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SOCIAL AND ECONOMIC ISSUES OF SOCIAL SECURITY FOR THE ELDERLY IN LATIN AMERICA */

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CONTENTS

INTRODUCTION 1

I. CURRENT PROBLEMS AND FUTURE PROSPECTS OF SOCIAL SECURITY FOR THE ELDERLY 3

1. An evolutionary typology of social security systems in Latin America 3
2. Social security and old age:intrinsic problems of pensions programmes 5
3. Exogenous factors affecting the functioning of Social Security Systems in the region 7
4. The future of social security in the region 9

II. EMPIRICAL CONTRASTS AMONG SOCIAL SITUATIONS OF SUBGROUPS OF ELDERLY IN LATIN AMERICA 11

1. Aspects of economic autonomy of the elderly in four countries 11
2. Retirement and equity 13
3. High-risk households of the elderly 14

III. SUGGESTED AREAS OF CONCERN FOR REFORMS IN SOCIAL SECURITY FOR THE ELDERLY OF THE 1990'S 17

1. The elderly and the others 17
2. Main issues of social security reforms: financing . 18
3. Main issues of social security reform: Employment . 20
4. Main issues of social security reform the role of the family and the household 21

BIBLIOGRAPHY 24

APPENDIX: TABLES 25

INTRODUCTION

This paper is based on, and inspired by, a forthcoming study prepared by the Social Development Division of ECLAC, entitled "The elderly in Latin America: a strategic sector for social policy in the 1990's" (LC/R.833, December, 1989). That study represents a first effort of the Division in carrying out policy-oriented research in the field of aging. Other parts of the ECLAC system, however, have already made important contributions on this topic: in particular, CELADE (the Latin American Demographic Center) has long provided valuable studies of socio-demographic aspects of aging in the region, while ILPES (the Latin American Institute of Economic and Social Planning) held a seminar in 1987 on multidisciplinary aspects of aging (see ILPES 1988, in Bibliography). While the above-mentioned study (ECLAC 1989a) covers a variety of aspects of the aging phenomenon in the region, the contribution of Rubén Lo Vuolo has been essential for the preparation of Section One of this paper, while Section Two is based in large part on the contribution of Carmen Barros. The chapters of the ECLAC study prepared by César Peláez and Joey Edwardh have also been useful on other, related aspects.

A firmly entrenched commonplace holds that Latin America is a "young region", that policy makers should worry about meeting the needs of children, youth, and underemployed adults, but, since the aged will remain a small percentage of the population in the near future and in any case are either covered by existing social security or cared for by the "extended family", the task of designing and implementing social policy for a rapidly aging population can be safely left to the next generation of planners and decision-makers. This conventional wisdom is soothing in an era of fiscal crisis and burgeoning social problems; it is also almost totally mistaken on all counts.

It is an oversimplification, at best, to categorize Latin America as a "young" region. Latin America as a whole, though "younger" than industrialized countries, is much further along in the demographic transition toward lower birth rates and mortality rates than Africa, and is slightly "older" than the average of developing countries excluding China. There are a number of other hard demographic facts that make population aging a major policy challenge for the coming years in the majority of countries in the region:

- The proportion of young people (0-15) in the population of the region peaked around 1970, decreasing progressively since then.

- Since at least 1950, the elderly population has grown more rapidly in Latin America than in any other region, and more rapidly than any other age group in the region, maintaining annual rates of growth of over 3% for the last 30 or 40 years.

- The population aged 60 and over already represents more than ten percent of total population in three Latin American countries: Cuba (about 11%); Argentina (about 13%); and Uruguay (nearly 16%).

- The population of retirement age is already growing more rapidly than the working age population in most countries of the region; in the remainder (where birth and death rates have began to decline more recently), this divergence will begin to take place in the near future (1990-1995).

The primary concern of this paper is not, however, with the demographic challenges to aging policy, but rather with the social and economic issues underlying the need for social security reform in virtually all Latin American countries in the near future. These issues are divided into two main topic areas: the current problems of social security systems (Part One) including inherent distortions in design, problems arising from interaction with the wider economic and political environment, and problems arising from the current economic and social crisis; and (in Section Two) the empirical socioeconomic situation of the potential beneficiaries of social security for the elderly, in different types of Latin American countries. By confronting this information on the current situation of the elderly with the analysis of social security systems, an exploratory attempt is made to pinpoint the main needs for reform and to suggest possible lines of solution to current dilemmas of social security in the region.

These suggestions are based on the belief that the most important function of social security for the elderly is preventive in nature rather than compensatory or palliative. Its main role is to ensure the availability of the resources necessary to sustain <u>successful</u> aging, in which autonomy is maintained and incapacitating deterioration is arrested. Although the most important of such resources are the considerable capabilities of the elderly themselves, the fact that autonomy for the elderly is to a large degree an economic matter makes all the more unavoidable the realization of reforms that make social security -and society at large- more equitable, in the sense of "fair" rather than of mathematical equality. In other words, the objectives of reform in social security for the elderly should include, in addition to financial viability and efficient service, improving the chances of poorer strata of the elderly for achieving successful aging.

I. CURRENT PROBLEMS AND FUTURE PROSPECTS OF SOCIAL SECURITY FOR THE ELDERLY

1. An evolutionary typology of social security systems in Latin America

In distinguishing degrees of maturity in social security systems, a recent ECLAC study ranks the countries of Latin America into three groups (high, intermediate and low) according to values given to a selected group of variables, at the beginning of the eighties (Mesa Lago 1985). This classification coincides with another which orders the countries according to the time of birth of their social security system institutions, and also corresponds roughly to the rank order of countries in the demographic transition. Based on this, a double entry table combining these classifications was devised (Table 1 and Table 2). In the "high" group are found Uruguay, Argentina, Brazil, Cuba, Chile and Costa Rica; in the "intermediate" group are, Panama, Mexico, Peru, Colombia, Bolivia, Ecuador, Paraguay and Venezuela; and in the "low" group, the Dominican Republic, Guatemala, El Salvador, Nicaragua, Honduras and Haiti The study referred to does not take into account non-Latin Caribbean countries, because the development of social security systems in these has been substantially different and it would complicate comparisons proposed in the study.

The high group countries tend to coincide with the pioneers in establishing social security institutions in the region, and their salient characteristic is now institutional fragmentation of the system. Costa Rica, despite its lateness in organizing its system, by the beginning of the eighties had achieved levels in indicators selected similar to the high group, followed closely by Panama at the top of the intermediate group. Most countries included in the intermediate group organized their institutions from the forties onward and in a more unified manner. Countries of the low group are those in which social security systems only appeared in the fifties and sixties, with more formally unified systems.

Thus, in addition to being pioneers with regard to the establishment of institutions typical to social security, the following elements were common to the "high" group countries: coverage exceeded 60% of total and working population, covering the rest with assistance benefits; taxation on money wages exceeded 26%; system expenditure as a whole neared or exceeded 10% of Gross Domestic Product (GDP), with approximately half of it going to the pensions programme, for which reason the system experienced serious financial imbalances; the method of financing in force, at least in fact, was one of distribution;

the ratio of retired to working population was very high, reaching 0.6 to 1; and life expectancy was high, while the population growth rate was low.

