

## NON-CONTRIBUTORY PENSIONS AND SOCIAL PROTECTION

Armando Barrientos\*  
IDPM,  
University of Manchester, UK

Peter Lloyd-Sherlock\*  
School of Development Studies,  
University of East Anglia, U.K.

### *Abstract:*

This paper considers existing non-contributory pension programmes, or more accurately cash transfers for the old, in Africa and Latin America. It evaluates their impact on poverty and vulnerability of the old, on aggregate poverty, and on household investment in physical and human capital. The paper argues that these programmes have a significant impact on poverty and social investment in developing countries.

September 2002

### Correspondence:

Peter Lloyd-Sherlock, School of Development Studies, University of East Anglia, Norwich, Norfolk NR4 7TJ, U.K. Phone: +44 (0)1603 592327; Fax: +44 (0)1603 451 999; E-mail: [peter-lloyd-sherlock@uea.ac.uk](mailto:peter-lloyd-sherlock@uea.ac.uk).

Armando Barrientos, IDPM, University of Manchester, Oxford Road, Manchester M13 9GH, U.K. Phone: +44 (0)161 275 2811; Fax: +44 (0)161 273 8829; E-mail: [armando.barrientos@man.ac.uk](mailto:armando.barrientos@man.ac.uk)

Paper for the series 'Issues in Social Protection', published by the Social Protection Sector, International Labour Organization.

\* The authors are participating in a research project on "Non-contributory pensions and poverty prevention in developing countries? A comparative study of South Africa and Brazil", funded by the Department for International Development of the UK Government, and with the participation of Monica Ferreira and Valerie Moller from South Africa, and Joao Saboia and Maria Lucia Werneck from Brazil. Information about this project is available from [helena-legido.quigley@man.ac.uk](mailto:helena-legido.quigley@man.ac.uk) or at: <http://idpm.man.ac.uk/ncpps> .

## Introduction

The issue of pensions for the poor is central to the extension of social protection in developing countries. The process of population ageing will accelerate in the developing world in the first half of this century, and the association existing between old age and poverty is as striking there as it was in advanced economies in the aftermath of their industrialisation. To date, most developing countries have given very low priority to population ageing and to old age poverty, seeking instead to focus anti-poverty programmes on prime age individuals and the young. Policy makers have commonly assumed that older people have little to contribute to the development process. The impact of the HIV/AIDS pandemic in the developing world provides a sharp refutation of these views. In countries affected by the pandemic, many traditional multigenerational households have become missing-generation ones, with the responsibility for sustaining the household falling squarely on older people. Rapid economic and social change in developing countries is having similar effects, and migration, unemployment, and globalisation, have further implications for intergenerational support. Pensions for the poor are therefore an urgent issue for developing countries.

There is an emerging consensus among multilateral institutions about the need for developing countries to strengthen and develop social protection policies and programmes in response to economic crisis and rising vulnerability (IADB 2000; Asian Development Bank 2001; ILO 2001; World Bank 2001).<sup>1</sup> Social protection has been defined as consisting of “public actions taken in response to levels of vulnerability, risk, and deprivation which are deemed socially unacceptable within a given polity or society” (Conway, de Haan et al. 2000). It covers a wider range of programmes, stakeholders, and instruments than alternatives such as, ‘social security’, ‘social insurance’, or ‘safety nets’. The new consensus around social protection as the framework of social policy in developing countries is a consequence of globalisation trends which increase risk and vulnerability, and therefore the demand for social protection, while at the same time restricting the capacity of governments to respond (Rodrick 1997; Alesina 1999; Tanzi 2000). In this context, social protection can

---

<sup>1</sup> There are also important similarities between social protection approaches and the sustainable livelihoods approach of the UNDP and DFID.

provide a more appropriate framework for addressing rising poverty and vulnerability in the context of current conditions prevailing in developing countries.

The distinctiveness of social protection lies in its emphasis of risks and vulnerability as the main factors behind poverty and deprivation. Social protection identifies the key risks affecting households in developing countries, and the policy interventions which could help households prevent, ameliorate, or cope with the materialization of these risks. Social protection therefore has a strong poverty focus. It places great importance upon the labour market as a major source of risk and insurance for poorer households. It includes a wide range of stakeholders and providers, including public providers, private providers, NGOs and other not-for-profit agencies, at both a national and international level. And it gives households an important role in the management of their assets to address their risks and vulnerabilities. Social protection recognises the central role of governments and public providers, but argues that this should be developed in partnership with the other institutions listed above.

Within social protection, pensions already play an important role, but to date the emphasis has been on contributory pensions. On paper, most multilateral agencies concur in the desirability of establishing and developing multi-pillar pension systems in developing countries. However, in practice interest has centred on the second, contributory pillar, at the expense of much needed discussion about a first, tax-financed basic pension pillar.<sup>2</sup> Yet this first pillar is more likely to have an effect on growing poverty, risk and vulnerability, in developing countries. A useful first step in focussing attention on first pillar pension programmes is to review the evidence emerging from the handful of developing countries with established cash transfer programmes for the old. This paper aims to make a contribution in this respect.

Table 1 below provides basic information on non-contributory pensions in a handful of countries in Africa and Latin America.

---

<sup>2</sup> A full discussion of the reasons why this agenda has dominated pension debates is outside the scope of this paper, but see (Barrientos 1998; Mesa-Lago 1999; Muller 2000).

Table 1. Old age non-contributory pensions in Africa and Latin America

Country	Type	Age of entitlement	Monthly benefit in US\$	Number of Beneficiaries
Botswana	Universal	65	23	71,000
Mauritius	Universal	60	55	109,000
Namibia	Universal	60	26	82,000
South Africa	means tested	M65, W60	80	1,800,000
Costa Rica	means tested	65	30	41,620
Argentina	means tested	70	105	120,006
Chile	means tested	70	60	163,338
Brazil urban	means tested	67	108	1,963,160
Brazil rural	means tested	M60 W55	108	4,305,300
Uruguay	means tested	70	90	64.600
Bolivia <sup>a</sup>	universal but cohort restricted	65	20	NA

Data points are for 1999/2000.

<sup>a</sup>. Bolivia's programme was intended to provide an annuity payment to all aged 20 and over in 1995. It began operating in 1997 but was discontinued in 1998.

Sources: (Barrientos 1998; Fultz and Pieris 1999; Willmore 2001; Bertranou and Grushka 2002; Schleberger 2002; Werneck Vianna 2002).

