appropriate, and an incremental approach could test the system. Coverage could be expanded later.

Country presentations by government representatives on 'Experience of social assistance to older poor'

The country presentations focused on national experiences, key challenges ahead, and prospects and potential. These presentations and discussions were divided into sub-regions in Asia:

South Asia

Nepal

B N Sharma *Joint Secretary, Ministry of Local Government*

A universal pension scheme was introduced in 1994/5 and subsequently expanded. All older people age 75+ receive NRS200 (US\$2.8)/month, which covers 245,174 people. There is also a supplementary scheme supporting poor widows age 60+ who receive NRS150 (US\$2.1)/month, covering 258,237 older women. The Ministry of Women, Children and Social Welfare formulates policy in this area, while the Ministry of Local Government is responsible for implementation and attempts to ensure distribution at the door step of beneficiaries. The old age pension has an age limit that is too high considering life expectancy and retirement age. It also lacks a satisfactory monitoring and evaluation mechanism, and there has been no impact assessment undertaken to date. Nepal's experience shows that political will is fundamental to initiate old age allowance programmes, support of local government is essential for effective implementation, and impact assessment is necessary for improvement, policy advocacy and programme expansion.

Sri Lanka

Geethamani Karunaratne *Director, National Secretariat for Elders, Ministry of Social Services and Social Welfare*

There are a number of schemes covering both the government and private sectors. The non-contributory pension scheme for the government sector is called the Public Sector Pension Scheme, which is complemented by mandatory contribution schemes. Within the private sector, there are both mandatory and voluntary contributory pension schemes for people working in the formal sector, and voluntary contributory schemes for farmers, fishermen, self-employed, and people working in the informal sector. Voluntary contribution schemes are encouraged with varying levels of incentives by the Social Security Board. The Government's Safety Net (Samurdhi Welfare) Programme which includes cash grants, reaches nearly 2 million families. A Public Assistance Programme gives cash grants ranging from approximately US\$2-5 to each family (depending on family size) to about 400,000 destitute families. Older people benefit from the Safety Net and the Public Assistance Programme, but are not specifically targeted. There is a need for inter-agency coordination and assessment of the efficacy of the multiple programmes.

'The key choice in developing social pensions policy is whether social pensions should be a) means-tested and restricted to vulnerable older people or b) universal transfers which raise the living standards of the widest possible section of the population.'

Mark Gorman, HelpAge International

India

P N Murthy *Joint Secretary Ministry of Social Justice and Empowerment*

To implement the Constitutional recognition of the concurrent responsibility of the Central and State Government to provide social assistance to poor households, the government funded the introduction of the National Social Assistance Programme (NSAP) in 1995. It comprised a targeted National Old Age Pension Scheme (NOAPS), Annapurna Scheme (food support scheme), and the National Family Benefit Scheme (NFBS). All States and Union Territories have the NOAPS, with the Central Government contributing INR200 (US\$4.7) to each beneficiary per month. The NOAPS covers about 50% of older people above 65 years old who are under the poverty line and destitute with little or no regular means of subsistence. The allowance is supplemented by State Governments with varying amounts. Though regularity of distribution has improved over the years, a lot more needs to be done. The involvement of each Panchayat/Municipality is important to reach the target population. The programme needs to be re-evaluated.

Bangladesh

Hafizul Islam Mian *Director General/Additional Secretary, Department of Social Services, Ministry of Social Welfare*

The Constitution recognises the right to social protection of vulnerable groups including older people. This was reiterated by the National Policy for Older People adopted in 2006. 27 Safety Net Programmes are being implemented by the Government using 1% of GDP and 4.4% of the national budget. Programmes include an Old Age Allowance which began in 1997/8. In 2006, 1.6 million older people received BDT200 (US\$2.9)/month. Older people also benefit from the Disability Allowance and Widow's Allowance. These allowances enhance the status, care, and attention to older people in their families. The government plans to expand the coverage of the Old Age and Disability Allowance Programmes in the future.

