SOCIAL PENSIONS IN LOW-INCOME COUNTRIES

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Introduction

The papers collected in this volume discuss the nature and role of social pensions in developed and developing countries, and the implications for policy design and implementation. The main objective of this chapter is to throw light on the specific challenges and opportunities for social pensions in the context of low-income countries. The paper examines social pension schemes in Bolivia, Lesotho and Bangladesh, beginning with a thematic discussion of design, coverage, finance and politics. A brief comparative analysis identifies key issues and features of social pensions in low-income countries.

It is helpful to begin with a brief comparison of the role of social pensions in developed and developing countries. Some features of social pensions are common to developed and developing countries. Social pensions are income transfers to older people with the aim of preventing or reducing old age poverty. These transfers come in different forms, including old age grants, old age allowances, and cash transfers. They are mostly tax-financed. In many developing countries, social pensions have additional features that help define a different role for them. For instance, in these countries, pensions are core anti-poverty programs. This is in contrast to the situation in most developed countries where social pensions constitute a residual safety net aiming to catch those who are unable to access mandatory pension schemes. In developed and developing countries social pensions are paid to elderly, but in developing countries, social pensions address household, not individual, poverty. In developed countries social pensions are expected to lift beneficiaries above the poverty line, but in developing countries they provide instead fixed level income supplements often insufficient to lift beneficiaries and their households above the poverty line. Most importantly, social pensions in developing countries are *ad hoc* pensions. Global studies on pensions find that their most common characteristic is that they facilitate retirement from the labour force (Mulligan and Sala-i-Martin 1999). Interestingly, social pensions in developing countries seldom enforce or facilitate retirement, and generally lack inactivity tests. These distinguishing features of social pensions in developing countries apply with greater force in low-income countries.

Social pensions are in place in most developed countries and are present in a good proportion of middle-income countries, but only a handful of low-income countries

have them (Barrientos 2006). Perhaps this is to be expected. In the main, low-income countries have younger populations, high incidence of multigenerational households, high poverty incidence, and limited public resources and delivery capacity [plus other pressing needs in say education and health]. In this policy environment, old age poverty and social pensions are less likely to become a policy priority. Explaining why some low-income countries have chosen to introduce social pensions is therefore important. This is one of the main questions addressed by this paper.

There are large knowledge gaps regarding social pensions in low-income countries. Information on their design is readily available, but little is known about their incidence and impact. Moreover, considerable heterogeneity in policy environment and design makes it difficult to generalize across low-income countries. Focusing on social pension schemes in developing countries as a whole, it is possible to observe three main clusters. Several Latin American countries have social pensions, but these are concentrated in the more developed countries of the South cone, including Chile, Argentina, Brazil, Uruguay, and Bolivia. In Southern Africa, social pensions are present in South Africa, Namibia, Botswana, Lesotho, and Swaziland. In South Asia, social pensions have been introduced in India, Bangladesh, and Nepal. The approach adopted in the paper is to focus on three social pension schemes in low-income countries, one in each of these three clusters. The paper will therefore focus on social pensions in Bolivia, Lesotho, and Bangladesh.[2] The main justification for their selection is that they provide valuable insights into the spectrum of policy options in low-income countries. They reflect different approaches to social pensions in low-income countries, and are only loosely representative of their respective clusters. Indeed, one of the main findings from the paper underlines the uniqueness of the policy processes shaping each of these social pension schemes.

The structure of the rest of the paper is as follows. The next section will provide some background on the three country social pension schemes selected, and a thematic discussion on design and coverage, finance, and politics. The final section draws some conclusions on the role of social pensions in low-income countries.

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[2] Bolivia is not strictly a low-income country according to the World Bank Classification, but it is one of the poorest countries in the LAC region, just above the low-income country threshold.

1. Social pensions in Bolivia, Lesotho and Bangladesh

This section will examine the main features of the social pension schemes in the three countries. The section begins by providing a brief background on each of the schemes. The discussion then focuses on three main dimensions: design and coverage, coverage, politics and finance. Table 1 below provides a summary of the main features.