Countries in the intermediate group had lower coverage and a broader range (between 18% and 50%); taxation on money wage was lower (around 20%); social security expenditure averaged 3% of GDP, with the majority of it going to the health programme; the system for financing pensions programmes involved stepped mean premiums or distribution of coverage capital; the ratio of retired to working population varied from 0.05 to 0.15; life expectancy was lower and population growth rate was higher.

In the case of countries ranked in the low group, population coverage was very limited (less than 10% of total population and 19% of working population) and it was concentrated in the capital and other major cities; social security expenditure did not exceed 2% of GDP and the greater part of it went to sick and maternity programmes (less than one fifth went to the pensions programme); the retired/working ratio was extremely low (between 0.02 and 0.08); life expectancy was low and population growth rate extremely high.

The Mesa Lago study estimated an average of approximately 61% for both total population health coverage and working population pensions, for Latin America as a whole. Nevertheless these figures were heavily influenced by Brazil, since when this country was excluded the percentage dropped to 42.7% (table 2). In the majority of countries, the percentage of working population covered by social security is similar to that corresponding to the formal-urban sector. Although there are no recent comprehensive studies, partial data from various countries allow one to suppose that coverage has shrunk in recent years, particularly in the pensions programme. The increase in unemployment, the drop in real wages and the increase in the informal working sector, among other factors to which the functioning of the social security system is sensitive, justify this observation.

The majority of countries in the region possess minimum pensions (usually at very low levels) and with adjustment mechanisms for easing deterioration of purchasing power due to inflation. Adjustment criteria are varied; in some cases, according to variations in wages (Argentina, Bolivia, Colombia, Uruguay), in others as a function of cost of living (Costa Rica, Ecuador, El Salvador), of the price index (Brazil, Chile, Nicaragua), according to a combination of prices and wages (Venezuela) or by legal provision (Mexico, Panama). Nevertheless, in few cases have the legal provisions been met lately, due to the combined effects of the fiscal crisis and maturation of the systems.

By 1982, both health and pensions programmes, together with that for occupational hazards, were institutionalized in the 20 countries considered in the study cited. On the other hand, family allowance and unemployment programmes existed only in seven and five countries respectively. In general, risk coverage in Latin America has expanded in the sense of offering more services to the same people, rather than expanding coverage, thus generating serious problems of fragmentation and inequity.

2. Social Security and Old Age: Intrinsic Problems of Pensions Programmes

All countries in Latin America and the Caribbean have instituted old age retirement programmes (information on groups covered, sources of financing, requirements for accessing benefits and characteristics of benefits granted, are given in ECLAC 1989a). Retirement programmes existing in the region recognize the right to old age benefits beginning for the most part between age 60 and 65. There are a few exceptions, but always involving lower retirement ages: in Bolivia 55 (men) and 50 (women), in Ecuador 55 with 360 months of contributions or any age with 420 months of contributions and in Haiti age 55.

The specificity of the time in one's life cycle at which one may have access to retirement benefit is what links social security to the old age question. But in reality, pensions programmes were not constructed thinking of old age as a situation of somewhat increased risk, but as virtually synonymous with loss of income due to inability to work. For this reason, in nearly all countries of the region (Mexico and Ecuador are exceptions) the old age programme is integrated with that of disability and death.

In only a few countries (Argentina, Ecuador and Uruguay) is old age itself a sufficient "reason" for pensioned retirement. In general, age is a pre-condition for gaining accessing to paid retirement, and not even an immutable one. Thus, for example, those who are theoretically less old at a determined age (women) are those that have access to it earlier.

Moreover, in Brazil and Ecuador, for example, there are pensions for years of service without age requirements. In practice, this type of benefit serves to protect those persons who lose their job at an advanced age and have serious difficulties in reentering the labor market. Theoretically, the legislation of certain countries has similar practical effects, where reduced or early pensions are offered after a set number of contributions have been paid (Colombia, the Dominican Republic, Ecuador, El Salvador, Panama and Peru).

Benefit levels granted by the pensions system are not determined on the basis of retiree needs, but rather are linked in one way or another to working income levels: wages, income scales, and workers' contributions are the bases for benefit calculation. In very few cases are benefits granted in a uniform amount (Mexico, Costa Rica). In some cases, pensions are complemented by family allowances for a wife or for underage or disabled children (Argentina, Colombia, Chile, El Salvador, Guatemala. Mexico, the Dominican Republic, Nicaragua, Panama, Peru and Uruguay). In many cases there are maximum contribution ceilings, which not only reduce the systems's financing capacity, but which also generate distortions in income distribution.

The result is a pensions system organized to reproduce for retirees an income position similar to that attained by them while working. Thus, in distributive terms, these systems are regressive. Furthermore, in the majority of countries affiliation to the pensions programme is not mandatory for self-employed or "independent" workers (Argentina, Brazil, Costa Rica, Cuba and Uruguay are exceptions). In fact, whether affiliation is voluntary or mandatory, there are very few of these who incorporate themselves into the system, especially at lower income levels.

Thus, the State receives complex demands from the retired population which are determined to a large extent by their activities during working life. Pensions programs, in the majority of countries, seek to guarantee retirees a proportion of their respective working incomes, and thus the same heterogeneities and fragmentation which characterize labor markets of the region are reproduced. The outcome is that for some groups a basic level of consumption cannot be maintained, while others are even guaranteed a capacity to save.

Special pension programmes for certain categories of occupations, primarily in the public sector, are common in the region. Privileges may occur in the flexibility of requirements for access to them or in benefits received. This generates a situation of irritative inequality, above all if one considers that the cost of these privileges is passed on to the community as a whole, whether directly through taxation or indirectly through prices or tariffs.

In other words, retirement programmes cover only one aspect of old age: loss of the insured's source of income due to assumed physical disability or to obsolescence in the labor force. Retirement is conceived as coverage for loss of productive social function. For this reason, in effect, it is an instrument for labor market regulation. This idea is reinforced when one notes that, although in the majority of Latin American countries exercising the right to an old age pension is optional, in some (Argentina, Brazil) the worker can be told to retire when he meets the stipulated requirements for access to maximum retirement. In Honduras, retirement is mandatory once requirements have been met.

The fact that one particular method of financing is in force in a given country at a given time is not the outcome of technical considerations, but rather results primarily from the economic situation and the system's degree of maturity. In a survey carried out on the topic, the majority of countries answered that the main cause of changes made in their methods of financing was worsening of the system's economic situation (Brenes, 1986). This is a very common consequence of the maturation of pension systems, since all pensions systems function with a high rate of support during their initial phase, when they are all potentially capable of accumulating reserves. The difference lies in that a capitalization system requires maintenance of a reserve fund in order to exist, while those based on distribution of current fiscal income do not.

Nearly all countries used a regime of pure capitalization or stepped premiums at the beginning. But, as more and more people retired and the system "matured" without adjustments to income in order to keep pace with expenditures, a need soon arose for adopting a distribution method of financing. Frequently, however, legislation has not caught up with the new reality. As a result, there are countries, mainly the pioneers, which evince an institutional hybrid: legal standards conceived in terms of a capitalization method with respect to the rights which it grants individuals, while in practice the system is financed as a distributive one.

