

Poverty, Social Protection and Participation of Ageing Adults in Working Spaces. A Description of Eight Countries

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Abstract. As the Montevideo consensus on population and development states, it is important to understand the economic and social transformation related to the age structure, particularly because the population in the Latin America and the Caribbean Region is rapidly aging (3.77%) and continues to be the most inequitable region in the world. This paper summarizes the situation and the progress related to ageing and the rights of the elders in eight Latin American countries. This paper identifies three different country profiles in the LAC region: the population of the first group of countries is considered young, at the initial phases of the demographic and epidemiological transition, countries as Bolivia, Guatemala, Haiti and Honduras are included. The second group of countries, including, Brazil, Colombia, Peru, and Dominican Republic are at an intermediate level of transition, where the total fertility rate and the death rates are declining, but still with a large proportion of young population. The third group of countries are aged societies, advanced in the demographic transition, with fertility rates below replacement levels, such countries are Cuba, Uruguay and Costa Rica. Based on the three profiles the paper summarizes the existing programs and initiatives related to poverty, social protection and participation of ageing adults in working spaces, as well as proposed recommend interventions to mitigate the impact of ageing societies in social, economic and inclusive development.

Keywords: ageing, demographic transition, social development, development, pension, ageing adult in the workplace

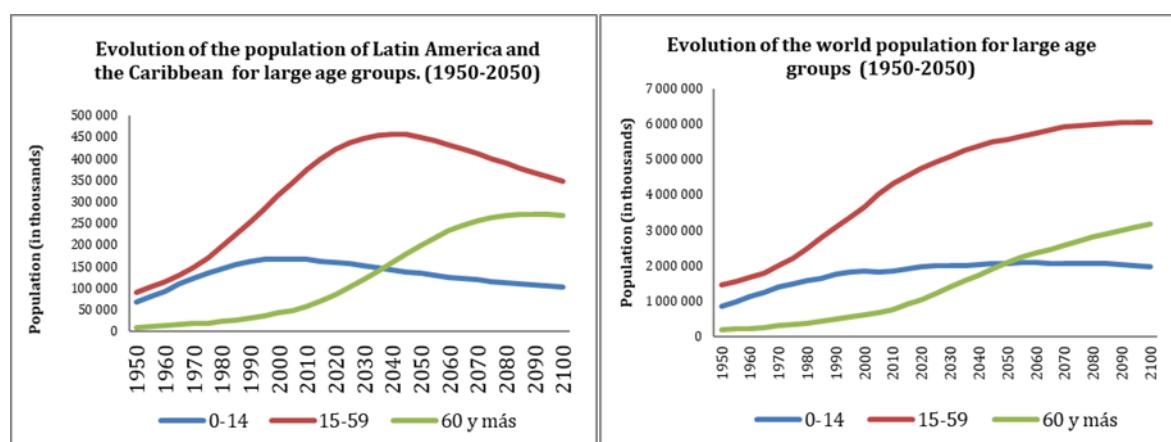
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Introduction

In Latin America and the Caribbean (LAC) the growth rate of the population 60 years or older is expected to be greater (3.77%) than at the global level (3%), during the period of 2015-2020 (Figure 1) (UN DESA, 2017). This rapid ageing of the population of LAC poses important challenges as the region continues to be the most inequitable of the world and has not reached the human development indexes achieved by other regions with similar ageing levels.

Figure 1. Population age structure by broad age groups. Comparison between Latin America and the Caribbean and the world (1950-2050).



The ageing process in LAC will not happen at the same pace in all the countries. It depends on the stage of demographic transition in each country: its progress to decrease infant and total mortality, the value of total fertility rates, as well as life expectancy at birth. Based on those values there are three distinguishable scenarios among the LAC countries (Table 1). As the Montevideo Consensus on Population and Development promotes the inclusion of population dynamics into public policy, it emphasizes the relevance of considering the epidemiological heterogeneity of the LAC region as, with different overlapping stages, as well as the rights of older persons.

Table 1: Demographic Transition in LAC

	Demographic Transition		
	I	II	III
Global Fertility Rate	↑	↑↓	↓
Death Rate	↑	↑↓	↓
Life Expectancy	↓	↑↓	↑
Countries	Bolivia, Guatemala, Honduras, Haiti	Brazil, Colombia, Peru, Dominican Republic	Cuba, Uruguay Costa Rica