The concept of non-contributory pensions would seem self-explanatory, but is in some ways misleading and ambiguous. It is inaccurate to refer to these pension schemes as non-contributory in the sense that most, if not all, beneficiaries make a contribution to their economies and societies. They are non-contributory in the very limited sense that payroll contributions to social insurance schemes constitute a pre-requisite for entitlement. This is itself problematic, where the contributory record required is in practice a simple, and sometimes meaningless, administrative hurdle.<sup>3</sup> Cash transfer programmes for the old is perhaps a more accurate term for the schemes considered here. Table 1 distinguishes between universal pension schemes covering all citizens regardless of their financial situation, and schemes including a means test. In some countries, entitlement to pension benefits also requires an inactivity test, with important implications for the labour force participation of beneficiaries.

## The evaluation of non-contributory pension schemes

The paper evaluates the impact, effectiveness and sustainability of these cash transfer programmes, and draws some conclusions about the feasibility and potential benefits of establishing these programmes more widely in developing countries. The evaluation of these programmes is complex because they address a variety of objectives and they have measurable impact on a variety of dimensions. The heterogeneity of conditions observed in developing countries adds a further layer of complexity to the evaluation. Cash transfer programmes for the old have important effects within three specific dimensions. Firstly, these programmes can have a strong impact on reducing poverty and vulnerability among older people as individuals. Second, they have effects upon aggregate poverty because of their considerable advantages as a demogrant: a benefit that targets the poor because of the strong association between old age and poverty, or more precisely, between poverty and households containing older people. It is important in this respect to determine the relative advantages of pension schemes over alternative social protection programmes. Third, cash transfer programmes for the old can work as an instrument of development policy, by encouraging and facilitating investment in physical, human, and social capital. As such, it is necessary to assess the secondary effects of pension provision on social and economic investment. A brief discussion of these three areas of evaluation follows.

The immediate objective of cash transfer programmes is to alleviate hardship among older populations. In most societies, vulnerability rises with age for numerous reasons: a decline in job opportunities (especially in formal employment), reduced pay for those in employment, increased vulnerability to health conditions, limited mobility, discrimination in access to credit and financial markets, restrictions in access to basic services, such as education or health, and changes in household composition and status. These justify focusing social protection programmes on the old, not just in order to compensate for declining opportunities, but also to facilitate older people's efforts to cope with their increased vulnerability. It is an issue, in this

---

<sup>3</sup> In Brazil, for example, supporting letters from the local trade union or producer association, and in Uruguay, two affidavits from ex-colleagues or acquaintances, are required to establish contribution requirements.

respect, that in most of the countries reviewed, benefit levels are set at a minimum income standard, be it the national poverty line or the minimum wage. In other countries, the benefit level is set at below the poverty line.<sup>4</sup> The vulnerability of older people also influences their status within their households and communities, and pension provision can have an impact on these. Cash transfer programmes to the old may empower older persons, and thus improve agency.

In developing countries most older people live in multigenerational households, and so their poverty and vulnerability, and the likely impact of pension benefits on these, is as much a household issue as an individual one. Pension provision has the potential to impact on poverty on a wider scale than just older groups. To the extent to which coresidence of older and younger people is more common in developing countries, and given the absence of comprehensive ‘safety nets’, pension benefits can have a wider role in poverty alleviation.

Households are both providers of support and economic units. The inability of poorer households to invest in the productive capacity of their members, especially the education and health status of children, has implications for the persistence of poverty and deprivation. This also applies to the issue of physical investment, as in the seeds and tools needed for agricultural production, or the basic equipment for home production of garments. Cash transfer programmes to the old providing a steady, and reliable, source of income can have significant effects upon the capacity of households to invest in human and physical capital, and overcome the threat of long term, persistent poverty.

This paper examines these three dimensions of evaluation: the impact of pensions on poverty and the status of older persons, their impact upon aggregate poverty, and their impact upon the economic activity of the household. Chart 1 shows in summary form these key dimensions, as well as requisites for success and instruments for evaluation.

---

<sup>4</sup> This is why the words ‘alleviation’ and ‘hardship’ are used above. In fact, a necessary step in extending cash transfer programmes to the old is to raise the level of benefits at least to the national poverty line.

Chart 1. Evaluation of non-contributory pension schemes

Social Protection Dimension	Conditions for applicability	Design Issues	Impact Indicators
Poverty and vulnerability of older people	<ul style="list-style-type: none"> <li>▪ Correlation of old age and poverty</li> <li>▪ Political Support</li> </ul>	<ul style="list-style-type: none"> <li>▪ Adequacy of benefits</li> <li>▪ Administration</li> </ul>	<ul style="list-style-type: none"> <li>▪ Reduction in old age poverty</li> <li>▪ Improvement in status of older people</li> </ul>
Aggregate poverty	<ul style="list-style-type: none"> <li>▪ co-residence of old and young</li> <li>▪ intergenerational support norms</li> </ul>	<ul style="list-style-type: none"> <li>▪ Effectiveness of tagging in improving targeting and reducing costs</li> </ul>	<ul style="list-style-type: none"> <li>▪ reduction in aggregate poverty and vulnerability</li> </ul>
Household investment	<ul style="list-style-type: none"> <li>▪ Older people's influence on household expenditure</li> <li>▪ Intergenerational support norms</li> </ul>	<ul style="list-style-type: none"> <li>▪ Regularity and certainty of benefit</li> <li>▪ absence of means test</li> <li>▪ absence of inactivity test</li> </ul>	<ul style="list-style-type: none"> <li>▪ Improvement in school enrolments</li> <li>▪ Improvement in health status</li> <li>▪ increased economic activity</li> <li>▪ Reduction in chronic poverty</li> </ul>

The main part of the paper draws on existing evidence to assess the impact of non-contributory pensions in these three dimensions. In addition, the paper considers the administration and financing of these programmes, and the feasibility and desirability of establishing them in low income countries. The paper will draw on the experiences of a number of countries in sub-Saharan Africa and Latin America. Particular attention will be paid to South Africa and Brazil, reflecting the scale of their programmes and the degree to which they have been studied. Box 1 provides some background on the programmes in these two countries.

*Box 1. Key features of non-contributory old age pension schemes  
in South Africa and Brazil.*

*South Africa*

A universal pension benefit paid to men aged 65 and over and women aged 60 and over has been in operation through the 1990s. The programme began as a means of providing a basic income in retirement for whites who lacked an occupational pension. Subsequently, the programme was extended to Coloureds and Africans, but with different conditions for entitlement and benefit levels. After the fall of apartheid, parity in the provision of the social pension was instituted, at a reduced level than that enjoyed by the whites. Africans are now the main beneficiaries. The scheme is funded through general taxation and pays relatively generous pensions (around US\$3 a day). Benefit entitlements are means tested on the income of the individual beneficiary, and partner if married, but not on the income of other household members. They produce a significant redistribution of income in a country where, on average, the incomes of Whites remain ten times that of Africans.