[Table 1 about here]

Bolivia's BONOSOL ('Solidarity Bond') emerged from the complex privatization process in the 1990's. In order to secure popular support for privatization, the government promised to distribute shares of the proceeds to the adult population. Subsequently, studies revealed the complexities associated with implementation, and BONOSOL was eventually introduced as an alternative. It is a guarantee to all citizens aged 21 in 1995 that, on reaching the age of 65, they be provided with a lifelong annual pension transfer. The transfers are financed from the proceeds of a privatization fund consisting of half the shares of the privatized utilities. BONOSOL was paid in 1996 for the first time, and currently provides an annual transfer of US$230.[3] It represents around 24% of per capita GDP or around 11% of average earnings.

Lesotho introduced a social pension in 2004, following a presidential initiative subsequently approved by Parliament. In introducing a social pension scheme, Lesotho followed the example of neighboring countries in Southern Africa. However, Lesotho is a low-income country, without the natural resources and fiscal capacity of South Africa or Botswana. Entitlement to the social pension covers all citizens from the age of 70, and involves a monthly transfer of US$25. This represents around 28% of per capita GDP,

[3] Following the election of President Evo Morales, and the partial re-nationalization of previously privatized utilities, BONOSOL is being replaced with BONO DIGNIDAD. Implementation began in February 2008 after this paper was written. It constitutes an extension of BONOSOL, but with some differences. It is paid from age 60 and at a higher level (US$320 a year). It is also means tested, and paid at a reduced rate to beneficiaries of social insurance pensions. Most importantly, revenues form energy taxes will complement existing financing from the privatization fund. In the paper, reference will be made to the implications from these new design features where appropriate.

and it is equivalent to the poverty line. It is a significant fiscal commitment, absorbing around 2% of GDP, and by far the largest component of social expenditure.

Bangladesh introduced an old age allowance scheme in 1998, following commitments in the preceding Five Year Plan. The old age allowance scheme is managed together with another scheme aimed at widows and destitute women. However, in the paper we shall focus exclusively on the old age allowance scheme. It provides a transfer of US$2.30 a month to the oldest and poorest in each ward, the lowest administrative unit in Bangladesh. The transfer represents around 1.7% of per capita GDP. The government provides a fixed number of twenty social pensions for each ward, to be allocated by a community committee. Since its introduction, the old age allowance has been rapidly scaled up and now reaches around 1.3 million beneficiaries.

2. Design and coverage

All three schemes provide a fixed level transfer, the level of which is decided by policy makers on the basis of available resources. Except for Lesotho well below the poverty line, to older persons. BONOSOL and the social pension in Lesotho guarantee a transfer to all individuals who have reached the age of entitlement (65 and 70 respectively.) In Bangladesh, entitlement to the old age allowance is restricted to one elderly person per household. The social pensions in Bangladesh and Lesotho have an additional restriction that receiving other public assistance benefits disqualifies potential beneficiaries. In Bolivia, social pension transfers exist in addition to contributory pension benefits, and in 2007 12% of BONOSOL recipients reported having a contributory pension.

The fact that the transfers are fixed in level,suggests that social pensions lack insurance components beyond those provided by the additional income. For example, the level of the pension does not vary in response to financial crisis or other hazards affecting the household. The additional income provided by the social pension provides a measure of protection against hazards, and it has been observed that beneficiaries sometimes save a portion of their pension benefit to meet health costs. The lack of insurance

components is most obvious in the event that the pensioners dies. Only Bolivia's BONOSOL includes a fixed payment in the event that pensioner dies, a provision intended to cover funeral expenses. Transfers are paid annually in Bolivia, quarterly in Bangladesh, and monthly in Lesotho. In all three schemes, initial implementation was delayed by problems with registration and difficulty transferring funds to cover payments. There is very little information on the costs of administering schemes and delivering the benefits.