3. Exogenous factors affecting the functioning of Social Security Systems in the region.

Analyzing social security as an isolated system may hide certain essential issues which make for the very nature of the model. Most social security systems' internal operational logic is heavily permeated by the particular formation of the state in each type of society, by the specific characteristics of social conflict and by the predominant political and economic ideology at a given moment. To this are added matters pertaining to the specific functioning of the economic system and its interrelation with social security policies. The lack of debate on these issues has favored the adoption of models only supposedly in force universally, and which in some cases have been proven inviable in the region.

The social security crisis in the region goes hand in hand with the crisis in the Keynesian economic paradigm which inspired many fiscal policies in the region, some of which affected social security. The view which Keynes popularized with regard to the functioning of the economic system claimed effective demand as the system's motor and guarantor of its stability. Increasing consumption became the mainstay of policies which gave top priority to maintaining income and employment levels. If current consumption and investment determined incomes, then savings became less important.In this context, proposals for the accumulation of large masses of capital, as required by the capitalization systems of pensions programmes, found few supporters.

The contractual wage relationship has been the axis along which social security institutions in Latin America have been constructed, and for this reason it is the main limitation to their expansion. Money wage has traditionally been the taxable base on which taxes for financing the system are calculated. As a result, the wage-earning mass sets precise limits on financing. The increase in unemployment and informal activities of the eighties has crudely demonstrated the sensitivity of this type of financial set-up.

Limits imposed by the labor market do not refer exclusively to employment levels, but are also related to its legal forms, to labor mobility and to productivity levels of workers in different economic sectors. From the socio-political standpoint, these characteristics define specific forms of relations between specific organized occupational groups and the State. Instead of being an income distribution mechanism for citizens as a whole, social security became a mechanism for mediation between demands and the granting of perquisites.

Because of these extraneous sociopolitical factors, at an initial stage of development of social security systems in the countries of the region, only certain privileged sectors obtained benefits from the system, followed by a period of "massification" of these privileges. But this massification of privileges was not universal (if it had been universal they would no longer have been privileges). Equitable systems were not created, but rather institutions stratified by privileges. It is not surprising that State-employed labor sectors were the first to receive coverage and are those which enjoy the best services.

The most serious manifestation of inviability, bankruptcy of pension funds, is not the result (as is often supposed) of overwhelming mass demands by the working class as a whole, but rather of separate negotiations between the State and influential specific interest groups. As time passes, each pressure group's space is greatly modified not only by economic and social transformations, but also by such institutional bankruptcies. This explains, in part, the fragmentation typical of the systems in the region.

Traditional limitations and recent declines in the state's powers of economic supervision underlie the considerable impact had by evasion on the part of both ensured and employer. In the case of pensions programmes, evasion or delays in receipt of funds or in compliance with legal regulations have increased the gap between the real and potential rate of support. In the case of health programmes, service has become fragmented, and where the market is sufficiently developed, a shift has occurred among higher income levels to the private sector. The result has been an increase in the demand placed on public infrastructure to which is added the scarcity of resources. Even those with their own institutional coverage use services destined for those not covered due to their inability to meet additional expenses required to effectively access the service.

In summary, identifying wages as the source of financing for social security - a legacy from social security system schemes based on employer responsibility - has generated the idea that such programmes are self-financed and independent from the other fiscal policies. This has caused a lack of coordination between social security policies themselves and between these policies as a whole and the remainder of public policies.

4. The future of social security in the region

One cannot talk of the future of social security in Latin America without expressly assuming a future scenario for the societies of the region. This does not seem to be very promising from the economic point of view. The region's aggregate GDP, which had increased more than 80% between 1970 and 1980, grew by only 8% in 1980-86, while population increased by 15%. The gross investment coefficient of the region, which was approximately 23% of GDP, on average, during the 1970's, has decreased to an average of barely over 15%. The net flow of capital vis-a-vis the rest of the world turned negative as of 1982, while the external debt continued to accumulate. In this way, the pivotal issue of the vicious circle of underdevelopment - the insufficiency of capital - continues without any avenues of solution being found in the region.

Stabilization plans managed to stem inflation in only a few countries. The average rate of increase of consumer prices, weighted by population, surpassed 470% in 1988, thus more than doubling the previous year's record. The effect on the personal income of wage-earners and pensioners can be easily deduced.

The fiscal deficit, despite having decreased in many cases, is a constant in the region, essentially pressured by capital servicing. From 1982 onward, a trend is perceived towards reducing public expenditure. In 1985, two thirds of the countries in Latin America and the Caribbean had decreased the participation of transfers and subsidies, including social security, in the public expenditure total. The pressing need for financing and problems in collection, have even caused a shift in the tax burden from personal income taxes to taxes on goods and services and other regressive forms of taxation.

Inability on the part of governments to fulfill the public's expectations concerning social services, employment, income and benefits of development usually results in a credibility gap and in a loss of governmental legitimacy in the eyes of the majority. This delegitimization involves the retired population itself as well as the working population, in part because the future of social protection systems will depend to a large extent on the transformations which the labor force is now undergoing. Chief among these transformations is slower growth in the creation of new jobs in the formal sector of the economy. All of this will greatly hinder continuing progress in coverage and in the provision of social security system services.

With such a scenario, it is not surprising that governments are increasingly attracted to the alternative of passing the major responsibility for health and pension systems over to the private sector. This was done recently in Chile, without prior democratic debate. This is an outlet which may be feasible as a partial solution in some systems, but there is at present a dangerous lack of debate as to its implications. The current Chilean social security system views the pensions programme service as a deferred salary, thus immediately identifying it as an individual savings system. It is therefore even more inequitable than the old public system, reproducing even more exactly the income inequalities existing among the population of working age.

Another problem in shifting from public to private social security involves defining who is capable of guaranteeing the maintenance of market value of health and pension fund savings. Owners and managers of commercially oriented funds may be tempted to seek short-term profits with greater risks; or, if they invest massively in government bonds, the economic and political independence of the state may be affected.

This is a reality which may appear alien to the least developed countries, but which should illuminate the debate on their near future. Broadening of social coverage is their most urgent problem, but they cannot develop without considering the link to the political and economic context. Economic development and social security are processes which are mutually connected through distinctive and shared contradictions.

The elderly population is one of the most vulnerable groups in a context such as the one described, through their very non-working condition. Few other sectors see the present being confused with the future and feel so strongly the dearth of alternatives. Nevertheless, this should not create the false image which attributes all problems of social security systems to the economic crisis. There are flaws intrinsic to their very principles of organization, which magnify the effects of the crisis. In any case, the crisis, by exposing them crudely, offers opportunities for reviewing the very bases of their foundation.

II. EMPIRICAL CONTRASTS AMONG SOCIAL SITUATIONS OF SUBGROUPS OF ELDERLY IN LATIN AMERICA

The analysis of the current situation and future prospects of the social security systems for the elderly in Latin America presents a panorama that gives grounds for serious concern. For these systems to respond adequately to the challenge presented by growing population aging in the 1990's, considerable structural reforms -or the creation totally new alternative institutions and policies- will be necessary. Calls for "profound structural change" have been heard in almost all fields of social policy for several years and have intensified in the current crisis; but social security for the elderly is certainly one field in which there can be little objective discrepancy over the inevitability of such reforms.