*Brazil*

Limited provision of non-contributory pensions for workers in the rural sector dates back to 1963, but entitlements were restricted to the very old. The scheme was gradually upgraded during the 1970s, in response to mobilisations of rural workers and pressures for land reform. The 1988 Constitution recognised the right to social protection for workers in the rural sector, and especially for those in informal employment. This led to a range of reforms which were implemented in 1991. Firstly, the age of pension eligibility was reduced from 65 years of age to 60 for men and 55 for women. Entitlement to old age, disability and survivor pensions was extended to workers in subsistence activities in agriculture, fishing and mining, and to those in informal employment. Whereas prior to 1991 only heads of household were entitled to a pension, the reforms extended entitlement to all qualifying workers, thus expanding coverage to female rural workers who were not heads of household. The value of the pension benefits was raised from 50 to 100 percent of the minimum wage.

A key aspect of the programme is that access to pension entitlements does not require earnings or inactivity tests. Estimates of the coverage and cost of the programme for 1998 suggest that 4 million households include at least one beneficiary, at a cost of US\$10 billion.

### Cash transfers, poverty and deprivation

The available evidence from developing countries clearly demonstrates that cash transfer programmes have a significant impact on poverty among older people and their households. Precise measurement of the impact of specific programmes on poverty is a considerable challenge because of the difficulties involved in establishing the counterfactual as a benchmark. As a result, studies have focused on determining whether cash transfer programmes target the poor, and on comparing the adequacy of household income with and without the pension income component.

A study of South Africa's social pension by Case and Deaton used a US\$1 per day poverty line to examine the impact of the pension programme on poverty. Using data for 1993, the authors estimate that the poverty headcount would have been 5 percentage points higher at 40 percent if "the pension incomes were removed and there was no offsetting changes in pre-pension incomes" (Case and Deaton 1998, p.1342). The gross impact of pension incomes is to reduce poverty by 12.5 percent. A recent study on Argentina relying on data from 1998 (i.e. before the current economic crisis) finds that headcount poverty rates among households with a non-contributory pension recipient aged 65 or over would be 5 percent higher if their pension income were left out (Bertranou and Grushka 2002).<sup>5</sup> Interestingly, extreme poverty would have been 16 percent higher in the absence of pension incomes.<sup>6</sup>

A study on the rural social pension in Brazil compares headcount poverty among households with a pension beneficiary and those households without one (Delgado and Cardoso 2000). Using a poverty line of half the minimum wage, it finds that headcount poverty is substantially higher among households without a pension beneficiary. In the Northeast region of Brazil, 51.5 percent of households without a pension beneficiary have per capita incomes below one half of a minimum wage, but the figure is only 38.1 for households with a pension beneficiary. In the South of

---

<sup>5</sup> The study focuses on all non-contributory programmes, but focusing on households with older persons is more likely to reflect the impact of old age pensions.

<sup>6</sup> Extreme poverty applies to households whose income is less than a basic basket of food (around US\$ 2.3 a day for Buenos Aires in 1999). The poverty line is defined as the cost of a minimum basket of food and non-food goods and services.

Brazil, the figures are 18.9 and 14.3 respectively. The authors of the study conclude that rural pensions have therefore large effect on rural poverty in Brazil.

A key issue here is whether pension benefits are well targeted on the poor. In terms of the evaluation of the effectiveness of cash transfer programmes, this is of greater relevance for universal than for means tested ones. It is also important in countries like Argentina, where discretionary pension awards are made and administered under the same programme. Some commentators have argued that the link existing between old age and poverty in advanced economies and some middle income developing countries is weak (World Bank 1994; Whitehouse 2000). There is, unfortunately, only sparse information on old age poverty in low income countries, but the information that exists suggests a strong link between later life and poverty. In middle income countries, the evidence for this is mixed, but for most countries poverty rates among older people are similar to poverty rates for the population as a whole. Furthermore, conventional techniques for estimating poverty rates are likely to bias downwards poverty among the old (Barrientos, forthcoming).<sup>7</sup>

The discussion in this section has implications for the extension of cash transfer programmes in a universalistic direction, and as a core anti-poverty programme. To the extent that there is a close correlation existing between old age and poverty in developing countries, that pension income is fungible with other income sources within the households, that co-residence of young and old is common in developing countries, and in the absence of comprehensive safety net programmes, cash transfers to the old can provide effective social protection.

#### Non-contributory pensions and household dynamics.

The experience of the West suggests that "development" is associated with an increasing proportion of older people living alone (Ruggles, 2000). A key part of this process has been the extension of pension provision, which has increased recipients' financial autonomy, thus facilitating residence away from younger relatives.

---

<sup>7</sup> Further analysis is needed to identify any impact of pension receipt on consumption patterns. Case and Deaton investigate this issue in the context of South Africa and find no significant difference between expenditures financed from pension and non-pension income (1998).

However, the limited evidence from developing countries shows that rapid socio-economic change does not inevitably lead to comparable trends (Palloni, 2000). In most low and middle income countries the great majority of older people typically live with younger relatives, often in extended households, or in "skip generation" ones (i.e. with grandchildren but not children). For example, a 1993 South African survey found that 61 per cent of African pensioner households contained three generations, and a further 14 per cent were skip generation ones (Case and Deaton, 1996).

In some contexts, cash transfers may increase incentives for other family members to live with elders, and may create new possibilities for intergenerational reciprocity. This is likely to be particularly evident where sources of alternative income for younger generations are scarce. Edmonds et. al. (2001) studied the effect of the pension on black South African households. They found no increase in the propensity of older people to live alone. Instead, they observed a rise in the number of children living in pensioner households. Where the pensioner was female, the increase in children aged up to six was particularly marked. For Brazil, Camarano (2002) reports that in the years following the extension of pension entitlements there was an increase in co-residence with grandchildren for elder-headed households. This was particularly apparent in poor rural areas and where the head was female. As a result, by 1999 about 12 per cent of all children aged under 14 lived with an older person.

Access to cash transfers may increase the flexibility of household structures to respond to vulnerability and opportunity. This can be seen in a study of Namibia, which suggests that the pension increased levels of migration from rural areas (Adamchak, 1995). By providing a secure income, young adults were freer to leave households, while remaining members cared for children. This can give young adults a chance to take the risk of migrating without a definite job, or to extend the employment search process if they cannot send remittances back home.

Non-contributory pensions are usually pooled within households, and pooling has been found to be particularly important in contexts of poverty (Saad, 1999; Burman, 1996; Sagner and Mtati (1999). In contexts of very high unemployment, old age pensions frequently represent the only reliable source of income for entire households (Ardington and Lund, 1995). By 1999, Brazilian elders were contributing more than

half the total income of the households in which they lived, with the pension benefit accounting for a large share of this contribution (Camarano, 2002). There are indications that older women are particularly inclined to pool their pension income.

