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Intergenerational Solidarity: Strengthening Economic and Social Ties

Background Paper

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Pensions in developing countries -

A quest for a modern format for intergenerational solidarity

Older people in Africa need cash and care.

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One in five of the world's poorest people – living on less than a dollar a day – are over 60 years, an estimated 100 million people. We in the West tend to have romantic views of ageing in developing countries, where grandparents are respected for their wisdom. The reality is often different. While their adult children leave to live an urban life, older people have to manage on their own. Moreover, the HIV/aids epidemic has profoundly changed their position. After having buried their sons and daughters, many grandparents are left behind with the responsibility of taking care of their grandchildren.

The international community, after the UN-summit on Aging & Development (Madrid 2002), is becoming aware that achieving the MDG's by 2015 will require new approaches. Social protection and pension policies provide new means to older people headed households. This is not only alleviating poverty for older people themselves, but has intergenerational effects as it stimulates school enrolment and continuation and improves nutrition for the younger generation.

Keywords: intergenerational solidarity, pension schemes, Millennium Goals, development.

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1. Introduction

How do older people – in terms of the World Bank that is, people over sixty years – survive the hardship they face, in order to raise the youngest generation? That is the leading theme of my research and the work of WorldGranny as the Netherlands partner of HelpAge International (HAI). This is the leading international network on aging, and consists of 70 non-profit organisations active in over 50 countries, working with older people to improve the quality of their lives and those of their grandchildren.

After sketching the demographic trends in Africa, I'll go into recent developments regarding social protection mechanisms in order to meet the needs of child- and older people headed households. More African governments and civil society organisations are interested in finding ways for institutionalised risk-management, now that the social fabric of the extended family is rapidly weakening. Installing non-contributory, social pension schemes is a major option in fighting extreme poverty among older people and their dependants, since at this moment less than 19 % of the older population has a contributory pension. Unfortunately there are no a gender-specific figures available, but surely the majority of women worldwide will not participate in contributory pension schemes because of their role in the informal sector.

The importance of pension systems to the economic stability of nations and the security of their aging population has become clear this last decade. The World Bank has taken a leading role in addressing this challenge through its support for pension reforms around the world (Holzman, Hintz, 2005). Though for sub-Sahara Africa, the bank and the IMF have mainly focused on the macro economic effects of the formal pension schemes, more than on the meso and micro side of social pension schemes and cash transfers.

Why have poverty alleviation policies for Africa so far seldom been geared towards the oldest generation? Some persistent myths (Van Dullemen, 2006) could explain the lack of interest of policy makers for older people.

Myth 1: Older populations do hardly exist in Africa because life expectancy is low.
Not true: Aging is a consequence of two trends:

1. a rapid demographic transition, not only due to rising mortality rates but also to falling fertility figures. For instance 15 – 25 % in Botswana, Zimbabwe, Kenya and southwest Nigeria.
2. a decline of the middle generation due to urbanisation and a rise in mortality caused mainly by the HIV/aids epidemic.

As a result of those two trends, it is expected that the world's poorest countries, like Cuba, Thailand and Sri Lanka will have a higher proportion of people over 65 than the USA today.

Myth 2: The vulnerability of older people is mainly caused by modernization. I.e. in Africa older people are still well-off.
Not so. Since they are not always visible actors in processes of migration, of communication and other features of modernization, they are mainly associated with tradition and the past. But inequalities experienced in earlier life, such a lack of education, difficult access to healthcare and to the labour market are far more important factors to predict poverty and exclusion to the decision-making process later in life. Development programmes often exclude older people, not only they do not have access to credit schemes, but they are neglected in HIV/aids-prevention programmes too. Thus we could argue that impoverishment in old age may be a cross-cultural experience of (discrimination or exclusions on grounds of ageing) the aging process rather than simply resulting from modernization. Rather, the polarization of societies into ''traditional'' and ''modern'' has compounded negative attitudes towards older people.