The very inadequacy of present systems for dealing with the demographic reality of the coming decade is somewhat overwhelming and intimidating. When it comes to proposing concrete actions that are equitable, economically feasible in the foreseeable future, and adequate to the needs of the elderly, the natural reaction is either defeatist or utopic (which is almost the same thing). However, the difficulty in visualizing a convincing scenario for reaching a solution to this apparent conundrum may be due in part to our lack of hard information on the empirical social situation of the elderly of the region in different concrete situations: it is impossible to imagine an optimal connection between potential resources and the needs of the elderly unless those needs - as well as the capabilities of the elderly themselves - are known with some degree of precision.

1. Aspects of economic autonomy of the elderly in four countries

A recent ECLAC study sheds some light on the social situation of the elderly and their families in the second half of the 1980's, in four countries: Argentina, Colombia, Panama and Guatemala (ECLAC 1989a, Chapter Two). Taken together they provide, if not a complete picture of the social situation of the elderly in the whole of Latin America, at least a glimpse of some key aspects in different types of countries represented by these four.

If the role of the state in this area can be defined as providing equality of opportunity for all citizens to achieve what has been called "successful aging", and if the latter depends to a large degree upon the maintenance of autonomy (Litvak 1989) and of social support, then the relative economic situation of the elderly and the structure of the households in which they live become key elements in defining potentially unsatisfied needs and therefore, in determining the most appropriate and effective forms of public action in the field of social security for the elderly.

One basic fact that is illustrated by the findings of the above-mentioned study is that not all the elderly in Latin America suffer from a clear and urgent lack of economic autonomy. The underlying concept of traditional social security systems, that old age is a form of occupational disability and of economic inadequacy, may have been partly true of the proletariat in nineteenth century Europe), is not the case in Latin America today. In 1986 in the four countries studied, between 72% and 83% of persons aged 65 to 79 appear to be able to function as heads of their own households (Table 3), either as couples of in the absence of a spouse. In urban Argentina, 87% to 91% of persons aged 65 to 79 do not require any assistance in carrying out a complete range of everyday activities and tasks. Moreover, in three of the four countries studied, excluding Argentina, between 31% and 60% of household heads aged 65-79 were gainfully employed. Finally, of those households headed by persons over 65, fully 34% to 47% of them were among the richest 40% of all households in the four countries studied, in terms of per capita income (Table 4).

This brief look at a positive side of the social situation of the elderly is given here as an initial antidote to an overly bleak vision of the needs and capabilities of the elderly as a whole in the region. Obviously, the social reality of the elderly is considerably more complex and varied, and therefore requires a closer assessment.

To begin with, the profile of the elderly varies considerably from one type of country to another, according to the level of economic and social modernization, the proportion of rural and urban population, and the extent of social security coverage, in each country. Secondly, there is considerable diversity in the situation of the elderly according to their social stratum of origin and in terms of their present and former occupations. Thirdly, there is a pronounced change in the socio-economic profiles of those over 60 as they grow older, within this heterogeneous age grouping labelled "elderly". If to these three variables is added the differences between sexes, and if all these variables are combined and crossed, the task of assessing the social situation of all the elderly in Latin America immediately becomes rather complex. However, given our current state of ignorance, any empirical glimpse of specific aspects of the situation of the elderly can help to define emerging policy needs.

Thus, in the case of stratification of the elderly population by income, for example, the situation is quite different according to whether we look at all elderly persons who receive personal income (including inactive spouses and other elderly household members) or the total income of the household in per capita terms in the case of households headed by persons over 65 (Table 5). At the same time, both measurements of income show a clear evolution with aging as well as differences among countries.

2. Retirement and equity

Perhaps surprisingly, the dominant tendency is toward an inverse relationship between income distribution among the elderly (on the one hand) and the extent of social security coverage in each country (on the other). For per capita income in households whose heads are 65 and older this is particularly clear: in Argentina (Greater Buenos Aires) with the broadest coverage, the elderly are under-represented among the wealthiest 40% of households, followed by Panama, which also has broad coverage, then Colombia and, finally Guatemala with almost 47% of household heads over 65 in the top 40%. Argentina and Panama are also the cases in which income distribution among the elderly is much more unequal than it is among the 15-59 age group, with a higher concentration of elderly in the lowest income groups than is the case in the other two countries studied. This appears to be an expression of the higher proportions of economically inactive, pensioned elderly in these two countries with broader social security coverage.

The same rank order of differences among countries is repeated in terms of number of elderly aged 65-79, who declare themselves to be retired or economically active (Argentina, lowest, Guatemala highest). Different is the case of the 60-64 age group in Argentina, possibly partly because the self-employed retire at 65 and because the reduced value of pensions leads many persons to postpone retirement. This suggests that those who continue working after age 60, instead of retiring, are not always nor necessarily the poorest who have to work to survive; on the contrary, in crisis situations of hyperinflation when the pensions of those who retire lose their value, it is the retired elderly, rather than those who continue in remunerative activity, who have the highest proportion in poverty.

Another important tendency that is common to all countries is that income distribution tends to be most favorable among those 60-64, deteriorating with age. Heads of households in this age group are over-represented in the wealthiest 40% in all four countries; they also tend to have a higher percentage of active members, since there are fewer small children in relation to the number of adults, whereas among older age groups the proportion of retired persons increases.

It should be remembered that belonging to the lowest 30% of persons or households by income does not mean the same in Buenos Aires as in Guatemala, particularly in terms of the degree of absolute poverty. The information is relevant, however, to the question of how equitably the elderly are being treated in relation to the younger cohorts of their respective societies. Thus, in Panama, in which the income distribution among households with elderly heads is almost identical to the national average, elderly household heads as a group are not discriminated against because of age (the 60-65 age group as a whole is even better off than average); but persons 80 years old or older clearly suffer from greater poverty than the average.

What is worth bearing in mind is that with these exceptions and despite affirmations to the contrary, the elderly as a category do not constitute a social strata or an "underprivileged minority". (Braam 1984). There are wealthy elderly and poor elderly in all countries; in the latter case, the nature of their needs may bear a closer similarity to those of the non-elderly poor than to the non-poor elderly. This point will be taken up again in the final section of this paper, which will explore the policy implications of the main findings.

3. <u>High-risk households of the elderly.</u>

The pronounced heterogeneity of the elderly population of Latin America in terms of their economic autonomy lends support to the arguments in favor of targeting scarce resources with greater efficiency, through the realization of studies that pinpoint the identity and needs of those subsectors of the elderly who suffer the greatest degree of deprivation. Since a very high proportion of the elderly are heads of households or their spouses, these households require examination in terms relevant to these concerns of targeting.

Broadly speaking, age, employment and household structure are associated in practice: more of the 60-64 age group are heads of their households and are more economically active than in older age groups, and on average, their households are larger with more economically active members than is the case in the 65-79 or over-80 group (Table 6). Elderly women, as might be expected, are less often gainfully employed and less often heads of households than are elderly men. The proportion of women who are heads of their own households also diverges from the predominant tendency of decline with age, reaching a peak in the 65-79 year range partly because of the growing proportion of widows. Though men remain, in the majority, heads of their own households even after reaching 80, in both sexes the proportion identified as father or mother of the household head increases sharply at about this time (this is the case of about half of one women aged 80 or more).