Source: UNFPA – LACRO

On the other hand, the *Madrid International Plan of Action on Ageing* of 2002 and the Charter of San Jose, its regional expression, highlight older persons as right-holders who have contributed to development, and should be included in the formulation of policies related to ageing. The ageing process poses new challenges to families and to societies in several aspects, such as: (i) the ageing index, which refers to number of individuals aged 65 and older correlated to the number of individuals aged 15 and younger; (ii) the dependency ratio of the ageing population (in other words, the number of people of working age corresponding to each elderly person), and (iii) the demographic window of opportunities, that measures the time in which the percentage of population in productive age (15 to 64 years) is greater than the percentage of the population in non-working age (0 to 14 plus 65 and older). The aforementioned elements might raise the pressure of social protection programs, shape governmental investment in education and health, and public and private savings. Using as a framework the Madrid International Plan of Action on Ageing of 2002, the Charter of San Jose, which was adopted during the Latin America Regional Intergovernmental Conference on Ageing that took place in 2012, as well as the Montevideo Consensus on Population and Development, this paper conducts a descriptive secondary analysis summarizing the situation and the progress related to ageing and the rights of the elders in eight Latin American countries: Bolivia, Brazil, Colombia, Costa Rica, Cuba, Mexico, Dominican Republic and Uruguay.

The profile of older persons in Latin America and the Caribbean

Latin America and the Caribbean (LAC) maintains the tendency observed at a global level: the life expectancy at birth has increased by over 30 years during the last century (WHO, 2016), and between 1950 and 2050, the number of persons 80 years or older will increase 26 times, going from 14 million to 379 million (Palloni & Souza, 2013).

Table 2: Latin American and Caribbean countries by older population.

Country	TFR 2015-20	Life expectancy at birth (2020)	% population 65+ (2020)	% population 65+ (2050)
Cuba	1.72	80.03	16.1%	31.3%
Uruguay	1.98	77.72	15.0%	21.6%
Costa Rica	1.76	80.14	10.4%	23.6%
Brazil	1.70	75.80	9.5%	22.9%
Colombia	1.83	74.65	8.7%	20.9%
Mexico	2.14	77.41	7.5%	18.8%
Dominican Republic	2.38	74.14	7.6%	15.9%
Bolivia	2.83	69.61	7.1%	12.4%

Source: UNFPA

The sources of information were narrative reports and excel templates summarizing qualitative, and quantitative data from countries, prepared by the United Nations Population Fund (UNFPA) Country Offices to inform the discussions at the Global Symposium on Ageing, Seoul 2017. In Latin America and the Caribbean, UNFPA relies on a network of experts across 22 countries as staff or consultants, many of which collaborated during the reporting process that took place 15 years after the adoption of the Madrid International Plan of Action.

Results: Social development and economic security in old age

Coverage of the pension system

The population dynamic of the LAC region is shifting the age structure of its population, and the dependents (children and ageing adults) are increasing at a faster pace than the adults of working ages, mainly due to older persons. The balance of the contributive systems depends on the age structures of the population, because it depends on the intergenerational solidarity to transfer quotas from the active economic population to the non-working population.

In Cuba, access to services and basic care, especially for ageing adults, are the cornerstones of the dignity and well-being of its citizens. Universal social security system and social assistance based on a method of contributions and distribution guarantee 100% coverage of social security, the system includes governmental businesses, and worker's contributions (including new forms of non-governmental work). Social security coverage is universal, including independent workers. Those who have not worked receive, if necessary, a non-contributive coverage from the Social Security System. In Uruguay, there is a high level of social security coverage during retirement, in 2014, 83.8% of senior men and 62.2% of senior women were receiving retirement payments. At the same time, recent reforms adding flexible conditions to access retirement pensions is, without doubt, a substantial progress to ensure elders economic rights. The progressive and substantial increase in the amounts of retirements and pensions experienced in recent years also stands as an aspect that underlines the relationship of economic security of older people.

Finally, the systems recognise the intermittent participation of women in the labor market, secondary to reproductive events, it computes one year of work per child in order for them to access retirement funds. In Colombia, the Political Constitution established the Pensions General System with two modalities: (1) a traditional distribution system with defined benefits (RPM), and (2), a system of individual capitalization for those who work in the formal sector of the economy (RAIS). At a national level, the pension coverage for ageing people is 23% (875,981 people), of whom 65% are men and 25% women. Coverage is five times higher in urban zones than in rural zones, a result of the high informality of labor in the rural zones. According to the survey of Quality of Life in 2015, 27% of the working population reported affiliation to a pension system and pays quotas for their retirement. 65% of the people are not affiliated because they do not have sufficient income or because they are unemployed. According to the OECD, 86% of the pension subsidies granted by the State is received by the wealthiest 20% of the population, and the lowest fifth of the population receives only 0.1% of