Myth 3. Older people are a burden to society. To provide them with pensions or health care may be sound policy from a humanitarian perspective, it does not contribute to economic growth.
Wrong. Studies by HelpAge International[i] in Ghana and South Africa (1999) and Brazil (2003) and by WorldGranny (2006) have shown the tremendous social and economic contributions that older persons make to family and community and the satisfaction they derive from it (HelpAge, 2003). Social pensions are an example of intergenerational redistribution. Secondary effects of social pension programmes are proved to be remarkably beneficial (HelpAge, 2003:20) in facilitating economic and social change and in addressing rising household vulnerability (e.g. HIV/aids in South Africa, informal work in Brazil).

What is the impact of these cash transfers – including pensions programmes - on the position of older people, women in particular? And what are their intergenerational effects? That is the main question of this paper. HelpAge International has contributed to a major body of research on the topic and has started a campaign under the title 'Pensions not Poverty'.

2. Demografic trends in sub Sahara Africa

a. Declining fertility and longevity

Though Africa is still a young continent, due to migration and the consequences of HIV/aids epidemic-, it will soon be part of the global demographic revolution. Over the next thirty years, the population of older people in Africa will have more than doubled in many countries including 'war torn' societies like the Democratic Republic of Congo in which their numbers will increase from 2.1 million to 4.9 million (US Census Bureau,1999). By 2050 there will be 102 million older people in sub-Sahara Africa of whom 22 million will be over 80 years old.

Indeed, still nearly half of all African women are married at the age of 18, one in three of them in a polygamous marriage. The estimated average fertility rate was 5.6, though with a wide range from 7.3 and 7.1 births in Niger and Uganda to 2.2 and 2.0 in Mauritius and Seychelles.

Although scientific evidence is weak, there seems to be a fertility decline in sub Sahara Africa, mainly caused by urbanisation (Johnson-Hanks, 2004). In the major capital cities this decline is noticeable, in rural areas it is not. In regions where people have to live on subsistence agriculture, the need for offspring is not only a long term investment for old age, but often a direct contribution to the family's labour force. Where one has to count one or two hours for fetching water, the same time to find firewood and other daily necessities, a proper labour division within the family structure is a prerequisite for survival.

Major developments like urbanisation and ongoing violent conflicts – Congo, Sudan - are changing fertility and demographic balance. Many older people, women in particular, find themselves nowadays in a situation of 'double bind'. They are part of the 'left behind' communities in the rural areas and at the same time they have to take care of their grandchildren without proper financial means. This causes social and economic strains. Land ownership is a dwindling asset for older farmers, due to low food prices. Their own capacity to farm is reduced due to ailments that often accompany old age?. The World Food Organisation relates urbanisation to the endangering of food production and chronic food insecurity. This might have a negative effect on the youngest generation too.

b. Impact of HIV/aids and disasters

The HIV/aids epidemic strikes at the heart of the extended family and community structures. It is estimated that in Africa alone 12 million children have to grow up without their parents and very often live with grandparents. This number of orphaned children and child-headed households is expected to double in the coming decennium.

Community driven programmes cover a wide range of responses, including the use of pension schemes in South Africa, Namibia and Lesotho , home-care services in Zambia (which enables families tot stay together) and training programmes for older people to become counsellors in f.e. Sudan.

The trauma resulting from the loss of family members and the stigma of having HIV/aids in the family can result in high levels of exclusion for older people and vulnerable children, leaving them ashamed and alone. Many older people feel they are failing in their role as caring grandparents because they are not able to protect their children from social isolation.

Due to civil wars and natural disasters, more than half of the world's displaced are found on the African continent. Recently, due to the tsunami, the sea strike of Christmas 2004, tens of thousands of Somalis living on the coastal areas lost their homes and livelihoods. Older people often suffer hardships in refugee camps – physically – due to their inability to walk to food distribution points – and/or psychologically, due to separation from their family.

In the crisis in Sudan, where 2 million people have been displaced, older people are often victims of the ongoing atrocities by the militia. Older women in the Darfur refugee camps are not even freed from rape or assault. This can even cause them to be chased away by their husband.