It is striking that about half the household heads are still economically active in the 60-64 age group; in Guatemala, with its large peasant population, the proportion is over 80%. Economic activity drops abruptly thereafter, again with the partial exception of Guatemala. Still, in urban Colombia and in Panama about a third of household heads remain economically active between the ages of 65 and 79.

Of economically active elderly household head, a clear majority (with the exception of those in the Greater Buenos Aires sample) are self-employed either in the urban informal sector or in the peasant agricultural sector. This proportion increases even more as age advances. It is worth noting that such employment is not always synonymous with extreme poverty. Household heads in the urban informal occupational sector aged 60-64 have similar or higher incomes than younger heads in the same sector or in agriculture. Participation in the urban informal activity by the aged increased in urban Colombia and metropolitan Panama between 1982 and 1986, especially in the 65-79 age groups. This trend is consistent with the known occupational impact of the current economic crisis : the drop in real wages and in the creation of new jobs in the formal sector have led many households to adopt income strategy by which more members find employment in the informal sector.

With regard to household structure, the high proportion of one and two person households of elderly persons is noteworthy, particularly in the case of Guatemala. Over a third of households with heads in the 65-79 age group have only one or two members, in contrast to the stereotype of a supposed predominance of large households in traditional, largely rural societies such as Guatemala's. The significant proportions of one person households with heads over 80, in Argentina and Panama, are a potential case for concern: increased presence of such vulnerable individuals is typical of modernized societies that are highly urban. Urban Colombia, in contrast, is "out of sequence" with the lowest proportion of one and two person households of the four countries studied. The fact that urban Colombian households are relatively large for <u>all</u> age groups of household heads (average of five members for households headed by persons 60-64) required further analysis. Nevertheless, the general tendency within each country remains clear : a very high proportion of elderly men continue to be heads of their own households in their old age; women are predominantly "spouses" in early old age, with the proportion of women "heads" reaching a peak (about 1/3) around 70; and the proportion of "dependent relatives" increases with age, affecting women much more than men.

In general the data suggest, then, that the most vulnerable elderly, those with the highest risk of losing their economic autonomy, include those who live alone in one person households. The incomes of these households, even in *per capita* terms, is dramatically lower than (frequently, less than half of) both those households headed by elderly persons that have two or more members, and than those one-person households of non-aged persons. After age 60 incomes of one-person households do not continue to show a clear declining tendency; however, it should be recalled that the *proportion* of these poorer one-person households does increase dramatically with age as more of the survivors are widows or (less often) widowers.

The simple statistics presented here make clear that the social and economic situations of the elderly of Latin America are far from uniform, despite sharing a number of fundamental concerns associated with the biological determinants and the social definitions of old age. The household survey data have also made possible a first approach to a more precise understanding of the multifaceted differences of subgroups of elderly, both among different types of national settings and within each individual country.

Despite the advance that this represents for comparative analysis of social aspects of aging in the region and for its social security policy implications, the level of generality of the information discussed above still admits a variety of real life situations within each statistical group. Thus, it may be asked whether those elderly who are heads of small households represent a preference for independence, or the loss of support of the extended family; whether the elderly who continue to work do so out of necessity, because it is essentially satisfying, or in order to achieve high levels of consumption; whether retirees see work as a curse and leisure as a blessing, or vice versa. At this point these questions must remain a matter for hypothesis and further research; household survey data, or public opinion surveys (both widely available) can shed some light on most but not all of them. For the moment, the fact of high heterogeneity of situations among the elderly strongly suggest that not only the two extreme points of real situations implied in these questions obtain simultaneously for specific subgroups, but all the possible variations and degrees of differentiation will also be represented among the elderly of the region. As a basis for social security reforms, therefore, these data demand the exercise of caution; rather than leaping to simplistic conclusions and generalizations about the elderly, flexibility and diversity would seem to be basic requirements of social security systems more in harmony with the diversity of living conditions of the elderly in Latin America.

III. SUGGESTED AREAS OF CONCERN FOR REFORMS IN SOCIAL SECURITY FOR THE ELDERLYOF THE 1990'S

It is patently clear that current social security systems for the elderly cannot function with even minimal adequacy in the demographic, economic and social conditions that may be expected in the coming decade in Latin America. Alternative policies and institutions must be debated now in all countries of the region: policies that leave aside large parts of the premises of social security systems originating in nineteenth century Europe, and that are both modern and specific to the national contexts, resource constraints and highly diverse needs and capabilities of difficult subsectors of the elderly.

The suggestions presented below do not presume to be recommendations to governments or recipes for reform. Given the complexity and variety of national contexts, and of the very topic of social security for the elderly, they are intended only as contributions to the debate, based on the preceding analysis of, on the one hand, problems of social security systems themselves, and on the other, of the empirical situation of the elderly today in different types of Latin American countries.

The major policy issues to be addressed here fall into three broad categories: financing of social security retirement and health benefits for the elderly; the elderly and remunerative employment; and the elderly and their households. First, however, a general comment is required concerning the elderly as a "special interest group" --that is as a political movement expressing corporative demands.

1. The elderly and the others

In some countries of the region, particularly those in which population aging and occupational modernization are most advanced, the elderly are already mobilized in formal organizations both of a general nature and of retirees, pensioners and users of public services. Such organizations have a key role to play in proposing and in ensuring the realization of necessary reforms in social security for the elderly. It may be hoped that they will grow rapidly in numbers and in influence in all countries of the region in the next few years. The role of organizations representing the elderly is defined in terms of their interactions with two principal significant "others": the state and the non-elderly population.

Vis-a-vis the state, the elderly movement has, at minimum, a watchdog role: to ensure that the legislative mandates in the field of social security for the elderly are respected and carried out by the administration in power. They will demand, for example, that pension payments maintain their real value; that health services maintain adequate standards; and that pension funds of capital not be "raided" by Governments in difficult financial straits.

Even in this limited sphere, however, the debate immediately becomes three-sided, with the demands of the elderly block pitted against those of other segments of society. Who is to pay for bring social security standards for the elderly up to par? How are scarce resources to be allocated among different social sectors and age groups, all with real, legitimate needs? If the questions of expanding coverage to the rural self-employed elderly, or of their right to work, or of the role of the family in support for the elderly comes into play; if it is borne in mind that the elderly as a "mass" movement are only about a tenth or less of the population; then the necessity of seeking common ground and of forging alliances with non-elderly political forces becomes an urgent topic for reflection.

Evidence has been presented in preceding sections to the effect that the elderly are not, in any country, a homogeneous "social group" but, rather, an age sector whose internal stratification reflects in large degree the social inequalities that characterized the same cohorts in earlier years and that continue to characterize younger cohorts today. The fact that all the elderly have some basic common interests and needs should not lead to a view of "others" as adversaries; on the contrary, as opposed to social strata and even to other age sectors, the elderly are a segment that all the rest of society can reasonably expect to join. Thus, adequate social security for the elderly is in everyone's best interest, provided that the system functions in reasonably equitable fashion. This commonality of interest can be the basis for alliances with non-elderly (or non-age-specific) movements, if the elderly interest groups give top priority, first, to reducing inequity <u>among</u> the elderly; and second, are willing to renounce any "right" of elderly sub-sectors to a privileged situation vis-a-vis non-elderly segments of society. The most feasible and successful alliances may involve the non-privileged majority of the elderly (rather than a universal elderly movement) with other majority-based political movements capable of putting into effect diverse reforms designed to improve equity and satisfy basic human needs - among them, the social security needs of the non-privileged elderly.