these subsidies (OECD, 2015). In order to widen the financial security of ageing adults, the country relies upon various additional schemas: Voluntary and complementary savings system (for those who have capacity to save); as well as the Periodic Economic Benefits (BEPS), a mechanism of individual savings for the informal population complemented by a governmental subsidy of 20% to the individual savings. Last, there is a non-contributive pension program called the Ageing Colombia, which guarantees a minimum income for the most vulnerable elderly in the population. This provides coverage for 25% of the population aged 60 years or more (approximately 1,468,799 people) of whom 83% is older than 65 years living below the poverty line. The coverage consists of a direct economic subsidy, which matches approximately 10% of the minimum salary in Colombia, or a social services subsidy such as food, basic supplies, healthcare, etc.). Mexico possesses a pension system created through the decree of May 23 of 1996. The pension system includes workers affiliated to the Mexican Institute of Social Security (IMSS) and the ISSSTE. In the year 2010, only 26.4% of people aged 65 or more possessed a retirement fund or pension (SEDESOL, 2013). It should be emphasized that the people who work at the informal sector do not have access to the pensions systems. The accounts administered for the population of 60 years or more numbered 2,509,845, of which three out of four corresponded to men.

In the Dominican Republic, the system of individual capitalization was established in 2003, with 5,468 affiliated. Ten years later (2013) the total affiliation is 84,938 from which 60% corresponded to old age, disability and survival (National Bureau of Statistics, 2016). There are three affiliation plans: (1) a contributive plan with programmed retirement; (2) a solidarity plan, which established a subsidized pension for those with incomes inferior to 50% of the minimum national wage; (3) a contributive subsidized plan that contemplate those who were not able to complete the minimal pension of 300-month quota by age 65. The Protection Program for the Ageing in Extreme Poverty (PROVEE) stands out. It provided conditional transference to more 115,000 seniors in 2014, through the 'Solidarity' card. In Bolivia, the Comprehensive System of Pensions is composed by three regimens of distribution: (1) the contributive, which refers to the payments of workers during their working life and can finance their retirement on their own; (2) the semi-contributive, that are those who paid different amounts during a fraction of their working life and require help from the Solidarity Fund to increase their incomes; and (3) the non-contributive, which applies to those who never participated in the system and receive, the majority of them, only the "Dignity Program", as a specific provision from the Plurinational State. The "Solidarity Fund" was created, to elevate the lowest contributions of workers, i.e. the Elderly Solidarity Pension provided to the workers who have contributed at least 10 years so that they can reach the basic income. The retirement age is 55 for men and 50 for women. In accordance with the Households Survey of Bolivia from 2005, only one out of every five ageing adults receives a pension (UNFPA, 2007). And according to the survey of Ageing Adult (UDAPE, 2013) senior citizens have a low coverage of pensions, only 10.7% of the retirees between 60-64 years have access to a pension and 16% of those aged 65 or more. The group less representative receiving a pension are women in rural areas (5%). The dignity Program is a universal benefit to increase the income of elders, and it represents Bs. 250 monthly (36.00 USD) if the person does not receive any pension, and Bs. 200 monthly (28.80 USD) for those who receive a retirement pension.

As seen in this section, there are different institutional arrangements in LAC Countries, with a common factor of with large amounts of the population not entitled for a pension in the future, with the exception from Cuba, mostly women not participating formally in the labor market, as well as males participating in the informal sector.

Participation of ageing adults in the workforce

The participation of older workers may be possible with a more flexible working environment and retirement laws. In many cases, senior citizens need to remain in the labor market because their pensions or retirement funds are lower than the salaries they have earned during their working life (especially for women). But it is also important to take advantage of their vast knowledge and experience as an input for the societies of their countries. The Cuban Parliament, as of 2008, allows the rehiring of workers beyond the age of retirement, which has permitted the 'rescue' of thousands of workers with experience, capacity, and health to do so. According to the results of the *National Survey of Ageing Population 2010-2011*, almost 20% of people aged 60-plus were working or were retired or pensioners but still working. This last group makes up half (10.4%) of the total retirees. For the Census of 2012, these percentages have increased and there are currently more than 330 thousand who work outside of the labor age and more than half of them are retirees. In regards to senior citizens' labor participation in Uruguay, even if the proportion of older people who continue to work is low (in relation to other countries in the region), the proportion of those who do it in conditions of informality is high (61.7%). Senior citizens placed at the lowest quintile are those who continue participating in the labor market (Martínez Franzoni, 2008).