Across African societies, the central role of grandparents in caring for young children is well recognised (Moller, 1994; Bozalek, 1999; Mohatle and Agyarko, 1999). For example, in a survey of African women aged over 60, Burman (1996) found that 83 per cent provided significant childcare, which was almost always unremunerated. Given this role, it is likely that young children will derive large, direct benefits if their grandparents have access to a reliable flow of cash income. In South Africa, children with a low household per capita income are more likely to be living with a pensioner (Case and Deaton, 1996). Consequently, the country's pension disproportionately reaches impoverished children.

There is a small but growing body of evidence that access to non-contributory pensions can improve the health status of young children, by improving their nutrition and access to drugs and health care. One study from South Africa found that pensions received by women had a significant impact on the anthropometric status of girls (Duflo, 2000). Subsequent research found that for both African and coloured people, the presence of a pensioner was positively correlated with childrens' height: the presence of one pensioner is associated with an additional 3 to 4 cm (Case, 2001). Similarly, it is thought that access to a non-contributory pension may also influence childrens' attendance at school and pre-school, by reducing the need for young children to work and by helping with school-related expenses. De Carvalho Filho (2000) found that Brazil's rural pension was significantly associated with increased school enrolment, particularly for girls aged 12 to 14. The effect was particularly strong when they were living with female pensioners. In South Africa, the relationship has been harder to isolate, due to numerous intervening effects. Since the country's pension was up-graded, school feeding programmes have been introduced and there have been renewed efforts to improve the educational infra-structure of poor areas (Moller and Devey, 2001).

There are good reasons to believe that access to pension benefits improves the status of older people within their households. At the very least, non-contributory pensions

create an incentive for household members to extend the survival of the beneficiary, in order to guarantee the continuity of this cash stream. However, the effects on pensioners' status are likely to go beyond this basic consideration. Insights from gender studies suggest that access to an independent source of income is likely to increase the power and status of an individual within a household. This is likely to be especially significant for older women, who suffer the combined disadvantages of their gender and age. As frail older people become increasingly dependent on their families for instrumental as well as financial support, their access to a cash transfer may reduce power asymmetries in inter-generational relationships. This becomes especially important as their ability to make reciprocal household contributions, such as childcare, diminishes.

The abuse of older people within households is not well documented in developing countries, but there are indications that it is widespread and serious (Breslin et. al., 1997; Mohatle and de Graft Agyarko, 1999). Access to a pension does not guarantee that such abuse will not occur; indeed, there are anecdotal reports of older people surrendering their pensions to other relatives against their will. Burman (1996) recognises that the quality of elder care in South Africa is far from ideal, but adds: "the dependence of the family on their pensions at least ensured a roof over their heads, a modicum of food, and, for those with more dutiful children or in a better position to assert themselves, incorporation into a family structure and even some power within it." (p.591).

As well as increasing the *incentives* for households to care properly for elders, non-contributory pensions can strengthen their *capacity* to do so. Research from Ghana found that the worsening economic situation of younger generations was often the main reason for reduced support for elders (Aboderin, 2001). The expense of caring for frail older people, including medical care and opportunity costs, should not be under-estimated. In a context of extreme poverty and household vulnerability, it may prove impossible to reconcile cultural norms of reverence and support for elders with daily demands of care-giving.

Rather than promote household support, it is sometimes argued that formal pensions and other cash transfers may "crowd out" other forms of informal support for

vulnerable groups (World Bank, 1994). However, empirical evidence for this is scant and inconclusive.<sup>8</sup> Jensen (1996) investigated the relationship between South African migrant remittances and the presence of a pension in the household which the migrant left to find work. He found that for each Rand of pension income, there was a 40 to 50 cent reduction in migrant remittances. He notes that the net effect is a transfer of income to urban areas, which is where most migrants reside. Subsequent research by Posel (2000) questions the directness of this relationship, noting that the scale of remittances is influenced more by the nature of the remitting household than by the pension status of recipients. If the remitting household contains children of school age, they are less likely to send money. This shows that, rather than the pensions, it is competing claims within the remitting household which crowds out transfers.

In low income countries very few people of pensionable age live alone. Consequently, non-contributory pensions should be understood in terms of a transfer to households, not to elderly individuals. There are clear signs that older people, particularly women, are inclined to allocate this income in ways which directly benefit more vulnerable household members, such as young children. For older people in good health, access to a dedicated cash transfer can strengthen their capacity to contribute to household welfare on a number of different fronts. This may cement their position of household heads, and enable them to hold families together in the face of crises associated with AIDS and extreme poverty. In the case of very old and frail individuals, access to a dedicated cash transfer may at least guarantee a basic level of care and status within households, and reduce the risk of abuse.

#### Cash transfers and coping with HIV/AIDS.

Levels of HIV/AIDS infection among older age groups in developing countries have been significantly under-reported (UNAIDS, 2002). However, the principal impacts of the epidemic on older people are indirect: changes in household structure, loss of income, healthcare consumption needs, community breakdown and so forth.

Increasing attention is being paid to the role of grandparents in caring for people with

---

<sup>8</sup> The best-known study is by Cox and Jimenez (1992), which claims that informal transfers to older people in Peru would have been significantly larger if there were no social security scheme in operation there.

AIDS, as well as surviving relatives, such as grandchildren (Mupedziswa, 1997; Williams and Tumwekwase, 2001). To date, reliable empirical research about these issues in Africa remains scant. One exception is a series of four surveys in six districts of Uganda (Ntozi and Nakayiwa, 1999a and 1999b), which found that:

- Between 1992 and 1995, the number of households headed by over 61 year-olds rose from 23 to 27 per cent.
- In 1995, parents were the main group of prime carers for AIDS patients, accounting for 32 per cent of cases.
- In 1995, grandparents were the main group of prime carers for AIDS orphans, accounting for 34 per cent of cases.
- Over half of those surveyed reported that a lack of reliable funds was a major impediment for orphan care.

An on-going WHO study of 685 households affected by AIDS and containing older people in Zimbabwe found that in 84 per cent of cases, elders were the main care givers for orphans and children with AIDS. The survey stresses the financial problems faced by older carers, including the loss of remittances and other financial support, a lack of food and clothing, high cost of medical fees during illness, an inability to pay school fees for orphans, a loss of economic support and diminished livelihood opportunities (WHO 2002).

These findings highlight the importance of older people as carers for both orphans and children with AIDS in Africa. No completed studies are yet available to assess the effects of cash transfers on the capacity of households to perform these roles.