2. Main issues of social security reforms: financing

In the approach followed in this paper, the problems of social security financing include, in addition to questions of feasibility and sustainability, those concerning equity. From all three points of view it may be suggested that the time has come to replace systems designed in the pre-social policy, pre-income-tax-era. Current social security financing still combines employee savings with an employers' contribution that is in effect a perquisite or deferred salary supplement specific to certain employers and proportional to the salary of each post. Though such systems, both public and private, serve a useful function where they continue to be self-financing and sustainable (predominantly for middle and upper economic strata), more equitable social security requires "de-linking" of both financing and of the level of pension and health benefits from employees' capacity to contribute. One suggestion in this direction (ECLAC, 1989b) is for social security financing from personal income tax and from corporate profits tax, without reference to the number of employees in a firm, or, in the case of individuals, whether or not they are salaried or, if self-employed, whether or not they opt voluntarily to make social security payments. A further suggestion in the same direction would be for all social policy to be financed from a single social fund replenished by all general sources of fiscal income (including public export earnings). These suggested mechanisms would have the beneficial effects of reducing inequity, overcoming the limitations imposed by the slower growth of salaried jobs, and counteracting, in part, the pro-cyclical nature of social security financing that is now susceptible to major fluctuations in the labor market. On the other hand, although the topic is beyond the scope of this paper, it must be recognized that increasing income and profits taxation (or even enforcing existing tax laws) may trigger capital flights, at least in the short run.

On the "expenditures" side of social security financing, the evidence presented in Part Two suggests that a significant minority of the elderly (the exact proportion fluctuating from country to country) do not require state support to maintain economic autonomy or to finance health insurance - though they may well have other age-related needs that should be the subject of state policy outside the social security sphere. Given scarcity of fiscal and human resources available to the state and competing demands for these, the possibility of "targeting" social security benefits toward the most needy of the aged immediately suggests itself. However, the idea of establishing a "cut off point" to exclude the less needy is a troublesome one; an alternative would be graduated benefits proportional to the income and health coverage needs of different elderly groups-the opposite, that is, of current, regressive group- specific social security benefits determined by ability to contribute and influence.

Both these approaches have, however, hidden costs, in terms of administrative systems to evaluate individual needs as well as, in the case of exclusive benefits, mechanisms to control access and to detect leakages to the non-needy.One alternative would involve universal coverage at a common level guaranteeing satisfaction of basic needs and risks; it could be made more feasible in financial terms by including these benefits in income declared, to be recovered through income taxation in the case of the somewhat wealthier elderly.

3. Main issues of social security reform: Employment

Remunerative employment of the elderly promises to be one of the most fundamental - and delicate - issues in this field in the coming years. The data analyzed above suggests situations of greater disadvantage for the elderly precisely in those countries in which pensions benefits are most nearly universal. The fact that a very high proportion of the elderly are capable of(and in fact are) being productive employed, adds an important element to this perception. But the question of the extent to which a significant part of the elderly should be gainfully employed remains a topic for debate. Aspects of this debate are whether retirement is a right, whether it is desired by the elderly, whether it is necessary to maintain health, and whether it should be obligatory in order to open employment positions for the young.

Considerable ambivalence surrounds the topic of work in old age. As noted in Part One, the basis of social security pensions originally mixed ideas of old age as almost synonymous with inability to work and of elderly workers as having "earned a rest". Only recently have these views been challenged by the growing realization that successful aging depends in part on maintaining the feeling that one continues to be useful to society rather than a burden on it. Another reason that older people may want to keep on working is the simple, universal motivation to improve levels of living above and beyond the mere satisfaction of basic material needs. A final consideration in favor of continued productive activity is that increasing proportions of people over 60 maintain physical and mental capabilities to contribute to development and to maintain economic autonomy in satisfying their personal needs, for many more years than was the case of earlier generations. It is ironic that it is precisely productive work, rather than rest and inactively that contributes most to maintaining health in the elderly.

The other side of the coin on working elderly is equally clear. For one thing, for poorer persons not covered by social security, work is a necessity for survival even if it is physically damaging and contributes to premature death when health complications arise. Still, if older people are given the chance to have adequate retirement benefits and health care, and are also given the choice of retirement or appropriate productive activity, it seems likely that the majority of the "younger elderly" would choose the latter - or, as is the case in countries where it is not prohibited, choose to supplement minimal pension income by embarking on a second career.

A more serious problem is pressure to retire, from younger cohorts seeking jobs and promotions. This is a fundamental aspect of the "labor market regulation" function of social security pension programs referred to in Part One. The prolonged employment crisis in Latin America makes this conflict all the more acute, both in countries in which new contingents of young people seeking their first jobs are still extremely large, and in "older" countries in which these new cohorts are growing less rapidly but in which the occupational structure has also crystallized and has shown little dynamism for many years.

The fact that some self-employed elderly in the informal sector report adequate incomes suggests that, if there is great social pressure for older persons to retire from formal, salaried posts, policies might be implemented to assist them to create their own "informal" jobs, either as self-employed, as employers in micro-enterprises, or as members of cooperatives bringing together the elderly and the young. The know-how accumulated by almost all older persons, plus (in many cases) small savings or property, may provide the beginning for work that contributes to gross productivity, creates greater effective demand on the part of the elderly themselves, and often creates directly new jobs for the young, without blocking mobility in formal sector salaried jobs. Such a policy could be complimented with programmes creating non-remunerative service activities for the non-poor elderly. One net effect would be a decreased social security cost burden as greater proportions of working elderly would satisfy their own needs and would maintain adequate health for longer periods.

4. Main issues of social security reform: the role of the family and the household

The question of the place of the elderly individuals in their respective households is another double-edged sword generating considerable controversy. It has frequently been argued that in traditional societies, where the extended family is assumed to predominate, the latter "takes care of" its elderly members without any need for any state assistance. On the other hand, it is argued that the extended family is often associated with poverty - either in the peasant sector or, in urban areas, among families suffering from over-crowding because of lack of resources to set up independent nuclear homes.

Nor it is necessarily true that nuclear households (parents and their children) or even two-person elderly households reflect the breakdown of extended family support systems. The fact that one and two person elderly households are more common in highly rural Guatemala than in urban areas of Colombia, for example, may reflect, in part, the fact that it is easier to build a separate nuclear home in rural areas than to acquire one in costly urban real estate markets. In any case, as Carmen Barros has noted:

> The nuclear family, contrary to what is commonly thought, is not a recent phenomenon. Historical research shows that it has always been the prevailing norm of dwelling and that multi-generational households have been and continue to be a minority. In this sense it should be emphasized, in addition, that the preference of the younger generations as well as the older is to live independently. ... family relationships are ruled by the principle of "intimacy at a distance"; i.e., although the members of different generations live (and wish to live) apart, maintaining their privacy, they admit to strong affective ties and they interact frequently. The fact of separate dwellings does not consequently imply isolation, and what is important is not so much the geographic proximity, as the effective commitment which exists between family members. (ECLAC 1989a, Chapter Two.)

