

# Measuring coverage... by Lucchetti and Pallares

## Comments

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**World Bank-Hitotsubashi-MOF  
Workshop: Closing the coverage gap**  
Tokyo, February 2008

- Very important contributions that provide data that allow for international comparisons and benchmarking.
- Some key results in these contributions:
  - Increasing old-age dependency ratios
  - Low coverage
  - Coverage correlates with income per capita, both across countries and across households within each country → **coverage is particularly low among the needy.**
- But these contributions also show how scarce and weak pension data is in developing countries. This is an important finding in itself.

- Pensions are promises. How reliable these promises can be with the little information sponsors often have and/or disseminate?
- Implications 1 (macro): difficult to assess the contingent liabilities assumed by pension schemes.
- Implications 2 (micro): uncertainty about the benefits participants are going to get.
- + Huge intergenerational redistributions.



- Pension schemes are often perceived as **unreliable** and **unfair** →
  - The schemes are not serving their purpose properly
  - Citizens are less willing to participate (tax morale...)
- Weak information is a key ingredient of the “informal” welfare state that prevails in many developing countries: big gap between *de jure* and *de facto* policies, much discretion.

- Information policy challenges and priorities for the international community:
  - Support efforts to strengthen SS institutions: push for independent, strong and professional administrations.
  - Foster inter-agency cooperation to improve data generation and dissemination (one of Montserrat's conclusions).
  - Foster inter-administrations cooperation.
  - Would it be possible/desirable to rate SS administrations according to the amount and quality of the information they provide?