The schemes differ with respect to age of entitlement. In Bolivia, 65 is the standard retirement age for contributory pensions, a policy common to many pension schemes in the region. Lesotho's age of entitlement was the outcome of policy trade-offs between the level of the benefit and the size of the target group within a fixed budget. Policy makers had to make a choice between setting a lower age of entitlement and correspondingly lowering the level of benefits, or setting a higher eligibility age thus reducing the beneficiary group, and enabling a higher benefit level. They opted for the latter. This choice has implications for the likely progressivity of the social pension scheme, given the extant relationship between life expectancy and wealth. In Bangladesh, the age of entitlement is 57, but the fixed number of transfers available at the local level and the requirement that older and poorer persons be given priority imply that, in practice, the beneficiary groups are considerably older than 57.

In Lesotho and Bolivia, the fact that social pension entitlements are universal ensures a high rate of coverage. The coverage gaps include mainly two distinct groups: the self-excluding wealthy, and those living in very remote rural areas where collecting the transfer is difficult and costly. In Bangladesh the low level of coverage is a direct consequence of the fixed number of pensions available to the community selection committees.

Selection of beneficiaries in Bangladesh is accomplished at the community level by a committee of local elites in support of a government official. In low-income countries, the selection of beneficiaries can be costly due to the high incidence of poverty and low differentiation among the poor. Community selection is one of a very limited range of selection instruments available. It can make effective use of local knowledge of those in poverty, but can also provide opportunities for patronage and clientelism, and increase the power of local elites. Studies of the incidence of the old age allowance scheme in

Bangladesh find that community selection does a good job distinguishing between poor and non-poor older persons, but that it is much less accurate in selecting the poorest among the poor. Table 2 provides some indicators of the incidence of the social pension in Bangladesh across wealth index quintiles, gleaned from 2000 survey data in the early stages of the scheme's implementation.

[Table 2 about here]

3. Finance

Financing social pensions is a significant challenge for low-income countries, and this is perhaps the main factor explaining why more low-income countries have not instituted them. A recent macro-simulation exercise done by the ILO Social Security Department in a number of low-income countries in Africa and Asia suggests that introducing a universal old age pension in these countries would absorb around 1 percent of GDP. Social pensions are thus affordable in most countries. The issue is that many low-income countries have limited capacity for collecting revenues through taxation, and lack contributory pension programs covering a majority of the labor force. In countries where tax revenues collected are below 15 percent of GDP, allocating 1 percent of GDP to social pensions would involve significant budgetary reform (see Ch. On Fiscal Impacts). Bolivia and Lesotho manage to spend 1.3 and 2.4 percent of GDP on their social pension programmes. In Bolivia the BONOSOL was financed off budget, and as Bono Dignidad, the shift to tax financing has proved controversial. In Lesotho, the social pension is a flagship programme, and absorbs a significant share of public social spending. In Bangladesh, the limited coverage of the social pension explains its small share of GDP.

The approach adopted in the three countries under examination has been to try to manage the liabilities arising from social pensions by restricting the number of beneficiaries and/or the extent of benefits. Bolivia's BONOSOL is cohort-restricted. It is available only to those who were 21 or older in 1995. On paper, BONOSOL entitlements will gradually fall until 2085 when the cohort will disappear. The rationale for this arrangement had to do with the fact that entitlements are tied to the collective privatization fund. However, a number of studies of the fund in Bolivia have concluded that current benefit levels are unsustainable, in part because the assumptions made at the start of the

scheme regarding the fund's profitability have proven unduly ambitious. Governments have suspended the payment of the benefit, and reduced it in size, in response to these findings; but political pressure has led to the reinstatement of benefits at their original level. As the dividends from the privatization fund have proven insufficient to cover BONOSOL transfers, new sources of finance are needed.[4] The approach adopted in Bolivia for managing liabilities has had limited success to date.

In Bangladesh, managing the liabilities from the social pension has taken the form of capping the number of beneficiaries at the ward level, and setting a low transfer level. The cap on the number of allowances available to the ward committee has risen over time, suggesting this is a policy lever for the government. In 2007, the scheme was extended to cover urban areas. As the total number of beneficiaries rises, the visibility of the scheme also rises. Grass roots organisations and NGOs have been formed to provide advocacy for, and monitoring of, the scheme's operation. The establishment of the old age allowance scheme in Bangladesh is important as it is a publicly financed and managed social assistance program in a country where the main poverty reduction interventions are NGO-managed and focus on micro-credit and micro-finance.