South East Asia

Thailand

Warotai Kosolpisitkul *Fiscal Policy Office, Ministry of Finance*

The Old Age Cash Allowance is a means tested social pension of 500 Baht (US\$14)/month for vulnerable older people above 60 years. In 2007, approximately 1.76 million older persons (25% of older people) receive the Allowance, which represents 0.7% of the fiscal budget. The Tambon Administrative Organisations are responsible for implementation at community level, with community consultations conducted in selecting beneficiaries. Challenges include: involvement of multiple agencies, dispersal of data, limited public resources to cover all older people below the poverty line, and beneficiary selection deficiencies. The way forward is to ensure coverage includes all eligible beneficiaries, develop multi-pillar systems to include informal sector employees, strengthen the role of NGOs and civil society in monitoring beneficiary selection, conduct cost-benefit analysis, and improve efficiency of data compilation.

Vietnam

Le Do Ngoc *Director of Family Department, National Committee for Population, Family and Children Affairs*

34 per cent of older people live under the poverty line and the government has introduced a number of social protection schemes such as the old age allowance, free health care, access to low interest loans, community housing support and free access to legal aid. Under the universal pension scheme for older people age 85+, each beneficiary receives VND100,000 (US\$6.2)/month. Key challenges include lack of awareness of the scheme, weak monitoring, and the lack of priority given to social pensions in social development strategies. Improving these schemes will require evaluation of the current universal pension and focusing on the situation and needs of older people during national and provincial seminars.

Indonesia

Adang Setiana *Deputy Minister of People Welfare*

Act No. 13 of 1998 on older persons' welfare recognises social protection for poor and disadvantaged older people as the responsibility of the government. Direct social assistance as security is given to frail poor older people through the Department of Social Affairs with the provision of US\$33 per month for the six most populated provinces. The scheme will be expanded every year.

Malaysia

Lai Poh Guat *Director Planning and Development, Department of Social Welfare*

The National Policy for Older Persons focuses on social protection and social security. In 2006, a means-tested system for older people age 60+ with no means of financial support provides RMB200 (US\$39)/month and currently covers 23,800 people. Funds are allocated by the Federal government and State administrations. Potential areas for development are: building a database of current recipients, determining appropriate level of benefits, analysing the economic and social impact of various initiatives, and determining whether the programme should remain means-tested or be applied universally.

Philippines

Mateo G Montano *Assistant secretary, Department of Social Welfare and Development*

There is no social pension scheme provided by the national government, though a number of measures have been introduced by the government to support older people. Some local governments provide social assistance, for example Muntulupa City gives PHP500 (US\$10) a month to older people aged 90 years and above. With the assistance of the World Bank, the government is studying the feasibility of a conditional cash transfer programme for the poor.

East Asia

China

Jia Jiang *Deputy Director, Department of Rural Social Insurance, Ministry of Labour and Social Security*; Sun Yang *Department of Subsistence Security, Ministry of Civil Affairs*; Ma Fengli *Associate Researcher, China Research Centre on Ageing*

There is a range of means-tested social assistance schemes. For historical reasons, urban and rural areas have very different systems. Under the Urban and Rural Subsistence Security Schemes, those below a stipulated income level are eligible to apply for a full or partial subsidy. The Rural Five Guarantee Scheme introduced in the 1950s provides the poorest with support for food, clothing, housing, medical care and funeral expenses through collectives, which have gone through several changes. The programme covers all rural areas. Regardless of the transition from a planned to market economy, rural older people continue to receive the benefits from the Five Guarantee Scheme. New schemes are being piloted in rural areas, though it is unclear how far they can be expanded due to fiscal constraints. A pilot Rural Social Pension Insurance Scheme was started in 1991 financed by individual contributions with a partial subsidy from collective organisations. By 2005, the scheme had expanded to 1,900 counties with 54 million farmers participating. In 2003, Suzhou City in JiangSu Province introduced a non-contributory pension in rural areas with a monthly pension allowance paid from the Suzhou City budget to ensure their basic livelihoods of male farmers above 60 and women above 55. There is increasing interest in social security, with surveys and studies being conducted on both urban and rural schemes

These presentations on country experiences fed into the broader themes, and enabled the participants to identify the key issues affecting the development of effective cash transfer schemes.

‘The most common cause of fear of old age is associated with the possibility of poverty.’