However, there are numerous reasons to believe that such transfers could be of great importance. As seen above, pension income is usually pooled within households, and younger members have been demonstrated to benefit from it. The presence of a steady income stream is likely to help households with the costs of medication, meet funeral expenses, and compensate households for the illness and death of breadwinners. At first sight, non-contributory pensions may appear to be an unaffordable luxury in the context of high HIV/AIDS prevalence. However, they may actually represent a key tool for helping households and communities deal with the crisis.

### Non-contributory pensions and beneficiary health status

The limited epidemiological evidence indicates that older people in regions such as sub-Saharan Africa are exposed to avoidable and unnecessary levels of morbidity and mortality (McIntyre, 2002). In part, this reflects a strong bias of existing health care services towards mothers, children and “people of working age” (Lloyd-Sherlock, 2000; Mohatle and de Graft Agyarko, 1999) . It also reflects a lack of access to cash income in households containing elders. Both of these problems are particularly severe in rural areas, which is where the majority of older people in sub-Saharan Africa continue to live. Survey data from Tanzania, the Ivory Coast and South Africa show that per capita spending on health services by people aged 50 or more was significantly higher than for other age groups (in South Africa it was 4.5 times higher). However, data for Tanzania and Ivory Coast (where pension schemes are weakly developed) found that significantly higher proportions of those aged over 50 did not seek treatment when ill than was the case for younger age groups (McIntyre, 2002). With the introduction of user fees in many developing countries from the early 1980s, the link between access to cash and access to health services became more direct (Russell, 1996). Relatively few countries have included older people in those groups exempt from paying user fees. Panel survey data from Kwazulu Natal in South Africa indicate that user fees had a particularly strong effect on the health service utilisation of people aged 50 and over (McIntyre, 2002).

As such, it would seem likely that access to a cash benefit will significantly improve the health status of beneficiaries. There is already some evidence to support this possibility. A recent study in South Africa found that older people in receipt of non-contributory state pensions had a significantly better health status than other household members, controlling for age, sex and other factors, when the pensioner did not pool their resources with the rest of the household (Case, 2001). In households that pooled all their income, the health status of all members of pensioner households was significantly higher than in households which did not contain a pensioner. It has also been found that self-reported health status for South African women improves

dramatically when they reach 60 years of age, which is when pension eligibility begins (Case and Wilson, 2000).

There are strong associations between poor health and household poverty. Sustaining the health of older people increases their capacity to continue in economic activity or to contribute to households in other ways. It also reduces the potential burden of care on other household members. The positive health effects found in South Africa suggest that the benefits of non-contributory pensions may off-set pressures on health provision, in which older people are becoming increasingly significant.

#### Potential impacts of cash transfers on the economic activity of older people and their households.

Cash transfers for the old constitute a significant injection of income for poor communities, especially in rural areas. Evidence from countries with non-contributory pension schemes suggests that these benefits provide an important stimulus for economic activity in poorer communities. Delgado and Cardoso (2000) consider this in the context of rural regions in Brazil. Their analysis of household survey data shows that around one half of respondents use their pension benefits to finance rural economic activities, and that, against a background of the introduction of extensive liberalisation in the country's agricultural sector, benefits performed an important insurance function. The regularity, certainty, and liquidity of pension benefits meant that they played a key role in shifting households from subsistence to surplus agriculture. Similar observations have been made in South Africa, where pension benefits have been associated with the establishment and expansion of micro-enterprises, as well as other forms of household economic activity. In remote rural communities, the injection of liquidity can have a major impact, and pension payment days attract traders and create markets. In this way, pension benefits can have a large multiplier effect on local communities.

Evidence about the impact of pension provision on the labour supply of beneficiaries and their dependants is more mixed. Basic economic theory suggests that pension benefits will have an income effect on beneficiaries: an injection of income unrelated to employment may have the effect of reducing incentives for work. This income

effect is exacerbated by any means tests which reduce incentives for earnings above allowable amounts, or by inactivity tests which require beneficiaries to stop working. In practice, it is difficult to disentangle these effects from what would have been the case in the absence of pension benefits. In Brazil, where no means or inactivity tests are applied as a requisite to accessing benefits, there is some evidence that this encourages continued activity by older people (Delgado and Cardoso, 2000). However, aggregate data from Brazil shows a decline in the activity rates of older people over time. Analysis is hampered by the difficulty in controlling for age-declines in job opportunities which have become more pronounced in the 1980s and 1990s in most Latin American and African countries. What can be said with some confidence on this issue is that means and inactivity tests associated with cash transfers to older people reduce incentives for work, and restrict their potential economic contribution.

#### The financing of cash transfer programmes

In most developing countries cash transfers for the old are mainly financed from general government revenues. It is in the nature of these programmes that no other source of finance has in the past been available. However, alternative sources of financing must be explored if programmes of this type are to be established in low income countries, as their tax base is slim. Also for middle income countries, new funding channels are needed to ameliorate the cyclical pattern of government spending. In Brazil sources of financing for non-contributory benefits include transfers from the social insurance programme (which in turn collects contributions from employers and employees in formal employment), revenues from excise duty, and taxes on large firms. For the rural pension programme, a tax is also levied on sales of agricultural produce, although the revenues from this cover only one tenth of benefits, and the majority of funding still comes from the urban social insurance scheme and government revenues (Schwarzer and Delgado 2002). Bolivia's (now indefinitely suspended) basic pension benefit was financed in part from a fund set up with the proceeds of privatisations.

For very low income countries, regardless of local political commitment, external sources of financing are likely be crucial to the establishment of such programmes.

There are no signs that community sources of finance can make a significant impact, especially as micro-insurance and micro-finance normally exclude older people. Experience of community financing in other areas, notably the provision of health and water services includes some important successes in Africa and beyond (Precker et al., 2002). However, there are no reported examples of community financing playing a major role in pension provision, and the prospects for this do not look strong.

Long-term external financial commitment to universal, non-contributory benefit schemes may seem, at first sight, quite unrealistic. However, it should be noted that the overall costs of such programmes are not very large. As expected, these are larger in countries with universal provision. In Namibia, the old age cash transfer programme requires just under 2 percent of GDP (Subbarao 1998; Schleberger 2002). In South Africa, estimates of the costs of the social pension estimate it at between 2 and 3 per cent of GDP (Barrientos 2002). In Brazil, the cost of the rural pension programme is around 1 per cent of GDP. In Argentina, the costs of the entire non-contributory benefit programme, of which old age pensions account for a fraction of expenditure, averaged 0.20 percent of GDP in the period 1994-2000 (Bertranou and Grushka 2002). Clearly, the amounts involved are important, but considerably smaller than other social sector programmes. Concerns about the rise of pension liabilities as a result of population ageing fail to take account of economic growth and rises in incomes following development, and of the impact of the pension programmes themselves. Ideally, these would enable such programmes to become less dependent on external support over time.