In Lesotho, the main mechanism for managing the liabilities of the social pension is the late age of entitlement. Relative to its immediate neighbors, Lesotho begins paying out smaller benefits with a much higher age for qualification. In South Africa, for example, the age at which one is entitled to social pension is 60 for women and 65 for men, and the level of the benefit is around US$75. Entitlement to the social pension in South Africa is subject to a means-test which excludes the wealthy elderly. Nonetheless, the fact that Lesotho is a low-income country means that the financial cost of the pension is large. As a proportion of GDP, the social pension in Lesotho absorbs 1.43 percent of GDP, the same share of GDP as the more generous social pension in South Africa.

This discussion brings several points to the fore. Firstly, in low-income countries, the issue of financing the introduction of social pensions requires creative thinking to find a solution. The schemes reviewed provide few pointers. Bolivia's innovation in financing BONOSOL from the proceeds of privatization does not appear to provide us with a

[4] BONO DIGNIDAD will supplement the contribution from the privatization fund with revenues from

successful example. It would appear that the assumptions made at the start of the scheme resulted in a transfer level which appears unsustainable, but which is politically difficult to adjust. The privatization fund has not generated the resources needed to finance the transfers, with the implication that maintaining the level of the social pension has required sales of the shares in the fund. The new BONO DIGNIDAD will be financed mainly through energy taxes, but this has proven controversial as it will divert resources available to local authorities. Secondly, it is important to give joint consideration to the issue of managing the liabilities from the scheme with financing issues. Relying on a late age of entitlement to manage liabilities in countries like Lesotho has implications for the social pension scheme's effectiveness at reducing poverty as well as for income inequality. Thirdly, there is a large knowledge gap surrounding the trajectory of liabilities in the future, and especially the medium term. This is particularly true with regard to low-income countries affected by HIV/AIDS and migration.

4. Politics

No explanation of the introduction and sustainability of the social pension schemes would be complete without taking into account the political environment in the three countries under study. Only in Bangladesh was the introduction of the social pension scheme the outcome of established policy processes (in this case the Five Year Plans.) The old age allowance scheme in Bangladesh was the outcome of a gradual strengthening of the plans' proposals. The political factors leading to social pensions' introduction in Bolivia and Lesotho are highly country-specific. The main driving force for the introduction of BONOSOL in Bolivia was the need to secure political support for the privatization program. The social pension scheme was instrumental in securing that support, by providing a distribution mechanism for the projected gains from privatization to the adult population. In Lesotho, social pensions were a wholly presidential initiative. It appears that the proposal was discussed by Parliament at the same time as the beneficiaries were being registered (Pelham 2007). There is little evidence indicating latent demand for a social pension scheme, suggesting that the initiative owed more to a

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energy taxes, estimated at US$25 million and US$165 million respectively for 2008.

regional “domino” effect. It is likely that the presence of social pension schemes as the dominant form of welfare provision in neighboring countries exerted an influence on Lesotho. It is hard to see the examples of Bolivia and Lesotho as indicative of more general trends in low-income countries.

It is a feature of social pensions that, once established, they are able to generate sufficient political support to ensure their sustainability. There are several explanatory factors relevant here. Across developing countries, well-designed social pensions have the advantage of combining life-cycle, vertical, and sectoral redistribution. There is a widely shared perception that children and the elderly are more vulnerable, and therefore more likely to rely on the support of others in society at some point over the course of their lives. There is also a rather well-founded perception that, in the absence of effective pension programmes or strong family support, old age is associated with poverty in developing countries, so that redistributing to older people implies a redistribution from the non-poor to the poor (Barrientos, Gorman and Heslop 2003).. In fact, the link between old age and poverty is somewhat blurred in low-income countries because of the high incidence of multigenerational households, household asset accumulation, and the extant correlation between wealth and life expectancy. Social pensions are also perceived to affect redistribution from urban to rural areas, especially since labor migration results in a high proportion of older people living in rural areas. In low-income countries in Sub-Saharan Africa, Lesotho included, social pensions are also seen to be effective at addressing the adverse impact of migration and HIV/Aids on households, and especially children. Rural-urban sectoral factors have played a role in ensuring support for the schemes in Bolivia and Bangladesh.