Napoleon Hill

Broader themes

Demographics of ageing societies in Asia

UNFPA

Older women are more vulnerable and will need particular support. There are also more older women than men, with figures from 2000 showing that females make up 55.2% of those aged 60 and over, and 65.4% of those aged 80 and over.²

Population Ageing: 1950-2050, % of older persons in total population

Region	1950	1975	2000	2025	2050
World total	8.2	8.6	10.0	15.0	21.1
More developed regions (MDR)	11.7	15.4	19.4	28.2	33.5
Less developed regions (LDR)	6.4	6.2	7.7	12.6	19.3
East Asia	7.4	7.4	11.3	20.8	30.7
South East Asia	6.0	5.7	7.1	12.7	22.0
South Asia	5.9	6.0	7.1	11.1	18.3

Source: UNDESA, World Population Ageing 1950-2050

Adequate income in old age could be ensured through gainful employment, contributory pensions, family support and social protection. Many poor older Asians do not have a contributory pension and the family support which traditionally offered a safety net is now weakened. Therefore, some form of social protection like social cash transfers is one way to tackle old-age poverty.

Ageing in poverty and MDGs

UNESCAP

Most people are unaware that poverty is emerging in the social context of daily life in Asia. There are numerous myths and popular notions about ageing in poverty:

1. If a country is on the Millennium Development Goals (MDGs) track, poor older people will be pulled out of poverty
2. Intergenerational transfers will pick up the costs associated with old age
3. Older people experience a low frequency of acute disease and they can take care of themselves
4. Old age chronic diseases do not have a significant impact on a country's economy,
5. Reverence for older people is timeless
6. Family care givers can cope on their own
7. Social status is not a determinant of ill-health, isolation and abuse in old age.

Intergenerational financial flows cannot serve to provide care for older people in developing countries. Health security could prove especially problematic. Market exclusion is another risk factor and needs to be explored further.

The reasons for this are twofold:

1. Changes in social ageing and non-conforming economic policies mean many countries are going to face serious labour market issues, leading to risks from gaps and lags between socio-economic security, social inclusion, social cohesion and empowerment.
2. Older people cohorts in low-income countries carry the legacy of their poor past: illiteracy, ill-health, and economic dependence.

Therefore, social pensions and public-pillared support are likely to be essential in old age.

² Population Division, *World Population Ageing 1950-2050*, UN Department of Economic and Social Affairs, 2002.

The feasibility and social and economic impact of social pensions: Evidence from Africa and Latin America

Economic Policy Research Institute, South Africa

In Africa and Latin America, there is clear evidence that social pensions substantially reduce poverty and destitution. Social pensions:

- have broad and developmental social impacts on education, nutrition, health and employment
- support economic growth, for example in Namibia where social pensions strengthen labour market participation, especially among women; and in Mauritius where social pensions represent a social contract that lay the foundation for stability, growth and development
- are developmental and also fiscally sustainable. Economic growth and tax capacity depend on each other, and ultimately social transfers conserve fiscal resources. Social pensions can support a virtuous circle of growth and greater affordability.

HIV and AIDS is the most dominant force in Africa, with consequences for the old age dependency ratio and traditional coping mechanisms. There is greater need for social pensions in these circumstances, and this was the primary reason for the introduction of the social pension in Lesotho. Older people use the pension to care for HIV/AIDS affected children. The government would have to spend more if paying for direct care.

Cost and fiscal space for social pension schemes

International Labour Organization (ILO)

Social security is not a social cost but an affordable investment in people and helps to prevent/reduce poverty and vulnerability, and improve the quality of work and life

The experience of developed countries is that social pensions not only produce substantial positive impacts on poverty reduction and living standards, but also on the quality of human capital and social cohesion. Yet, social security remains underutilised in national anti-poverty and development strategies in developing countries. Providing social pensions is one way to keep ageing and other risks manageable, and there is no trade-off between social expenditure and productivity or growth.

Universal pension schemes exist in various developing countries including Botswana, Brazil, Lesotho, Mauritius, Namibia, Nepal and South Africa. These schemes have improved older people's lives and proven relatively inexpensive costing only 0.2-2% of GDP.

The old age grant in South Africa has not only enhanced the wellbeing of older people, but also other household members, particularly children living in the household. Countries in Latin America that have introduced a universal pension scheme have all seen a subsequent reduction in old age poverty.