The scope for developing cash transfer programmes for the old may be strengthened by their integration into existing social insurance pension schemes. There are numerous examples of this in Latin America. In Uruguay a first tranche of pension contributions are directed to a fund to pay for basic first pillar pensions which includes a non-contributory component. This follows from the solidarity and redistribution objectives built into the pension scheme. The Colombian individual capitalisation pension scheme also includes some transfers from pension contributions to a fund used to integrate poorer, older heads of household into the pension plans. This is an avenue for financing which is worth exploring, but which has the effect of

linking the financing of the non-contributory programmes to strongly cyclical and politically complex governance systems.

In sum, cash transfer programmes for older people are eminently affordable for many developing countries. Where they exist, these benefits are usually funded by government transfers. However, the contracting tax bases of developing countries associated with globalisation, and the cyclical pattern of government spending, makes it imperative to consider alternative sources of finance. In very low income countries, external financing is a possibility, while in middle income countries, integration of the cash transfer programmes with existing pension provision could provide another source of financing.

#### Administering cash transfers

There are two important issues regarding the administration of non-contributory pensions: the effectiveness and timeliness of the administrative procedures, and costs associated with programme administration. The expectation is that universal pension programmes will have lower costs and 'lighter' administrative procedures. An issue in developing countries is that the administrative and financial capacity to reach poorer communities, especially in remote rural areas, adds further complication. Namibia is a good example of these pressures. Schleberger (2002) finds that the administration costs of the programme accounted for around 15 percent of pension payments in 1996, and there were some difficulties in reaching rural areas. In 1996, the management of cash payments was out-sourced to private providers using 'mobile banks' to reach less accessible areas. Beneficiaries were provided with electronic cards to verify their identity. Administrative and payment services improved, but the costs of private providers take up around 9 percent of pension payments, in addition to the costs of public agencies. The same private providers operate in South Africa's rural areas, where the costs of provision have also risen. In Botswana and Mauritius the administrative costs of the pension programmes have been estimated at between 2 and 3 percent of benefit payments. In Argentina, the administrative costs of all non-contributory pensions (including old age cash transfer) has been estimated at 0.4 percent of the total budget, but problems with the administration and quality of service remain. In Brazil, a study by IPEA found high levels of satisfaction with the

quality of service of public agencies, and with the promptness of payment (Delgado and Cardoso, 2000).

The effectiveness of cash transfer programmes in developing countries requires administrative and financial infrastructure, and simple but accurate routines to establish entitlements and process payments. The challenges of establishing such routines should not be under-estimated. Key concerns include:

1. the difficulty in collecting, processing, and accessing demographic and occupational information to establish entitlement;
2. the length of time and bureaucratic demands to process pension applications;
3. the certification process for payment of benefits;
4. the administrative and financial difficulties with the payment of pension benefits in countries where the banking or financial systems has poor coverage both geographically, and of the poor;
5. the capacity to deal with instances of corruption with efficiency and sensitivity.

Communities can play an important role in monitoring the administrative performance of pension programmes. The issue is whether these have the capacity to deliver on this. For example, Mohatle and de Graft Agyarko (1999) report that community institutions, such as churches, clubs and other informal voluntary associations were active in the South African locations they studied, and played a major part in the lives of many older people. However, they comment that: “Many older persons felt that “ubuntu” is dying in the communities: “Ubuntu” signifies the presence of social capital, community support and the willingness to come to the aid of other community members.” (p.60). They add that this deterioration was particularly marked in urban areas, suggesting that the main cause of this was unemployment.

According to Ardington and Lund (1995), the voluntary sector should continue to play a role in improving take-up rates (already estimated at over 80%) by ensuring that people access benefits. They note that: “A number of organisations find that doing this helps them establish credibility in the communities in which they work: they are able to do something material for poorer communities as a preface to other development work. In this way public money underpins a more robust voluntary

sector. Voluntary organisations could possibly become more systematic in their work, as the Legal Resource Centres have done. For example, they could shift the focus from “Why did Mr X not get his expected pension at Hlabisa last month?” to “Why did two hundred other pensioners also fall of at the same time?..” (p.21).

Issues of administration are particularly important in the context of cash transfer programmes. The constituency of beneficiaries is a most vulnerable group, and even small administrative problems and delays can have devastating effects on them. In addition, instances of maladministration, inefficiency and corruption undermine political support for these programmes in ways that do not apply to social insurance and occupational pension programmes. There is considerable innovation to be observed in existing programmes, and there is much scope for partnerships between public, private, and not for profits agents in the monitoring and delivery of the benefits.

#### Alternatives to non-contributory old age pensions.

The paper has already identified a number of potential advantages of non-contributory pensions over other forms of social protection. Elsewhere, it has been amply demonstrated that the scope for contributory pension schemes to reach poorer groups is very limited, and that such programmes sometimes have a regressive impact on income distribution (Barrientos, 1998; World Bank 1994). Experiences with targeted poverty programmes shows that they are administratively challenging, and that their capacity to reach those in real need is often limited (Graham, 1994).

The obvious alternative to a non-contributory pension would be a cash transfer programme aimed at young children. Such programmes are becoming more widespread in middle income countries, including a major scheme recently adopted in Brazil. In some ways, these would appear to share the advantages of an old age programme, including ease of beneficiary identification and potentially straightforward administration. They also include the possibility of making entitlement conditional on "good behaviour", such as regular attendance at school or a health clinic. In some contexts, there may be a closer association between household poverty and the presence of young children than with the presence of older people.

While there may be some role for child benefits, it is important to recognise that such programmes can have a number of drawbacks, particularly for low income countries. Firstly, they could possibly create an incentive to increase fertility, which remains high particularly in poorer communities. Second, given the youthful population structure of most low income countries, the perceived financial requirements of such schemes might well exceed the willingness to pay of governments or external supporters. Third, it is unlikely that the target individual (i.e. the child) would be personally empowered by the receipt of the benefit, since this would be managed by a parent or other relative. As such, most of the potential impacts on the agency of the beneficiary would be lost.

Replacing an old-age transfer with a child benefit would do much more than simply shift resources between households. There are indications that many older people, especially women, are strongly inclined to spread pension income across households and to areas of particular benefit. This may not occur in the same way with a child benefit. There are also indications that non-contributory pensions support the contributions that many older people are already making to household welfare. Again, a child benefit is unlikely to have this effect. Finally, frail older people are arguably among the most vulnerable in any society, and this fact alone should justify their prioritisation in social protection programmes.

### Conclusions

This paper examines non-contributory pension schemes found in a small number of countries, paying particular attention to the large cash transfer programmes in Brazil and South Africa. It evaluates the effectiveness of these programmes, and considers the feasibility of establishing similar schemes in other developing countries. This evaluation is complex both because non-contributory pensions programmes have multiple objectives, and because there is considerable diversity of socio-economic and cultural conditions across the developing world.