5. Social pensions for poverty reduction in low-income countries

Assuming that poverty reduction is the main priority for policy, it behoves one to consider the circumstances under which a low-income country would be justified in introducing a social pension scheme.

It is important to acknowledge that social pension schemes have limited scope in low-income countries, simply because the share of poor households with a pensioner is low in countries with younger populations. Figure 1 below indicates the proportion of the population predicted to be in poverty living with an elderly person for selected countries in Sub-Saharan Africa. The exercise is based on data aggregated from poverty headcounts and reported household composition in a study on the feasibility and ex-ante impact of social pensions for a range of Sub-Saharan countries (Kakwani and Subbarao 2005). The percentages illustrate the scope of a perfectly targeted, or universal, social pension in the countries represented. Only in one country, Gambia, would a social pension reach half of the poor. In two other countries, a social pension would reach over 40 percent of the poor. However, in the majority of the countries involved, a social pension would reach less than one third of the poor. Social pensions might be a powerful instrument for poverty reduction for households affected by HIV/AIDS or migration and in which adults of working age are missing, but these are a small fraction of households in poverty. The point is that a social pension, on its own, would be of limited use in reducing poverty in the majority of countries in Sub-Saharan Africa, most of which are low-income countries. Social pensions are more likely to be effective in combination with interventions targeting other impoverished groups such as children.

[Figure 1 about here]

The limited scope of a social pension in low-income countries suggests that a stronger impact on poverty could be achieved by focusing on establishing social assistance programs to cover those in poverty, instead of focusing on pensions.[5] On paper, this would be a preferable option. However, in practice, many social assistance interventions have built-in design features that exclude older people, and sometimes their households, too. Over the last decade and a half, there has been a rapid expansion of large scale social assistance programs in developing countries based on income transfers, such as *Oportunidades* in Mexico, *Bolsa Familia* in Brazil, the Productive Safety Nets Program (PSNP) in Ethiopia, the National Rural Employment Guarantee Scheme

[5] In the paper, I use social assistance to describe tax financed public programs explicitly addressing poverty and vulnerability through regular and reliable transfers. This definition includes programs financed from international assistance, where taxes are collected in a different jurisdiction. It excludes humanitarian programs.

(NREGS) in India, the Safety Net Program in Indonesia, and many others. Many social assistance programs exclude older people and their households. For example, work requirements in India's NREGS and Ethiopia's PSNP largely exclude older people, especially where the work consist of labor-intensive public works. A focus on human capital in Mexico's *Progresa* and Brazil's *Bolsa Escola*, which preceded *Opportunidades* and *Bolsa Familia* respectively, also excluded older people living in households without children. It is worth noting, however, that the recent expansion of these programs has reduced the exclusion of older people. *Bolsa Familia* in Brazil extended support to all poor households regardless of household composition, and *Oportunidades* in Mexico now includes supplementary transfers to older people along with an old-age savings scheme. Research on micro-credit, and related asset accumulation programs, has often found that they exclude older people. Even membership-based micro-finance programs, such as SEWA for self-employed women in India, exclude women over the age of 55. Interestingly, programs focused on the poorest are less likely to exclude older people and their households, such as Zambia's Kalomo Pilot Social Transfer Scheme (Barrientos and Holmes 2006).

Where social assistance programs have implicit or explicit exclusions that work against older people and their households, social pensions, or alternatively actions to eliminate such exclusion, should have a strong policy priority in low-income countries.

In summation, establishing comprehensive social assistance programs which do not exclude older people and their households should be a priority in low-income countries. Social pensions can be most effective as a component of these programs.