Going forward, national capacity should be built in coordinating government agencies, line ministries and the local level in social protection development, analysis and design, and the administration of social security programmes

'Social security is not a social cost but an affordable investment in people and helps to prevent/reduce poverty and vulnerability, and improve quality of work and life.'

ILO

The role of civil society

Field experiences from Bangladesh and India in promoting social protection and social pensions, with a focus on monitoring and increasing coverage of social pension schemes:

Bangladesh

Resource Integration Centre (RIC)

The Older Citizens Monitoring (OCM) project is community action to secure the rights of poor older people to a regular income. There is a means-tested social pension scheme in Bangladesh called the Old Age Allowance, and also a Widow's Allowance. Both schemes cover around 20% of older people age 60+ and currently provide an amount of US\$2.9/month to 1.6 million older people.

There are some problems in implementing the scheme including: a slow response to requests for change, mismanagement, lack of knowledge among older people about their entitlements, and no strong mechanism to implement and monitor delivery. The OCM project seeks to organise older people to:

- a) ensure fair and accountable distribution
- b) advocate for expanded coverage and amounts provided by the schemes
- c) empower older people in their communities
- d) involve older women on equal terms
- e) promote the inclusion of older people in development initiatives from a position of dignity
- f) link government agencies.

India

HelpAge India

The objective of the Poorest Areas Civil Society (PACS) project is to raise awareness levels and the direct access of poor older people to social, food, and habitat security. The project also advocates for the rights of older people and promotes issues of ageing to local and national governments and other organisations. Problems in delivering the old age pensions include: harsh eligibility criteria, inadequate coverage and a lack of access in poor rural areas (because of limited mobility and corruption). The project, with the involvement of older people associations, advocates for:

- a) the inclusion of ageing into the government agenda
- b) simplified steps throughout the pension process encompassing eligibility criteria, application procedures, and disbursement
- c) involvement of older people's associations in the process of selecting beneficiaries
- d) a single system for older people's entitlements.

Donor perspective

Social pensions and development: A donor perspective

UK Department for International Development (DFID)

A key debate within DFID has been whether it should assist poor people with cash and let them make choices about its use. Social transfers, including social pensions, are gathering support in DFID, as illustrated by the recent DFID Practice Paper on social transfers and the 2006 DFID White Paper.

Universal social pensions are seen as effective for the following reasons:

- Wider impact: older people live with others, so by supporting them with cash they can spend it on what is needed most; it is also a cost effective approach
- Affordability: social pensions are affordable, as shown earlier by the ILO. Low income countries, such as Nepal, have implemented a universal pension scheme
- Political acceptability: the amount of cash assistance (small in most cases) is not perceived as encouraging dependency among recipients
- Practical: age is a relatively straightforward targeting criterion, while targeting by income or vulnerability is difficult, controversial and expensive

Japan's strategy for international development and the role of Official Development Assistance in social policy and development

Faculty of Law and Economics, Chiba University, Japan

Japan is regarded as one of the key donors in Asia. For many years, the Japanese government has considered foreign aid an integral part of the country's economic cooperation with other countries. The largest recipients of Japanese aid were China, Indonesia, Thailand and India.

Even though Japan has given higher priority to low-income countries, it is doubtful whether its aid can be characterised as poverty-oriented. Official statements suggest it is,

but also imply that foreign aid policy is based on the idea that national economic growth is both a prerequisite and a means for relieving poverty. Since 1999, Japan has moved somewhat away from supporting physical infrastructure and equipment-heavy forms of aid and more towards support for social development.

Japan is also faced with the challenge of attaining the MDGs and addressing the concept of human security in practical terms. Many developing countries are not going to graduate from needing ODA support until targets are met. However, the prospects are not entirely bleak. Japan needs to get the message that the best way to deal with many international issues is through sustained and equitable development approaches such as providing social pensions.

Key issues

Some 80% of older people in developing countries have no regular income and are forced to work during old age to meet their basic subsistence costs. However, old age brings with it a reduced capacity for work and a greater likelihood of poor health and age-related illnesses. Difficulties in accessing health care and other essential services increase the risk of older people becoming and remaining poor in old age. To address this need, at least 12 countries in Asia are now implementing some type of social pension scheme – meaning regular, non-contributory cash transfers to older people.