In Colombia, it is estimated that 25% of the Colombian population older than 60 years are working outside the home on a fixed salary (MINSALUD, 2011). Men show greater labor participation (45%) than women (16%). The labor market participation of those aged 70 years and more is 35% for men and 12% for women. Around 10% of senior citizens do not receive remuneration for their work outside of the home, and this also happens with most of older adult women who work in the home. In regards to the work at home, almost 70% of women do household work from age 60 to age 79, a percentage that declined to 11.5% at the age of 95; this implies that women are doing household work (that is generally unpaid) until advanced age, in contrast with the low participation (less than 20%) of the men older than 60 years in household tasks. One of the major problems in the country is the informality that affects 64% of the workforce in Colombia (DANE, 2015), especially in rural zones and predominantly those who are women. This informality affects 85% of those 60 years and older. In the Dominican Republic, the total employment rate for senior citizens in 2012 was 35%, predominantly men (52%) over women (19%) (ONE, 2012). Senior citizens occupied themselves in basic labors such as service workers, sellers for shops and markets, agriculture, farming, forestry, and fishing labours. In Bolivia, in the year 2002, 51% of senior citizens formed part of the economically active population, and 65.3% worked for themselves or as paid workers (20.7%) under precarious working conditions (INE, 2002). Currently, according to data from The Office of the Ombudsman, around 56% of men and 30% of women from urban areas continued working after the age of 60, and senior citizens in rural areas who were found to be economically active are proportionally more than in the urban areas (78.3% to

61.6% for the population between the age of 60 and 64). Senior citizens have opted to continue as active in the labor market for as long as possible. If they are added to the percentage of senior citizens who are already retired (26.8%), the percentage of those who continue working (12.5%), results in almost 40% of senior citizens earning their own subsistence (HelpAge International, 2012).

Discussion

The rapid ageing of the population in Latin America and the Caribbean is the result of science, technology, health and social protection successes; to the extent that the age group with the fastest growth is the 65 years and older. But in LAC, most of the older persons do not have access to retirement funds or pensions that allow them to have economic stability, especially those who didn't participate in the formal labor market or had an intermittent labor trajectory (especially women), it varies depending on the urban and rural distribution, as well as the situation of older women, which is the result of accumulated inequalities in the course of her life, especially related to unpaid work related to care and household activities. One of the most important achievements of the countries has been the establishment of non-contributive pensions for older persons who would otherwise not have access to them because they worked primarily in the informal sector. CEPAL (Prado & Sojo, 2010) has pointed out that countries could finance a minimum non-contributory pension, as long as future reforms are put in place to increase funding resources for social security considering the age structure of each country. They have proposed, as part of their agenda of equality, a tributary structure with redistributive effect for strengthening the role of public policy and, in this way, guaranteeing the thresholds of well-being.

Conclusions

Longevity is an achievement of society that should be accompanied by the eradication of poverty, and financial stability of older persons in the region. Public policy, laws and programs need to generate opportunities for economic participation, addressing the challenges of an ageing population, focusing on human rights. National policies should consider the challenges derived of the population dynamics of their population. This would help to identify the economic, social and human resources needed to guarantee access to social security and assistance to make development sustainable. This article summarizes areas of public policy intervention in employment and contributive and non-contributive pensions based on three country profiles (Table 3 and Table 4), establishing a basis for differentiated policy design. The three country profiles should promote labor market and economic policies to prevent financial and social vulnerability in older persons, as well as promote voluntary savings, and develop programs of financial education from early ages in order to encourage savings and economic preparation of the population for their elderly years.

Table 3: Main typology by country profile

Topics	Advanced Ageing	Moderate Ageing	Oncoming Ageing
Employment	<ul style="list-style-type: none"> To reintegrate senior citizens to the labor market as in the case of Cuba Promote the stability of older persons in the formal labor market, taking advantage of their experience, as Uruguay has encouraged To improve and adapt the office spaces considering the age of employees and possible limitations. To promote job flexibility (part-time, work from home) 	<ul style="list-style-type: none"> To strengthen the labor markets to increase incomes throughout all working years To encourage the creation of formal and decent jobs for youth and senior citizens 	<ul style="list-style-type: none"> To promote a formal, stable and inclusive labor market, to increase the number of workers that can access the pension during their elderly years.

Table 4: Main recommendations by typology of country

Topics	Advanced Ageing	Moderate Ageing	Oncoming Ageing
Contributive and non-contributive pensions	<ul style="list-style-type: none"> Increase coverage and equity of contributive and non-contributive pensions to reach all the elders. Evaluate the value of the pensions so they allow older persons to live a life with dignity. Consolidate the pensions derived from private schemes. Promote individual savings 	<ul style="list-style-type: none"> Redesign the pension system in a way that allows them to include the population with the lowest incomes and the furthest behind. Improve women's conditions so they can obtain a pension, reducing the gender differences in the retirement ages (such as, for example, providing a pension bonus that compensates for maternity and recognizing the weeks of coverage for each child that they have had like Uruguay has done) Recognize the unpaid household work and caregivers, to which could be assigned a pension bonus. 	<ul style="list-style-type: none"> Widen the coverage and quality of the social protection systems, with inclusive, democratic and cohesive societies with clear parameters of intergenerational solidarity, decreasing the inequity and the intergenerational transmission of disadvantages, such as in the case of the Dignity Program in Bolivia. To control the evasion of contributive payments into social security on the part of employees and employers who are already contributing to their vulnerability in later years.

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