Social pensions can be a policy priority in low-income countries where one or more of the following conditions apply: 1) When social assistance programs have exclusions which disadvantage older people, as in public works focused on infrastructure, asset accumulation programs which exclude older people as a poor risk, human development programs that focus only on children, etc. Social pensions can be an effective means of incorporating such excluded groups. 2) Social pensions have proven an attractive option for policy-makers in circumstances where poverty incidence is high, inequality among the poor is low, and political resistance to poverty reduction is significant. Social pensions have a clear and transparent target group, help manage future liabilities, and provide

widely supported life-cycle and sectoral redistribution. Social pensions can help establish a support constituency for extending social protection under adverse political and economic conditions. 3) Social pensions can be effective in addressing new forms of poverty which have a direct impact on household composition and vulnerability, particularly poverty arising from labor migration and HIV/Aids. 4) In adverse political environments, social pensions can minimise concerns with incentive compatibility of social assistance programs as the likelihood of adverse labour supply and saving responses to the income transfer is weaker for elderly groups.

Conclusions

The main conclusions to be drawn from the paper's discussion now bear brief summary. Few low-income countries have social pension schemes. This is hardly surprising given that, in these countries, the elderly account for a relatively low proportion of the population, poverty incidence is high, multigenerational households are dominant and government resources for poverty reduction are scarce. Old age poverty and social pensions are less likely to be a policy priority. It is therefore interesting to explore why some low-income countries have introduced social pensions, though it be difficult to generalize from the extant handful of such low-income countries. The circumstances surrounding the introduction of social pensions are highly country-specific. With respect to developing countries as a whole, there appear to be three main clusters of countries with large scale social pension schemes. One cluster includes countries in South America, another a few countries in Southern Africa and a third one in exists in South Asia. The approach adopted in the paper was to examine social pension schemes in Bolivia, Lesotho and Bangladesh in greater detail. The comparative analysis confirmed the highly country specific factors leading to the adoption of social pensions.

Comparative analysis of the social pension schemes confirmed that the fixed level of transfers supplements household income. The schemes lack any insurance component beyond the income supplement, except for BONOSOL which includes a transfer to cover funeral should the beneficiary die. In Bolivia and Lesotho the entitlements are universal, and coverage is high, but in Bangladesh a cap in the number of transfers available at the local level means that only a fraction of eligible beneficiaries, around 16 %, are reached. . The old age allowance scheme in Bangladesh has a community-level selection and

management process which appears to work reasonably well in screening out the non-poor, but is less successful in distinguishing between the different reasons behind poverty. In all three schemes, design features were included to manage pension liabilities, such as the late age of entitlement in Lesotho, the cohort restrictions in Bolivia, and the cap in the number of pension in Bangladesh. The factors leading to the introduction of the schemes are highly country-specific.

Should low-income countries adopt social pension schemes? The current analysis suggests that, on paper, comprehensive social assistance programs which do not exclude the elderly living in poor households might have the best chance of reducing aggregate poverty. In practice, a high proportion of social assistance programs in developing countries have exclusions that operate against the elderly and their households. Priority should be given to eliminating these exclusions and ensuring that older people are incorporated into existing social assistance programs.. The extension of human development transfers schemes in Mexico and Brazil to older people and their households through supplements linked to older persons provide a good example.

Social pension schemes can be effective as a complement to existing social assistance schemes wherever age-related exclusions are in place. In low-income countries with scant social assistance provisions, social pension schemes might be a strong policy option in circumstances where poverty incidence is high, inequality among the poor is low, and resistance to poverty reduction policies is significant. Under such circumstances, social pensions have a number of advantages. They have a clear and transparent target group, help manage future liabilities, and provide generational and sectoral redistribution which enjoys broad political support. Moreover, social pensions minimise policy makers' concerns with incentive compatibility of social assistance transfers, the likelihood of adverse labour supply and saving responses to the income transfer is weaker for elderly groups. In the specific context of Southern Africa, social pension schemes have proven effective in dealing with new forms of poverty arising from the impact of migration and HIV/AIDS on household composition and vulnerability.