Here a clear distinction should be made between the appropriate role of family members in providing affective support, and a supposed duty to provide material support and lodging for their elder relatives. In the case of poorer families, at the very least, there is no justification for a modern society to elude responsibility for the elderly and to leave this burden on the family.

Nevertheless, the family can provide a framework for appropriate public policy for the elderly, if, in this sphere as well, the elderly (and their families) are given the <u>chance</u> and the <u>choice</u> of living in their own households or with others. The cultural principle of <u>diffuse reciprocity</u> underlies all social interaction, is particularly strong in most of Latin America, and is the very essence of kinship-based relationships and institutions. This is reflected in the fact that the elderly <u>give</u> assistance to non-elderly relatives and friends (money, housing, companionship) as often as (or more often than) they received it. Policies promoting economic autonomy (either by pensions or productive employment opportunities) and supporting the accumulation of savings and the acquisition of personal property during early old age, will simultaneously strengthen traditional kinship support networks and make economically possible the choice by poorer families to take care of older elderly members who need closer attention, but who can help defray the costs of such support.

In general then, these suggestions for social security policy reform for the elderly attempt to pool the resources of the family, of society at large through the state, and, above all, the capabilities of the elderly themselves. It has been argued that the latter tend to be under-estimated by approaches that focus on pathological aspects of aging. The vast majority of persons over 60 in Latin America today maintain a potential for autonomy. Autonomy in the medical sense can probably be maintained for much longer by much greater proportions of the elderly population, to the degree that public policy is able to promote continued economic autonomy for all of the elderly. Though no country of the region would be able to implement immediately all the suggestions presented here, these can serve as ultimates goals to guide more immediate measures designed to improve effectiveness and equity in social security policy for the elderly. It is also hoped that they may serve as inputs for debate in the formulation of an overall aging-related policy which should be carried forward in all of Latin America, and which would constitute an integral part of overall strategies of national economic development with equity for all social strata and age groups.

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APPENDIX: TABLES

Table 1

LATIN AMERICA: ORDERING AND GROUPING OF COUNTRIES ACCORDING TO SOCIAL SECURITY DEVELOPMENT: 1980

Groups/ countries	Initial pensions law a/	Population covered b/		Percentage of legal contribut. c/	Social security expenditure as % d/		
		Total	Working		GDP	Fiscal	Pensions
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
High group							
Uruguay g/	6	69	81	33	11	39	79
Argentina	6	79	69	46	10	38	55
Chile	6	67	62	29	11	32	53
Cuba g/	6	100	93	10	9	13	44
Brazil	6	96	96	26	5	38	45
Costa Rica	4	78	68	27	9	36	21
Typical range h/	6	67-100	62-96	26-46	9-11	32-39	44-79
Intermediate group							
Panama	4	50	46	21	7	23	34
Mexico	4	53	42	18	3	18	21
Peru	5	17	37	21	3	15	35
Colombia i/	4	12	22	20	4	20	20
Bolivia	3	25	18	25	3	14	40
Ecuador	5	8	23	21	3	10	48
Paraguay	4	18	14	20	2	22	31
Venezuela	2	45	50	14	3	15	33
Typical range h/	3-5	12-53	18-50	18-25	3-7	14-23	20-40
Low group							
Dominican Republic	4	8	14	14	2	16	21
Guatemala g/	2	14	33	20	2	14	14
El Salvador	3	6	12	12	2	12	18
Nicaragua	3	9	19	16	2	19	16
Honduras j/	3	7	13	14	3	12	7
Haiti	2	1	2	12	1	...	10
Typical range h/	2-3	1-9	2-19	12-16	1-2	12-16	7-18

Source: Mesa-Lago, Carmelo, "Social security development in Latin America", ECLAC Studies and Reports No. 43, Santiago, Chile, 1985. 274-275. Data prepared by ECLAC, on the basis of a survey answered by countries and/or Statistics Yearbooks, Reports and other official publications.

a/ Number of decades previous to 1980 in which the first pension law appeared. b/ Percentage of total population covered by the sickness programme and of working population covered by the pensions programme. c/ Total of legal percentage above nominal salary which the ensured, employers and State must contribute as such. d/ Social security expenditure includes total health cost. e/ Deficit or profit, resulting from subtracting expenditure from total social security revenue, as a percentage of revenue. f/ Demographic burden quotient: number of retired insured (pensioners) divided by the number of working population insured (contributors). g/ 1981 for Cuba and Uruguay only some figures, others correspond to 1980. h/ Calculated subtracting one extreme value. i/ 1979. j/ 1982.

Table 2

SOCIAL SECURITY FINANCING AND POPULATION AGING

Groups/countries	Deficit or profit as percentage of income e/	Ratio: passive/ working. pop.f/	Population 65 and overf/	Life expectancy at birth (years)
	(8)	(9)	(10)	(11)
High group				
Uruguayg/	(60)	0.65	10.4	70
Argentina	(13)	0.32	8.2	69
Chile	17	0.46	5.5	68
Cubag/	(46)	0.21	7.3	73
Brazil	(7)	0.18	4.0	64
Costa Rica	0	0.06	3.6	71
Typical range h/	0-(60)	0.18-0.65	4.0-10.4	68-73
Intermediate group				
Panama	(11)	0.12	4.4	70
Mexico	17	0.08	3.6	64
Peru	12	0.09	3.6	58
Colombiai/	(8)	0.05	3.5	62
Bolivia	8	0.33	3.2	51
Ecuador	36	0.15	3.5	60
Paraguay	15	0.07	3.4	64
Venezuela	26	0.06	2.8	66
Typical Range h/	26-(11)	0.05-0.15	3.2-4.4	60-70
Low group				
Dominican Republic	4	...	2.9	60
Guatemalag/	3	0.06	2.9	58
El Salvador	23	0.08	3.4	62
Nicaragua	34	0.08	2.4	55
Hondurasj/	19	0.02	2.7	57
Haiti	15	...	3.5	51
Typical Range h/	3-34	0.02-0.08	2.4-3.4	51-60

Source and Notes: See Table 1.