However, older people are not just victims. Knowledge of coping strategies, alternative technical or health knowledge, might help communities in crises. Older people may have control over material assets and they may also be able to influence younger generations in peace-building processes. The International Federation of Red Cross and Red Crescent Societies have responded to this by recognizing the value of older peoples experience and employing them in refugee camps.

c. Aging as a female experience

In sub-Sahara Africa there are nowadays 100 older women for every 86 men. For women, as for men, the aging world is a working world. Women often work in the informal sector, in subsistence agriculture. They are the main (informal) health carers and domestic labourers. Because of the lacking family networks, in many parts of Africa older women are organising themselves to support each other in making ends meet. The organizing is encouraged by the fact that households headed by older women are twice as likely to include orphans as those headed by older men.

In some countries like South Africa and Brazil (rural pension) the access to (rural) pensions is gender specific. In South Africa the age barrier is 65+ for men, 60+ for women. In Brazil it is 60+ for men, 55+ for women.

3. Risk-management

a. Social protection

For a long time, social policies have been related targeted at macro economic goals. In the 80-ies the World Bank and IMF enhanced the Structural Adjustment Program (SAP) in order to stimulate economic growth. The political resistance against the SAP was substantial, because of its harsh impact on the poor. Lately countries have been asked to develop their Poverty Reduction Strategy Papers *(PRSP)*. This implies a more tailor-made approach to poverty reduction and the papers introduce more sophisticated instruments to monitor results.

At the same time, as the social and cultural fabric weakens and poverty deepens in the developing world, interest is rising in the role that social protection measures can play in poverty alleviation. More specific, in enhancing poor people's capacity to manage risks – agricultural shocks, job loss, health problems etc. - and developing capacities to alleviate their poverty.

‘Macro-stability is important. Social protection is important. Social protection that blows the budget will be ineffective. A budget that is so stringent that is doesn’t allow for social protection is self-defeating’, said professor Nicolas Bass, London School of Economics, during a seminar on ‘New Strategies for Social Protection’. He distinguishes ‘general programmes for general groups’ and ‘specific programmes for specific groups’. In his view it is important to minimize reliance on income tested allowances as this is administratively difficult, it is expensive and can induce the stigma of ‘deserving poor’. However, old age was mentioned as a good way of targeting benefits. Pensions in South Africa and Brazil are effective, if only because they target women too (HelpAge International, 2005:40).

Many PRSPs suggest that poverty is related to gender. In the HIV/aids infected regions, these documents have given attention to the position of older people. Ideas developed around health insurance for the vulnerable and older people and income are generating social protection projects (revolving funds).

Social protection is considered the same way and health and education, i.e. as contributing to the development process and this idea is gaining importance. A proper provision for old age has intergenerational effects and therefore it must be a priority for developing countries to build institutions and generate information that can contribute to inclusive, transparent and simple mechanisms for delivering social protection.

b. Cash-transfers

In April 2004 a two-year Social Safety Net Project was launched by Zambia’s Ministry of Community Development and Social Welfare in three rural areas of Kalomo district. Funded by the GTZ, the German Development agency, the project aims to reduce extreme poverty, hunger and starvation in the 10 percent most destitute households. These households (about 1000) are mainly headed by older people who are caring for vulnerable children and are often excluded from labour-based schemes, food or cash for work or micro-credit. Each household receives a local equivalent of about $6 per month in cash, the average prize of a bag of maize.

Making cash count (HelpAge International, 2005) is a study on cash transfers in 15 countries of east and southern Africa. It examines four programmes in more in depth (in Ethiopia, Lesotho, Mozambique and Zambia) and draws lessons for policy from this comparative review. A main argument in favour of cash transfers is that they give people more choice than free food programs. Evidence from this study suggests that cash is put to a wide range of uses, from all kind of needs, from health care to education. Much of the spending benefits children, both directly and indirectly. Moreover, it appeared that divers spending patterns generate a multiplier effect in the local economy.