The seminar participants discussed the key issues that will support the development of regular, non-contributory cash transfers for older people.

Enhancing political will

There is an argument that facilitating economic development through the funding of basic public infrastructure is a better use of national budget monies than the support of a particular group in society. This argument, however, overlooks the contributions already made by older people to the country's development, as well as the need to support the more vulnerable in society. In any case, whether a society supports older people through social cash transfers is largely determined by political will in the country, and requires the issue of poverty and ageing to be placed in the public realm and on the national political agenda.

One participant cited the example of New Zealand, which tested the popularity of its non-contributory pension scheme through a referendum. The non-contributory pension was overwhelmingly supported by voters across every age range of the electorate. Other participants in the discussion noted the following related points in providing an enabling environment for establishing a cash transfer scheme:

- The need for thorough analysis of scenarios of affordability through economic and fiscal research
- The challenges presented in balancing eligibility and affordability
- The importance of creating greater synergy between different government departments in implementing schemes.

Engagement of civil society

The discussions also highlighted the role of civil society in supporting public debate and implementing cash transfer schemes. The presentations by civil society organisations from Bangladesh and India provided two examples of the benefits of involving civil society. The organisations in both countries not only empowered older people through knowledge and training, but also supported the practical monitoring of local level implementation, leading to greater transparency and improved delivery.

The participants noted that the involvement of civil society helped:

- ensure the rules of eligibility were clear, fair and widely advertised
- monitor the effectiveness and transparency of implementation
- expand the coverage of the transfers to eligible older people.

Some 80% of older people in developing countries have no regular income and are forced to work during old age to meet their basic subsistence costs.

Financing partnerships

In the presentation by the ILO, the fiscal projections based on economic growth, tax revenues, demographics and coverage of older people did not always support a universal scheme for a country with a large ageing population. There were instances, for example in Bangladesh, where external support would be needed to initiate a universal scheme. Participants noted that where a country was constrained by fiscal resources and large ageing populations, pilot projects to expand coverage could be started by governments in financial partnership with bilateral donors and multilateral agencies.

Effective implementation

Many of the participants noted that while their country had initiated a cash transfer scheme, the delivery of the transfer was hampered by an inefficient system of targeting and administration. The argument was made that a universal scheme was more efficient in terms of cost because it removed the need to establish eligibility and reduced the chances of corrupt administrative selection of beneficiaries.

Some other points that were raised in relation to effective implementation included:

- how to ensure easy access and effective disbursement of entitlements
- the importance of good practice in compiling data on beneficiaries
- the need to carefully examine the eligibility criteria
- the identification and targeting of beneficiaries, for example by gender and ethnicity
- the challenge of establishing effective distribution mechanisms
- setting up monitoring mechanisms with civil society to ensure fair and equitable implementation.

Measuring impact

All of the participants were aware of the need to measure the impact of the schemes. Ongoing monitoring of the schemes in terms of poverty reduction, psychological impact, family relations and structure, and analysis of the cost and benefit was seen as critical in several respects. Quality impact analysis could support a more informed national political debate, assess the relative merits of different approaches, and provide evidence of the achievement of the MIPAA commitments.

Ways forward: Ideas from group discussions

The participants were divided into six groups in order to brainstorm and generate action points. While recognising synergy in collaboration, the need to prioritise, and the importance of seeking resources, the groups identified the following action points for moving the social pension debate forward.

Learning more

- Generate hard evidence on poverty in old age, the impact of social pensions on poverty reduction, costs and benefits of social pensions, and their fiscal space
- Study and assess donor perspectives on social protection/social pensions in-depth
- Initiate inter-country learning, especially good practice: e.g. civil society monitoring in Bangladesh and India, China's Five Guarantees Scheme, Sri Lanka's expansion of informal sector voluntary contribution schemes, and Nepal's flexible approach on universal social pensions
- Study the adaptability of methodologies used in southern African research on the design and implementation of cash transfer programmes
- Governments should lead on in-country studies and learning, as suggested by officials from India and Nepal.

