



# Social security in old age from the viewpoint of development cooperation

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## Overview

### I. Introduction

### II. Main section

1. The challenges for ageing societies in developing countries
2. The current significance of old-age security in development cooperation
3. Activities in German development cooperation

### I. Conclusion



## Ageing as a global phenomenon

- Number of people over 60 (worldwide)
  - » today: 680 million
  - » 2050: > 2 billion
  
- 2050: 80% of older people will live in developing countries
  
- Number of older people without a secure income
  - » today: 340 million
  - » 2050: 1.2 billion, unless progress is made towards improving social security



## Older people are agents of development

- Economically:
  - » in low income countries, 2/3 of men and 1/3 of women over 60 are still working
  - » employees, entrepreneurs and consumers
  - » household production
  
- Socially:
  - » care and assistance for family members (60% of AIDS orphans in southern Africa are cared for by grandparents)
  - » involvement in social environment



## Threat of poverty in old age

- Particular danger from age-related health risks and handicaps
- Once in poverty, it is particularly hard for older people to escape from it again
- Increased risk for women living alone and old people in households with children

**Social security systems for the aged** and other measures to improve social security, reduce the risk of poverty in old age and expand the economic and social options for older people



## Social security for old age in development cooperation

- The Millennium Development Goals (MDG) completely ignore the ageing of societies and poverty in old age
- Development practice concentrates on productive economic development and younger and middle age groups – for older people there is "social security"

but

- 2002 United Nations *Madrid International Plan of Action on Ageing*
  - » "a society for all ages"



## UN Madrid International Plan of Action on Ageing

### *"a society for all ages"*

- » Old people should have the opportunity to **contribute to social life**
- » Older people must be treated **fairly and with dignity** – regardless of status, handicap or economic contribution.
- » Older people should be enabled **to work as long as they want** and are able to be productive.
- » Older people need **effective forms of social security** – including and particularly in the informal sector.



## Activities of German development cooperation

- Growing importance of the issue of social security in old age
- German experience of a century of regular reforms

### Examples:

- **Zambia:** Pilot project on social transfers for the poorest households. More than 50% of households covered are households headed by old people.
- **Indonesia:** Systemic advice on introducing comprehensive social security. Social security in old age particularly for the large informal sector is a challenge.
- **Namibia:** The goal is pensions to secure a standard of living, on top of existing universal basic pensions.



## Closing remarks

- Take advantage of the existing *window of opportunity* before the accelerated ageing of societies!
  - » Reform and expand existing pension and retirement pension systems.
  - » Security for workers in the informal sector
  - » Government basic pensions while the first two steps are awaiting implementation
  - » Close cooperation with other sectors to address the vulnerability of older people.
- The MDGs can only be achieved by expanding social security systems, including systems for older people.
- The ageing of societies must be given more attention in other sectors of development cooperation as well.