An often mentioned argument against cash transfers is that it creates resentment and dependency. The research team of *Making cash count* found evidence that in most cash transfer programmes the eligibility criteria were transparent and accepted as fair by community members. This was especially the case when transfers for people unable to work were complemented by other social programmes, such as job opportunities for those who can work. It was found that, rather than creating dependency, cash transfer programmes were on the contrary a crucial response to rising dependency ratios in context of high HIV-prevalence. Concerns that cash transfer programmes might be inflationary were not supported by this study. The variability in purchasing power (from under $3 per month in Mozambique's Food Subsidy Programme to $11 in South Africa's social pension) means that their impact on household wellbeing ranges from almost negligible to highly significant.

The final conclusion of the study is that cash transfer schemes should be integrated into a comprehensive package of context-specific social protection interventions. Pilot projects should be scaled up and institutionalised within government structures. Partnerships should be built for effective delivery (involving governments, donors, NGO's, the private sector and communities). Therefore investment in proper management is prerequisite.

4. Pension schemes

Most research and policy debates around old age protection have focused on contributory pension programmes. With the publication of the 1994 World Bank report on 'Averting the Old Age Crisis: policies to promote growth and protect the old", the issue around aging in developing countries received a stimulus. This report instigated radical pension reforms in Chili and other Latin American countries (Mexico, Argentina).

The main conclusion of the World Bank's report was that developing countries should be aiming to establish a three pillar pension system.

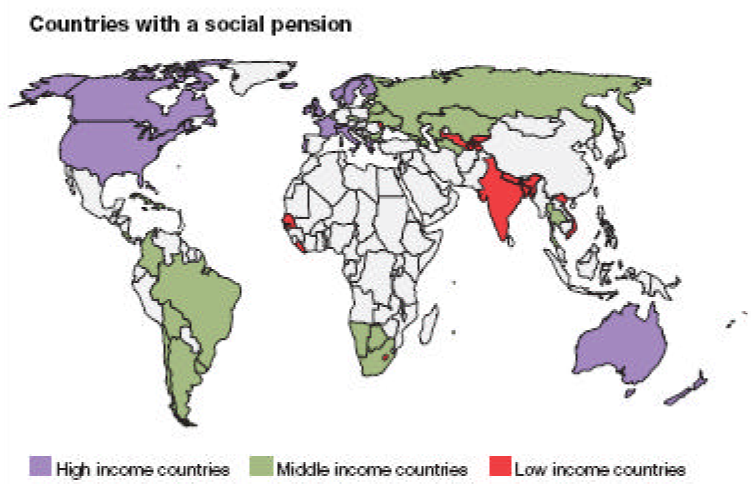
1. a non contributory basic pension pillar
2. a second pillar involving compulsory savings based pensions plans
3. a third pillar on voluntary savings.

The bulk of work and policy planning has been around the second pillar (World Bank, ILO). But more recently a consensus seems to emerge around the importance op social protection schemes based on non-contributory cash transfers.

a. Social pensions

Social pensions have hardly been considered as an option in development policies, since conventional wisdom has been that 'income transfers to the poor, and safety nets more generally, are at best a short time palliative and at worst a waste of money'' (HelpAge International, 2004). Furthermore, older people are often seen as consumers of welfare services, rather than productive forces in society and in some regions main contributors to development (Gillijamse, WorldGranny 2006).

Social pensions, defined as a state provided non-contributory regular cash transfer to older citizens. 72 Countries have either a means-tested or universal social pensions – 46 of them in low or middle income countries.



During a conference in Livingstone Zambia, supported by the African Union and the government of Zambia, senior African government representatives called for 'greater use of social pensions and other social transfers to vulnerable children and disabled people as policy options and the development of national social transfer plans within three years''. [ii]

Why are social pensions needed? (HelpAge International, 2006) In a comprehensive booklet HelpAge International provides three responses to that question.

1. Older people are entitled to benefit from international commitments to end poverty but they are deliberately or by default excluded on the ground of age.
2. Older people are often disproportionately affected by poverty. The majority of older people have no regular income.
3. To prepare for global aging.