Advocate: Develop policy and practice

- Advocate for social pensions among the public, key policy makers and donors
- Review policies and advocate for change

- Advocate for integrated policy frameworks for coordinating different social security schemes of different agencies
- Strengthen implementation capacity of governments, cited by Thailand for sub-district (Thambon) administration and India's local level delivery mechanisms
- Initiate pilot social pensions schemes, cited by Indonesia, Cambodia and Philippines, and Malaysia with regards to a universal social pension
- Expand coverage, cited by Bangladesh, Vietnam, Malaysia and Thailand
- Influence budget allocations at local and national levels
- Compile local and/or national central registries of beneficiaries
- Strengthen civil society organisations, especially older people's associations, to voice their views
- Develop and share monitoring and evaluation methodologies and indicators.

Ideas for immediate follow up

- Agree on a common Statement to promote social protection/social pensions in old age, and present and distribute it at appropriate events at the 2007 February commission sessions of the United Nations Commission on Sustainable Development (UN CSD) in New York and other relevant global, regional and national meetings
- Feed the current regional review process of the Madrid International Plan of Action on Ageing (MIPAA+5), including the October 2007 regional meeting of UNESCAP, with the outcomes and follow-up results of the seminar
- Include sessions on social pensions at relevant events planned to be held at both country and regional level
- Study the feasibility of an inter-regional dialogue for cross-regional learning
- Initiate an impact assessment of existing schemes in one or two countries in 2007
- HAI and UNESCAP to promote information exchange among Asian countries on social protection/social pensions, and monitor social protection/social pensions policies in countries in the region
- The Centre of Development Studies, Kerala to explore the potential to organise a South Asia sub-regional training course on social protection/social pensions for mid-career government officers
- Government representatives of a number of countries to explore the potential to hold national seminars and workshops with key stakeholders, including ministries of finance and planning.

Conclusions

This seminar was the first regional interaction of government policy makers and administrators responsible for existing social pension schemes in Asia. Many of the participants noted that the event was timely, adding to the debate within their countries on the effectiveness of social pensions for older people, and promoting greater coverage for older people. The involvement of different stakeholders also provided a broader perspective on the social pension debate, and participants showed a high degree of commitment to this learning process. The success of the seminar is also evidenced by the participants' joint statement, which recognises the positive impact of social pensions on poverty reduction and overall social development, and supports the continued analysis, research and debate of social pensions in Asia.

Group discussions during the seminar identified some important next steps to stimulate interest in and action for social pensions in the region. This includes the process of developing hard evidence on old age poverty, the impact of social pensions on poverty reduction, the cost and benefit of social pensions, and their fiscal space. Other steps involved: advocating for social pensions among the public, key policy makers and donors; assessing donor perspectives on social protection; participating in learning exchanges in the region; having governments strengthen and expand implementation of schemes; and developing and sharing monitoring and evaluation methodologies and indicators.

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Following the seminar, it is envisaged that a second phase will begin with the participants utilising the learning and materials from the seminar to initiate in-country debates on social pension schemes. These debates should include government, academic institutions, non-governmental organisations, donors, and older people themselves. In relation to government, it is critical that key ministries such as finance and planning be included in the country level dialogue. It is recognised that the work and approach of future partnerships, and political will to expand or develop new schemes, will differ from country to country.

With this foundation of learning and exchange, participants now possess the tools to support their respective countries in further examining the issue of social cash transfers for older people, which will undoubtedly contribute to improving the social security of older people in the region.

Recommendations

‘The question that needs to be asked is: who is responsible for the socio-economic security of these ageing populations, which amounts to 400 million in the Asia/Pacific? These ageing populations present a policy dilemma for governments’.

Mr Shigeru Mochida
UNESCAP

The experience of Asian countries with respect to social protection schemes is varied. This seminar provided an opportunity for stakeholders in 13 countries to learn about existing systems and explore how to improve social protection for older people. Evidence of the benefits of social pensions in Africa and Latin America generated a common desire to examine the potential of these schemes in Asian contexts.

The recommendations for supporting the continued debate and application of social pensions in Asia are therefore closely tied to the process of data gathering, sharing of experiences, developing political will, implementing an effective means of targeting and delivering transfers, and impact analysis.