The paper identifies three main dimensions for evaluation. Firstly, cash transfer programmes for the old have as their primary aim the prevention of poverty and

vulnerability among this age group. Second, given that the majority of older people in developing countries live in multigenerational households, cash transfers to the old can also be an instrument in reducing and preventing aggregate poverty. Cash transfers for the old have a number of advantages over alternative poverty policy instruments. Older people can be identified with relative ease, and therefore at lower cost. Potential disincentives to work or save resulting from cash transfers to the old are lower than for other groups. Also, cash transfers to older people promote their status and decision making powers within the household, with potential benefits in terms of the allocation of income. Thirdly, cash transfers to the old can facilitate investment which reduces the incidence of risks, and therefore of future poverty. Investment in physical, human, and social capital reduces the intergenerational transmission of poverty, and therefore the persistence of poverty over time. In so far as cash transfers reach the very poor, and given the restricted access of older people and their households to other sources of investment, cash transfer programmes can have a significant effect on economic activity and the development process.

The paper considers these three dimensions and concludes that cash transfer programmes do indeed have the potential to make a significant contribution to reducing poverty and vulnerability among the old and their households, as well as reducing the intergenerational transmission of poverty. Thus, the experience of the countries reviewed confirms that these programmes are able to deliver in all three dimensions, and with the right design and financing features, they could constitute the embryo for more embracing social protection systems in the developing world.

The available evidence from these cash transfer programmes shows they have a significant impact upon old age poverty, and on the status of older people. In terms of their impact upon aggregate poverty, this depends on the extent of co-residence, and on the cultural norms and practices regulating intra-household distribution of income. Cash transfers to the old may be a less effective instrument in reducing aggregate poverty if, as is the case in transition economies or middle income countries in Latin America, a growing minority of older people start to live alone. However, there are no signs of this occurring on a significant scale in low income countries. Cash transfer programmes to the old also provide an important stimulus to economic activity, and can act as valuable insurance against risks to household consumption and investment.

These programmes have the potential to make an important contribution to the development process.

It is important to be aware that of potential conflicts between these different objectives. While the design of cash transfer programmes should aim to combine and maximise these positive impacts, emphasis should be given to the primary objective of cash transfer programmes which is to reduce poverty among the old. Pensions may be effective in enhancing the economic activity of households, but it would be a matter for concern if this were to happen at the expense of the well being of the current old. Similarly, co-residence of older people and children may enhance the impact of the programme on aggregate poverty, but it may also have the effect of bestowing unmanageable responsibility upon the old for the care of their grandchildren. The challenge is to ‘tie ‘ these effects in, and to consider the impact of cash transfer programmes in the round. This is not an easy task, as determining the impact of pension provision on aggregate poverty and on the intergenerational transmission of poverty demands better research tools and data than those currently available. The extent to which cash transfers facilitate economic activity and development depends on the presence of means and inactivity tests. The paper found that the absence of such tests (as in Brazil’s rural sector), or their limited application in practice (as with means tests in South Africa), strengthened the development impact of the cash transfers.

## References

- Aboderin, I. (2001) "Decline and Normative Shifts in Family Support for Older People in Ghana – Implications for Policy", Development Studies Association Conference, Manchester, September 2001
- Adamchak, D. (1995) "Pensions and the household structure of older persons in Namibia" *Southern African Journal of Gerontology* Vol. 4, number 2, pp.11-15.
- Ardington, E. and Lund, F. (1995) “ Pensions and development: social security as complementary to programmes of reconstruction and development” *Development Southern Africa* Vol. 12, number 4, pp. 557-577.
- Alesina, A. (1999) 'Too Large and too Small Governments', in V. Tanzi; K.-y. Chu and S. Gupta (eds.), *Economic Policy and Equity*, Washington DC: International Monetary Fund, pp. 216-234.
- Asian Development Bank (2001) *Social Protection Strategy*, Manila: Asian Development Bank.
- Barrientos, A. (1998) *Pension Reform in Latin America*, Aldershot: Ashgate.
- Barrientos, A. (2002) Comparing pension schemes in Chile, Brazil, and South Africa, Discussion Paper 67, Manchester: IDPM, University of Manchester.
- Barrientos, A. (forthcoming) Old age poverty and social investment, *Journal of International Development*.
- Bertranou, F. and C. O. Grushka (2002) The Non-Contributory Pension programme in Argentina: Assessing the impact on poverty reduction, ESS Paper 5, Geneva: International Labour Organization.
- Bozalek, Vivienne (1999) “Contextualising caring in black South African families” *Social Politics*, Spring 1999, pp.85-99.
- Breslin, E., Delius, P. and Madrid, C. (1997) “Strengthening institutional safety nets in South Africa: sharing Operation Hunger’s insights and experiences” *Development Southern Africa* Vol.14, number 1, pp.21-41.
- Burman, S. (1996) “Intergenerational family care: legacy of the past, implications for the future” *Journal of Southern African Studies*, Vol.22, number 4, pp.585-598.
- Camarano, A. (2002) "Brazilian population ageing: differences in well-being between rural and urban areas". Paper presented at UNRISD meeting on Ageing, Development and Social Protection, Madrid, April 2002.
- de Carvalho Filho, I. (2000) “Household income as a determinant of child labour and school enrollment in Brazil: evidence from a social security reform” mimeo, M.I.T.

- Case, A. (2001) "Does money protect health status? Evidence from South African pensions". NBER Working Paper 8495, National Bureau of Economic Research, Cambridge, M.A.
- Case, A. and Wilson, F. (2000) "Health and wellbeing in South Africa: evidence from the Langeberg survey", Princeton University.
- Case, A. and Deaton, A. (1996) ""Large cash transfers to the elderly in South Africa". Discussion Paper 176. Research Program in Development Studies, Center of International Studies, Woodrow Wilson School of Public and International Affairs.
- Case, A. and A. Deaton (1998) 'Large Scale Transfers to the Elderly in South Africa', *Economic Journal*, Vol. 108, no. 450, pp. 1330-1261.
- Conway, T.; A. de Haan and A. Norton, eds. (2000) *Social Protection: New Directions of Donor Agencies*. London, Department for International Development.
- Cox, D. and Jimenez, E. (1992) "Social security and private transfers: the case of Peru" *World Bank Economic Review* Vol.6, number 1, pp.155-169.
- Delgado, G. and J. C. Cardoso, eds. (2000), *A Universalizacao de Direitos Sociais no Brasil: a Previdencia Rural nos anos 90*. Brasilia, IPEA.
- Duflo, E. (2000) "Grandmothers and granddaughters: old age pensions and intra-household allocation in South Africa", National Bureau of Economic Research, Cambridge M.A.
- Edmonds, E., Mammen, K. and Miller, D. (2001) "Rearranging the family? Household responses to large pension receipts" (SOURCE???)
- Fultz, E. and B. Pieris (1999) *Social Security Schemes in Southern Africa*, Discussion Paper 11, Geneva: ILO/SAMAT.
- Graham, C. (1994) *Safety nets, politics and the poor. Transitions to market economies*, Brookings Institution, Washington.
- IADB (2000) *Social Protection for Equity and Growth*, Washington DC: Inter-American Development Bank.
- ILO (2001) *Social Security. A New Consensus*, Geneva: International Labour Office.
- Jensen, R (1996) "Public transfers, private transfers, and the "crowding out" hypothesis: theory and evidence from South Africa", mimeo (cited in Lund, 2001).
- Lloyd-Sherlock, P. (2000) "Population ageing in developed and developing regions: implications for health policy" *Social Science and Medicine* Vol. 51, number 6, pp.887-898.