Social pensions promote gender equity. Social pensions generally redistribute proportionately more income to women, who have less opportunity to obtain contributory pensions, and who live longer.

Universal social pensions are affordable even in very low income countries. For example Botswana, Lesotho, and Mauritius all have domestically financed universal pensions that cost max of 2 percent of GDP. [iii] Also the ILO has taken up social pensions as an issue of social protection, part of a package that also involves child benefits and disability grants.

b. Micro-pensions and savings

Since the financial sector in Africa and especially micro financing have developed substantially, the demand for more products like life- and health insurance has increased.

The theme of micro pensions however, has been a barren field so far. However, some organizations, like INAFI – International Network of Alternative Financial Institutions, are considering taking this issue up as a pilot research theme. Why? Because they consider developing pension savings schemes as a viable investment? Because the little evidence there is shows that the poor cán indeed save? Because they recognized the need there is for (old age) saving schemes for poor people? Established in March 1995, INAFI Africa is the Pan-African arm of a global network of practitioner microfinance institutions motivated by the desire that poor people too should have access to appropriate financial services according to their means and needs. They will now be occupied with answering the above questions.

Saving for the future has never before been associated with low-income groups by the financial sector. As has happened with the successful development of micro financing the concept of saving is becoming more popular. Several MFI's even require a certain percentage of the micro loan to be put aside as savings. In Asia (for example Grameen Bank, Brac) this is already a more common practice. Grameen's pension- or 'life-cycle' savings scheme has become a huge - and viable- success and is benefiting a growing number of poor. In India in 2006, the SEWA bank was breaking new ground with setting up a Micro-Pension Scheme for the self employed. The SEWA members were granted permission to join an approved pension plan that offers no assured returns but allows up to 40 % of the collection to be invested in the Indian stock market. Another Indian example is the UTI Mutual Fund's `Micro Pension' scheme for women workers of the unorganised sector. Initially the scheme covered 5,100 members of SHEPHERD (Self-Help Promotion for Health and Rural Development), a non-governmental organisation.

As a partner of HelpAge International, WorldGranny has taken 'micro-pensions program for developing countries' up as one of its priorities for the coming years. The experience from Asia shows that there is certainly a need for third pillar pension provisions among less affluent groups. It appears to provide in a wanted service that will support the ability to handle risks for vulnerable households. The Netherlands has a reputation in the field of pensions and mutual insurance. Its substantial academic and corporate expertise could well be used by developing countries. Also the recent Minister of Development Cooperation is member of the Dutch Labour Party and more than its predecessors interested in supporting new strategies in targeting the Millenium Goals and risk management.

5. Evidence based efficacy

a. For older people

As far as research results are available, cash transfers and social pensions are a win-win policy option. A comparative research has been done by a team of 9 researchers form UK and South African universities, HelpAge International and the Institute of Development and Policy Management. They researched the impact of the provisions in Brazil (for workers in the rural areas the program started in 1963) and South Africa (started in the forties, was gradually equalized for al South Africans in the nineties). These two countries contain the largest non-contributory pension programmes in the developing world.

The main findings of this comparative study (HelpAge International, 2003) were:

- Social pensions increase the income of the poorest 5 percent of the population by 100 per cent In Brazil and 50 percent in South Africa.
- People in households receiving a pension are 18 percent less likely to be poor in Brazil and 12.5 per cent less likely in South Africa.
- In Brazil and South Africa, pension benefits are shared within households, and non-contributory pension benefits should be considered more appropriately as household cash transfers tagged on old people.
- Non-contributory pension programmes have a significant impact on poverty. In the absence of non-contributory pension programmes, the poverty headcount and the poverty gap would be appreciated higher for households with older people. The impact on the poverty gap is much larger for the poorer households. The programs significantly reduced the probability that individuals in households with a pension recipient will be in poverty.
- Non-contributory pension programmes reduce household vulnerability. Households with a non-contributory pension recipient show greater financial stability and lower probability of experiencing a decline in living standards.
- Non-contributory pension programmes promote functionings in older people. Preliminary analysis of a range of deprivation indicators shows that pension recipients have a lower incidence of deprivations, especially in urban areas.
- In Brazil and South Africa, non-contributory pension programmes reach a large number of older people (5.3. million in Brazil and 1.4 percent of the population in South Africa). The programmes are financially sustainable and attract a large measure of political support.