TABLE 1. SUMMARY INFORMATION ON SOCIAL PENSION SCHEMES IN BOLIVIA, LESOTHO AND BANGLADESH

Country	*Bolivia*	*Lesotho*	*Bangladesh*
Scheme	BONOSOL (BONO DIGNIDAD)	Old Age Pension	Old Age Allowance
GNI per capita (PPP US$ 2006)	3810	1810	1230
Population (million)	9.4	2.0	156
Share of population over 60 (%)	6.9	7.6	5.8
Life expectancy at birth (years)	65.2	42.9	63.7
Target group	>21 in 1995, on reaching 65	70 and over	>57, 20 oldest and poorer in ward
% receiving it (~)	80	93	16
Selection	Cohort universal	universal	Community committee
Transfer (US$)	230 a year (320 if no	25 a month	2.30 a month

	other pension; 160 otherwise)		
Beneficiaries (million)	0.45 (0.7 expected)	0.07	1.3
Budget (% GDP)	1.3	2.4	0.03
Finance	Privatization fund (and 30% of energy tax)	Tax revenues	Tax revenues
Year established	1996 (2008)	2004	1998
Politics (inception)	Facilitated privatization (extended by new government committed to re-nationalization)	Presidential initiative	Five year plan

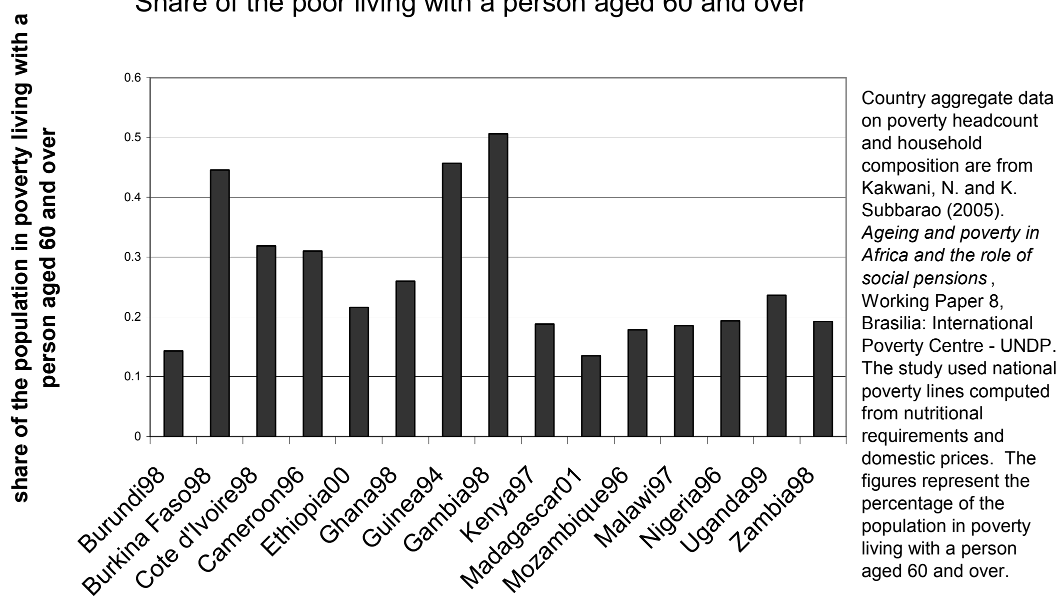
Sources: (Barrientos and Holmes 2006; Pelham 2007; Superintendencia de Pensiones Seguros y Valores 2007a, 2007b); World Development Indicators 2007; World Population Aging 2007.

TABLE 2. INCIDENCE OF THE OLD AGE ALLOWANCE IN BANGLADESH, 2000

Quintiles of wealth index	Share of all households with a pension beneficiary in each quintile (%)	Share of households in each quintile with a pension beneficiary
Q1 Lowest	39.6	6.4
Q2	37.6	6.0
Q3	15.8	2.5
Q4	5.9	0.8
Q5 Highest	1.0	0.2

Source: Own calculations from Bangladesh Demographic and Health Survey 2000 data. Weighted sample of households with at least one member aged 57 or more.

Figure 1. The potential reach of a social pension in Sub-Saharan Africa?
Share of the poor living with a person aged 60 and over



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