- Information gathering
 - Data gathering on older people should be undertaken at the country level in order to provide the stakeholders with knowledge of poverty and family needs
 - Research the impact of existing schemes to assess their costs and benefits and support national policy development
- Learning and sharing
 - Sharing of experiences through regional and sub-regional seminars should be planned to support the knowledge development of stakeholders
 - National education curricula should include sessions on older people and their contribution to society
- Involving governments
 - Representatives of key ministries, including finance and planning, should be targeted for inclusion in key planning events and dissemination of research in the region
 - Administrators of social pensions in the region should meet to discuss the means for effective targeting and delivery of transfers
 - Local government should be trained in mechanisms for effective data gathering, record-keeping, and delivery of transfers
- Participation
 - Civil society should be involved in supporting the public debate in each country, empowering older people, and monitoring the implementation of policy statements.

Seminar programme

Day 1: Monday, 29 January 2007

8.30am	Registration
9.15am – 9.35am	<p>Opening addresses</p> <p>Mr Shigeru Mochida, Deputy Executive Secretary, United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP)</p> <p>Ms Kanwaljit Soin, Deputy Chair, Board of Directors, HelpAge International</p> <p>Mr Takashi Sudo, Director, Japan Foundation, Bangkok</p> <p><i>Chair: Mr Eduardo Klien, Regional Representative, Asia/Pacific, HelpAge International (HAI)</i></p>
9.35am – 10.15am	<p>Key note speech</p> <p>Mr Jomo Kwame Sundaram, Assistant Secretary-General for Economic Development, Department of Economic and Social Affairs (DESA), United Nations, New York</p>
10.15am – 10.45am	<i>Group photograph and tea/coffee break</i>
10.45am – 11.30am	<p>Introductions</p> <p>Objectives and agenda</p> <p>‘Enhancing social pensions: Key tool on poverty reduction strategies’</p> <p>Mr Mark Gorman, HAI London</p>
11.30am – 1pm	<p>Country presentations by government representatives on ‘Experiences of social assistance to older poor’: South Asia (Nepal, Sri Lanka, India, Bangladesh)</p> <p>Focus: national experiences, key challenges ahead, prospects and potential</p> <p><i>Chair: Ms Thelma Kay, UNESCAP</i></p> <p><i>Discussant: Mr Irudaya Rajan, Centre for Development Studies, Kerala, India</i></p>
1pm – 2pm	<i>Lunch</i>
2pm – 3.30pm	<p>Country presentations by government representatives on ‘Experiences of social assistance to older poor’: South East Asia (Thailand, Vietnam, Indonesia, Malaysia, Philippines)</p> <p>Focus: National experiences, key challenges ahead, prospects and potential</p> <p><i>Chair: Ms Suchittra Chamnivickorn, National Institute of Development Administration (NIDA), Thailand</i></p> <p><i>Discussant: Mr Nugrobo Abikusno, InRes.Age, Indonesia</i></p>
3.30pm – 4pm	<i>Tea/coffee break</i>
4pm – 4.45pm	<p>Country presentations by government representatives on ‘Experiences of social assistance to older poor’: East Asia (China)</p> <p>Focus: National experiences, key challenges ahead, prospects and potential</p> <p><i>Chair: Mr Xiao Caiwei, CNCA, China; Discussant: Mr Hiroshi Yamabana, International Labour Organization (ILO)</i></p>
4.45pm – 5.15pm	Discussion/synthesis of presentations with identification of key issues to be discussed the following day

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Day 2: Tuesday, 30 January 2007