- Lund, F. (2001) “‘Crowding in’ care, security, and micro-enterprise formation - revisiting the role of the state in poverty reduction, and in development” paper presented at the Development Studies Conference, University of Manchester, September 2001.
- McIntyre, D. (2002) “Health policy and older people in Africa”. Paper presented at UNRISD meeting on Ageing, Development and Social Protection, Madrid, April 2002.
- Mesa-Lago, C. (1999) 'Política y reforma de la seguridad social en América Latina', *Nueva Sociedad*, vol., no. 160, pp. 133-150.
- Mohatle, T. and de Graft Agyarko, R. (1999) “Contributions of older people to development. The South African study” Help Age International, London.
- Muller, K. (2000) "The Political Economy of Pension Reform in East-Central Europe", mimeo, Frankfurt: Frankfurt Institute for Transformation Studies.
- Moller, V. (1994) “Intergenerational relations in a society in transition - a South African case-study” *Ageing and Society* Vol.14, number 2, pp.155-189.
- Moller, V. and Devey, R. (2001) “Trends in living conditions and satisfaction among poor older South Africans: objective and subjective indicators of quality of life in the October household survey”. Paper presented at the 17<sup>th</sup> Congress of the International Association of Gerontology, Vancouver, July1-6, 2001.
- Mupedziswa, R.(1997) “AIDS and older Zimbabweans: who will care for the carers?” *South African Journal of Gerontology* Vol.6 No.2, pp.9-12
- Ntozi, J. and Nakayiwa, S. (1999a) "AIDS in Uganda: How Has the Household Coped with the Epidemic?" in Orubuloye, I, Caldwell, J. and Ntozi, J., eds. *The Continuing HbV/AIDS Epidemic in Africa: Response and Coping Strategies*. Australian National University, Health Transition Centre, Canberra.
- Ntozi, J. and Nakayiwa, S. (1999b) "Changes in household composition and family structure during the AIDS epidemic in Uganda" in Orubuloye, I, Caldwell, J. and Ntozi, J., eds. *The Continuing HbV/AIDS Epidemic in Africa: Response and Coping Strategies*. Australian National University, Health Transition Centre, Canberra.
- Palloni, A. (2000) "Living arrangements of older persons" United Nations Population Division United Nations Technical Meeting on Population Ageing and Living Arrangements of Older Persons: critical issues and policy responses, New York, 8-10 February 2000.
- Posel, D. (2000) “Individuals that send remittances and the households from which remittances are sent: an analysis from KwaZulu-Natal” (forthcoming -cited in Lund, 2001).

Precker, A., Carrin, G., Dror, D., Jakab, M., Hsiao, W., and Ahrin-Tenkorang, D. (2002) "Effectiveness of community health financing in meeting the cost of illness" *Bulletin of the World Health Organisation* Vol.80, number 20, pp.143-150.

Rodrick, D. (1997) *Has globalization gone too far?*, Washington DC: Institute for International Economics.

Ruggles, S. (2000) "Living arrangements and well-being of older persons in the past" United Nations Population Division United Nations Technical Meeting on Population Ageing and Living Arrangements of Older Persons: critical issues and policy responses, New York, 8-10 February 2000.

Russell, S. (1996) "Ability to pay for health care: concepts and evidence" *Health Policy and Planning* Vol.11 No.3, pp.219-237.

Saad, P. (1999) "Transferência de apoio entre gerações no Brasil: um estudo para São Paulo e Fortaleza" in Camarano, A., ed. *Muito além dos 60. Os novos idosos brasileiros*, IPEA, Rio de Janeiro.

Sagner, A. and Mtati, R. (1999) "Politics of pension sharing in urban South Africa" *Ageing and Society* Vol.19, number 4, pp.393-416.

Schleberger, E. (2002) "Namibia's Universal Pension Scheme: Trends and Challenges", ESS Paper 6, Geneva: International Labour Organization.

Schwarzer, H. and G. Delgado (2002) "Non-contributory benefits and poverty alleviation in Brazil", Insights 42, Pensions are for Life, ID21, [www.id21.org](http://www.id21.org)

Subbarao, K. (1998) Namibia's Social Safety Net, Policy Research Working Paper WPS1996, Washington DC: The World Bank.

Tanzi, V. (2000) Globalization and the Future of Social Protection, IMF Working Paper WP/00/12, Washington DC: IMF.

UNAIDS (2002) Fact sheet. Impact of HIV/AIDS on older populations ([http://www.unaids.org/fact\\_sheets/files/FSolder\\_en.html](http://www.unaids.org/fact_sheets/files/FSolder_en.html)).

Werneck Vianna, M. L. T. (2002) "Programas nao-contributivos da seguridade social no Brasil", Working Paper, Rio de Janeiro: Federal University of Rio de Janeiro.

Whitehouse, E. (2000) "How poor are the old? A survey of evidence from 44 countries", Pension Primer Paper 1, Washington DC: The World Bank.

Williams, A. and Tumwekwase, G. (2001) "Multiple impacts of the HIV/AIDS epidemic on the aged in rural Uganda" *Journal of Cross-Cultural Gerontology* Vol.16.

Willmore, L. (2001), Universal Pensions in Low-Income Countries, mimeo, Washington DC: Department for Economics and Social Affairs, United Nations.

World Bank (1994), *Averting the Old Age Crisis. Policies to protect the old and promote growth*, London: Oxford University Press.

World Bank (2001) "Social Protection Sector Strategy: from Safety Net to Springboard", Sector Strategy Paper, Washington DC: The World Bank.

WHO (2002) The impact of AIDS on older people in Africa: Zimbabwe case study (<http://www.who.int/hpr/ageing/hivimpact.htm>).