Table 3

POSITION IN THE HOUSEHOLD OF POPULATION AGE 15 AND OLDER, ACCORING TO AGE, FOR FOUR COUNTRIES, 1986

Position in the household a/	Age 15-19				Age 60-64				Age 65-79				Age 80 and over			
	Arg.	Col.	C.R.	Pan.	Arg.	Col.	C.R.	Pan.	Arg.	Col.	C.R.	Pan.	Arg.	Col.	C.R.	Pan.
% Head	35.0	28.2	32.0	30.5	58.2	59.5	57.5	63.2	60.2	57.9	58.5	63.7	48.3	43.8	50.0	50.3
% Spouse	30.5	22.4	28.2	23.7	33.7	22.0	24.0	26.1	22.8	14.1	17.0	17.6	8.0	4.1	5.4	5.5
Sub-total (Head + Spouse)	(65.3)	(50.6)	(50.2)	(54.2)	(91.9)	(81.5)	(81.5)	(89.3)	(83.0)	(72.0)	(75.5)	(81.3)	(56.3)	(47.9)	(54.4)	(55.8)
% Son or daughter	28.6	36.0	29.2	34.4	0.8	0.6	0.4	0.7	0.4	0.1	0.1	0.4	0.8	0.1		0.0
% Son or daughter in-law	1.7	--	--	--	0.0	--	--	--	0.1	--		--	0.0	--		--
% Brother or sister	0.9	--	--	--	1.8	--	--	--	2.1	--		--	4.7	--		--
% Borther or sister in-law	0.5	--	--	--	1.1	--	--	--	1.4	--		--	0.5	--		--
% Grandson or granddaughter	0.5	--	1.2	--	0.0	--	0.0	--	0.0	--	0.0	--	0.0	--	0.0	--
% Father/mother	0.6	--	0.5	--	3.9	--	10.8	--	11.0	--	14.9	--	34.0	--	30.0	--
% Other relatives	0.9	--	7.1	--	0.4	--	6.3	--	1.3	--	8.6	--	3.0		10.5	
Sub-total (dependent relatives)	(5.1)	(9.6)	(8.8)	(8.7)	(7.2)	(16.0)	(17.1)	(8.7)	(15.9)	(26.2)	(23.5)	(17.0)	(42.2)	(49.8)	(40.5)	(1.8)
% Domestic service	0.6	2.4	1.4	--	0.0	1.2	0.0	--	0.1	--	0.3	--	0.0	0.5	0.0	--
% Other services	0.4	--	0.4	--	0.1	--	0.9	--	0.6	--	0.6	--	0.8	--		--
% Other non-relatives	--	1.3	--	2.7	--	0.8	--	1.3	--	1.1		1.3	--	1.7	4.1	2.4
TOTAL %	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
N (in thousands)	5 966	6 550	3 904	1 133	501	221	141	57	887	339	236	86	170	69	54	19

Source: Household surveys in the respective countries. Tabulations undertaken by ECLAC's Social Development Division on the basis of household surveys available in the Data Bank of the ECLAC's Division of Statistics and Projections.

Note: The symbol -- indicates no information in the survey in question.

Table 4

DECILE DISTRIBUTION OF HOUSEHOLDS BY TOTAL PER CAPITA HOUSELHOLD INCOME, ACCORDING TO HEAD OF HOUSEHOLD AGE, FOR FOUR COUNTRIES, 1986

Per capita household income deciles	Argentina			Colombia			Guatemala			Panamá		
	15/59	60/64	>65	15/59	60/64	>65	15/59	60/64	>65	15/59	60/64	>65
Lower 10%	12.3	7.6	5.2	10.8	7.8	8.7	10.5	6.5	9.0	10.3	9.4	10.2
2nd decile	9.5	9.8	13.9	10.1	8.2	9.0	10.6	7.6	7.4	9.7	9.9	10.9
3rd decile	11.1	10.4	6.7	9.8	8.5	9.6	10.1	10.7	7.5	10.2	9.3	9.0
4th decile	11.7	7.4	11.6	9.9	8.8	10.4	10.4	7.6	9.4	10.0	9.0	10.3
5th decile	3.9	9.4	20.7	9.5	12.2	9.4	10.0	9.7	9.3	10.0	9.8	9.6
6th decile	10.4	11.2	7.8	9.4	8.7	9.6	10.0	10.3	10.4	10.5	11.6	10.8
7th decile	10.5	10.2	9.2	10.7	12.3	11.8	10.4	10.3	13.2	9.8	6.1	9.7
8th decile	9.3	10.5	10.9	9.8	12.7	11.2	8.6	13.6	12.1	9.7	10.1	10.9
9th decile	10.4	13.0	7.6	10.0	9.6	10.8	9.9	11.9	11.2	9.9	11.5	8.8
Upper 10%	11.0	10.6	6.5	9.9	11.3	9.5	9.6	11.7	10.4	9.8	13.3	9.8
TOTAL a/	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
N (in thousands)	1 845	271	598	1 665	94	200	1 208	80	156	340	35	63

Source: Household surveys in the respective countries. Tabulations undertaken by ECLAC's Social Development Division on the basis of household surveys available in the Data Bank of the ECLAC's Division of Statistics and Projections.

a/ May not total exactly 100% due to rounding out of figures.

Note: The symbol -- indicates no information in the survey in question.

Table 5

SELECTIVE COMPARISON OF DECILE DISTRIBUTION OF INDIVIDUALS AND HOUSEHOLD HEADS BY INCOME AND BY AGE OF HEAD OF HOUSEHOLD

	Argentina		Colombia		Guatemala		Panama	
	Age 15-59	Age 65 and older	Age 15-59	Age 65 and older	Age 15-59	Age 65 and older	Age 15-59	Age 65 and older
Distribution of individuals by personal income								
30% lowest bracket	18.4	71.6	29.7	31.2	29.8	48.4	26.5	42.1
30% highest bracket	35.6	9.1	30.4	26.6	29.9	18.4	29.1	16.6
Distribution of households by total household income								
30% lowest bracket	20.6	55.3	29.1	32.7	29.2	39.9	28.3	42.5
30% highest bracket	35.3	14.3	29.2	27.3	29.8	26.0	31.5	21.4
Distribution of households by total per capita household income								
30% lowest bracket	32.9	25.8	30.7	27.3	31.2	23.9	30.2	30.1
30% highest bracket	30.7	25.0	29.7	31.5	28.1	33.7	29.4	29.5

Source: Household surveys in the respective countries. Tabulations undertaken by ECLAC's Social Development Division on the basis of household surveys available in the Data Bank of the ECLAC's Division of Statistics and Projections. Compiled on the basis of tables II.4, II.5 and II.6.

Table 6

AVERAGE NUMBER OF PERSONS IN THE HOUSEHOLD, AVERAGE NUMBER OF WORKING PERSONS IN THE HOUSEHOLD, RATIO OF WORKING PERSONS TO DWELLERS, ACCORDING TO HEAD OF HOUSEHOLD AGE, FOR FOUR COUNTRIES, 1986

	Age of head of household			
	Age 15-59	Age 60-64	Age 65-79	Age 80 and over
Average number of persons per household				
Argentina	3.3	2.6	2.2	2.0
Colombia	4.4	5.0	4.1	3.4
Guatemala	3.7	3.3	3.0	2.8
Panama	3.5	3.0	2.7	2.4
Avèrage number of working persons per household				
Argentina	1.6	1.2	0.6	0.4
Colombia	1.8	2.1	1.8	1.2
Guatemala	1.7	2.0	1.7	1.3
Panama	1.7	1.5	1.1	0.8
Ration of working persons/ total persons	N° act/ t.pers a/	N° act/ t.pers	N° act/ t.pers	N° act/ t.pers
Argentina	0.48	0.46	0.27	0.20
Colombia	0.41	0.42	0.44	0.35
Guatemala	0.46	0.60	0.57	0.46
Panama	0.48	0.50	0.41	0.33

Source: Household surveys in the respective countries. Tabulations undertaken by ECLAC's Social Development Division on the basis of household surveys available in the Data Bank of the ECLAC's Division of Statistics and Projections.

a/ Number of working persons per total number of persons in the household. Example: for Argentina in 15-59 age group there are 0.48 working persons per dweller.