9am – 10.45am	<p>‘Demographics of ageing societies in Asia’ Mr Ghazy Mujahid, UNFPA, Bangkok, Thailand</p> <p>‘Ageing in poverty and MDGs’ Mr Osama Rajkhan, UNESCAP, Bangkok, Thailand</p> <p>‘The feasibility and social and economic impact of social pensions: Evidence from Africa and Latin America’ Mr Michael Samson, Economic Policy Research Institute, Cape Town, South Africa</p> <p><i>Discussion</i> <i>Chair: Mr D Wesumperuma, HAI APRDC</i></p>
10.45am – 11.15am	<i>Tea/coffee break</i>
11.15am – 1pm	<p>‘Role of civil society in promoting social protection and social pensions with a focus on monitoring and increasing coverage of social pension schemes: Field experiences from Bangladesh and India’ Mr Mathew Cherian, HelpAge India and Mr Haseeb Khan, Resource Integration Centre (RIC), Bangladesh</p> <p><i>Discussion</i></p> <p>‘Cost and fiscal space for social pension schemes’ Mr Hiroshi Yamabana, ILO</p> <p><i>Discussion</i> <i>Chair: Ms Keiko Osaki Tomita, UNESCAP, Bangkok, Thailand</i></p>
1pm – 2pm	<i>Lunch</i>
2pm – 3.30pm	<p>‘Social Pensions and development: A donor perspective’ Mr Matthew Greenslade, UK Department for International Development (DFID)</p> <p><i>Discussion</i></p> <p>‘Japan’s strategy for international development and the role of Official Development Assistance in social policy and development’ Mr Tetsuo Ogawa, Chiba University, Japan</p> <p><i>Discussion</i> <i>Chair: Ms Silvia Stefanoni, HAI, London</i></p>
3.30pm – 4pm	<i>Tea/coffee break</i>
4pm – 5pm	Group work to discuss way forward

Day 2: Tuesday, 30 January 2007

9am – 10.45am	Group work (continued)
10.45am – 11.15am	<i>Tea/coffee break</i>
11.15am – 12.15pm	Feedback from groups, discussion & conclusions
12.15pm – 12.30pm	<p>Summary of group presentations Mr D Wesumperuma, HAI APRDC</p>
12.30pm – 12:45pm	<p>Adoption of the statement and concluding remarks Mr Eduardo Klien, HAI APRDC</p>
12.45pm – 1pm	<p>Closing remarks Ms Thelma Kay, UNESCAP</p>
1pm – 2pm	<i>Lunch, departure</i>

Key resources

Age and security: How social pensions can deliver effective aid to poor older people and their families HelpAge International, 2004.

Aid for Africa and the case for cash transfers HelpAge International, August 2006.

A transformative agenda for the 21st century: Examining the case for basic social protection HelpAge International briefing on workshop, 2006.

An overview of Social Pensions in Asia: Working document HelpAge International, 2007.

Can low income countries afford basic social protection? First results of a modelling exercise International Labour Office, 2005.

Cash transfer programmes in Brazil: Impacts on inequality and poverty United Nations Development Programme, International Poverty Centre, 2006.

Designing and implementing social transfer programmes Economic Policy Research Institute (EPRI), 2006.

Making cash count: Lessons from cash transfer schemes in east and southern Africa for supporting the most vulnerable children and households Save the Children/HelpAge International/Institute of Development Studies (IDS), 2005.

Non-contributory pensions and poverty prevention: A comparative study of Brazil and South Africa HelpAge International, 2003.

Social transfers and chronic poverty: Emerging evidence and the challenge ahead Department for International Development (DFID), 2005.

Social cash transfers - Reaching the poorest Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ), 2005.

Why social pensions are needed now HelpAge International, 2006.

Websites

Pension Watch HelpAge International survey on pensions:
<http://www.helpage.org/Researchandpolicy/Socialprotection/Pensionwatch>

International Labour Organisation Pensions web page:
<http://www.ilo.org/public/english/protection/secsoc/areas/policy/pensions.htm>

International Poverty Centre (IPC), UNDP IPC resources: <http://www.undppovertycentre.org/ipcpublications.htm>

Governance and Social Development Resource Centre Resource page on social protection for DFID materials: <http://www.gsdr.org/go/topic-guides/social-protection>

Institute of Development Studies, Centre for Social Protection IDS research on social protection and related resources: <http://www.ids.ac.uk/ids/pvty/pvsocprottheme.html>

Social cash transfer scheme, Kalomo, Zambia The Ministry of Community Development and Social Services (MCDSS)/ GTZ Social Safety Net Project Kalomo cash transfer scheme: <http://www.socialcashtransfers-zambia.org>

African Union Website of the African Union: <http://www.africa-union.org>

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Social cash transfers for Asia
Ensuring social protection/social pensions in old age in the
context of rapid ageing

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