b. For young children and adolescents

Cash transfers do have positive effects on children’s well-being. The longer the schemes are in operation, the more rigorous evaluations can be carries out. The largely qualitative study, *Making cash count*, indicated a positive effect as did several studies on the impact on child poverty in South Africa. (Barrientos, de Jong, 2000)

Social pensions reduce child poverty and increase school enrolment and nutritional intake. Pensions are often use for – or is frees up money to spend on children’s health, education and better nutrition, contributing to meeting the Millennium Goals on hunger, education and health. As a result 10 – 14 year old school enrolments are significantly higher among rural Brazilian households that receive pensions as compared to those who did not. Girls in recipient households in South Africa were on the average 3 – 4 cm taller than girls of the sam age, living in non-recipient households.

However, ensuring that children are indeed benefiting from an unconditional transfer requires a basic, but adequate monitoring system – this should include a insight to intra-household spending and a link to a response mechanism that could be activated in cases of misuse.

c. Institutional developments

Scientific evidence is still weak, but there are strong indicators suggesting that the delivery capacity of the governments of countries that do have a social pension scheme or a wide range cash transfer system, is improved substantially.

For instance in Lesotho (Hagen, 2007) the Ministry of Finance is eager to stimulate local governments to play a major role in facilitating the pension scheme. Due to decentralization, local governments are more accessible for the older people. Registration of births and deaths is being done by the district administration. This population registration was set up after it appeared to be very hard for older people to prove their age and their entitlement to a pension.
Furthermore the pension scheme stimulated the various ministries to work closely together, for instance the Ministries of Health and of Social Welfare. With this registration it is easier to reach out to orphans (because the death of their parents is now registered), which means that assistance can be brought in the form of a public assistance grant for grandparents who have not yet reached the age at which they are entitled to a pension.

6. Conclusions

Demographic changes affect all Africans. The international community, as a follow-up to the UN Summit on Aging & Development (Madrid 2002), is becoming aware that achieving the Millennium Development Goals by 2015 will require greater financial commitments and new approaches. The urge for changing attitudes towards older men and especially women, who should be perceived as key players in the productive and reproductive field, is becoming clearer every day.

And there is some good news. The Tanzanian government is including older people in its Poverty Reduction Strategy Review, while in Ghana the government has developed a National Programme on Ageing. In cooperation with HelpAge International, the African Unions Policy framework and Plan of Action on Aging was formally launched in 2003. National policy development is guided by this framework. And the Regional Conference held in Livingstone, 2006 has sensitized various African countries about the need for the implementation of a social pension scheme.

Furthermore, cash transfers, social protection programmes and pension programmes, including all three pillars, are now subject to political debate. In several African countries social pension schemes are indeed getting implemented and in many more countries pilot projects are thoroughly researched. The international community could be doing more in depth study into the impact of the protection measures and pension schemes and support monitoring and evaluation skills within the local communities.

In sub-Sahara Africa, where most countries can rely only on a limited tax base and suffer from a lack of effective administration, the introduction of non-contributory pension programmes will require international support. Donor countries are even bound by obligations under the International Covenant on Social, Economic and Cultural Rights, and therefore the realization of these rights to all people. They can play an important role in both disseminating innovative pilot programs and in supporting developing country governments to explore the practical and political consequences of instituting national schemes of income transfer for the oldest generation. Communication and exchange of expertise between different partners in social protection and pension sector should be facilitated.

Collaborative action is required to ensure that the intergenerational and socio-economic impacts of HIV/aids are being considered. Older people could be playing a key role in HIV/aids prevention within their families and communities. They should be supported to get access to their entitlements. This is not only beneficial for the oldest generation, but has direct consequences for the youngsters and therefore should it be considered as a major political, financial and social tool to face the future.

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Annex 1. Case study Lesotho:

The Institute of Southern African Studies, part of the National University of Lesotho (NUL) started its Lesotho Old Age Pension Impact Project in August 2005. This interdisciplinary research involved twelve Departments and Institutes of the University.

The objective was to assess the impact of the pension scheme on the well-being of its recipients since it was introduced in Lesotho in November 2004. Currently the Pension is paid to almost all Lesotho citizens aged 70 years old or beyond. About 75 000 people, 3.5% of the Lesotho population, now get the pension as an unconditional cash transfer. The pension is slightly above the official poverty line for adults in Lesotho, that has a population of about 2 million people. About 40% is living below poverty line of $US 1 per day. 60% have less than US$ 2 a day. The economic situation in Lesotho has declined since the mid-1980s due to the recent major loss of jobs for Basotho men working in the South African mining industry.

Main findings:

Pensioners satisfaction with their life.

Responses to the question "Now that you have received the pension, how has your satisfaction with life changed from how it was before you had the pensions."

30 % 'A Lot More Satisfied'
56% 'A bit more satisfied'
14% ' No change' or 'A bit or a lot less satisfied'

Pension and hunger.
The pension is providing old people with more food security.

Statement	% agreeing this was the case before the pension	% agreeing this is the case after the pension
I never had enough food to fill me up	20	10
I sometimes have enough food to fill me up	47	47
I always have enough food to fill me up	26	36

In the field of employment, income and support:

- Pension has been used to create 45 new jobs
- 11% of recipients claim that the pension makes it easier to borrow.
- 23 % get cash incomes in addition to the pension
- 25% of those getting a cash income before the pension get less of this after the pension.
- No overall change in pensioner assets held (nb 95% already owned their own house)
- Average 4% of pension is saved
- Small increase seen the in amount of giving or lending cash to others.
- After receiving their pension the proportion of pensioners paying their own funeral society instalments rose from 67% to 88%. Three respondents were using the pension to increase their subscriptions and provide themselves with a more expensive funeral.

Effect on help received by and given by pensioners

- 95% ambulant and can look after themselves, but 50-60% need help in house and in their gardens and fields
- Pension has produced no change in the extensive help given by the familiy, especially children
- Pension is seen to have *improved* relationships within the family
- 215 respondents between them are caring for 65 dependent orphan children. M 30 a month of the pension spent on average for this. *This is 20% of all the pension money received by the sample group.*

Pension and support for education

- 60% of the pensioner respondents have dependent school-age children in their households. Two-thirds of these are at primary school

- 90 children get additional support made possible by the pension at an average of M 60 each a month. Over the whole sample surveyed this would be an average of about 20% of the pension received by each pensioner.
- The extra money is used mainly for uniforms, travel, and books.
- 75% of responders would use any higher pension to increase education spending on children even though it was observed that primary school children now pay no fees.
- Pension spending on education is seen as less important than spending on food and accommodation but more important than spending on clothes
- There was no interest from pensioners in using pension for educating themselves.

Pension and respect

There is still much respect for the elderly amongst the Basotho. 85% of pensioners say they get a lot or some respect. This has not changed substantially since getting the pension.

The penioners are still used a lot as advice givers. This also is not much changed.

Pension and relations with others

- Around 95% responded that they have full control themselves of how their pension is spent. The other 5% give control to their family. Such finding shows that nearly all older people personally obtain more resources due to pension schemes. It would be interesting to control for gender.

- 7% claim they are being physically and/or mentally abused, usually by family members. Three instances of this were related to other family members trying to get vcontrol of how the pension is spent.

Physical and mental health

80% of the pensioners are in general good health, but 15% say they have serious health problems especially with their joints, blood pressure and vision. Local health services are available but require pensioners to go to them. After getting the pension more is now spent on health services for the recipient and household. Priority spending is for transport to get to the clinic and hospital and buying medicine.

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