

# Old-Age Income Support in the 21st Century

*An International Perspective  
on Pension Systems and Reform*

*Robert Holzmann and Richard Hinz*

*together with*

*Hermann von Gersdorff, Indermit Gill, Gregorio Impavido,  
Alberto R. Musalem, Robert Palacios, David Robolino,  
Michal Rutkowski, Anita Schwarz, Yvonne Sin,  
Kalanidhi Subbarao*

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# Contents

<b>Preface</b> .....	<b>vii</b>
<b>Acronyms and Abbreviations</b> .....	<b>ix</b>
Introduction and Executive Summary .....	1
A Framework for Pension Reform .....	2
Design and Implementation Issues .....	9
Structure of the Report .....	20
<b>PART 1. CONCEPTUAL UNDERPINNINGS</b>	
1 The Need for Reform .....	23
Fiscal Pressure: Short-Term Urgencies and Long-Term Needs .....	23
Delivering on Promises .....	27
Aligning Systems with Socioeconomic Changes .....	30
Challenges and Opportunities of Globalization .....	32
The Contours of Promising Reform Directions .....	34
2 Conceptual Foundations of the World Bank's Perspective .....	37
The Social Risk Management Framework .....	37
Rationale for Public Intervention .....	39
The Multipillar Approach: Diversification and Efficiency .....	42
The (Net) Benefits of Funding .....	44
A Benchmark, Not a Blueprint .....	53

## IV OLD-AGE INCOME SUPPORT IN THE TWENTY-FIRST CENTURY

3	Goals and Criteria That Define the World Bank's Perspective .....	55
	Primary Goals: Adequate, Affordable, Sustainable, and Robust Pensions .....	55
	Secondary Goal: Contribution to Economic Development .....	57
	Reform Criteria .....	58
4	World Bank Lending to Support Pension Reform .....	63
	Scope of the World Bank's Pension Lending .....	64
	Diversity of Pension Reforms .....	65

**PART 2. DESIGN AND IMPLEMENTATION ISSUES**

5	General and Country-Specific Options for the Reform of Pension Systems .....	73
	General Options for Reform .....	73
	Country-Specific Options for Reform:	
	Policy Progression and Path Dependency .....	84
	Conclusions .....	91
6	Key Reform Issues: Firm Positions and Open Questions .....	93
	Pillar Design, Poverty Relief, and Redistribution .....	93
	Financial Sustainability Issues .....	104
	Management of Public Pension Funds .....	106
	Administrative and Implementation Issues .....	114
	Readiness and Regulatory and Supervisory Financial Market Issues .....	127
	Political Economy and Organization of Pension Reforms .....	134
	Examples of Reform Dilemmas and Questions .....	138
7	Regional Experiences: Developments and First Evaluation of Reform .....	141
	Latin America and the Caribbean .....	141
	Central and Eastern Europe and Central Asia .....	150
	South Asia .....	159
	Sub-Saharan Africa .....	162
	Middle East and North Africa .....	165
	East Asia .....	168
8	Final Remarks .....	171

## CONTENTS

v

<b>Appendix: Tables on Old-Age Income Poverty</b> .....	<b>173</b>
<b>Endnotes</b> .....	<b>179</b>
<b>Glossary</b> .....	<b>189</b>
<b>References</b> .....	<b>195</b>
<b>Contributors</b> .....	<b>215</b>

## FIGURES

4.1 Timing of World Bank Loans to Multipillar Schemes, by Number of Loans .....	69
4.2 Timing of World Bank Loans to Multipillar Schemes, by Amount of Loans .....	70
6.1 Parallel and Integrated Civil Service Pensions, by Region .....	103
6.2 Distribution and Importance of Public Pension Funds, by Region .....	107
6.3 Combined Collection and Clearinghouse .....	117
6.4 Decentralized Funded Pillar in Chile and Hungary .....	118

## TABLES

1 Multipillar Pension Taxonomy .....	10
4.1 World Bank Lending with Pension Components, Fiscal 1984–2004 .....	65
4.2 Regional Distribution of World Bank Lending Activities, 1984–2004 .....	66
4.3 World Bank Pension-Related Lending Classified by Pillar Support, 1984–2004 .....	67
4.4 Proportion of Pension-Related Lending for Second-Pillar Implementation, 1984–2004 .....	68
4.5 World Bank Lending for Reforms with a Dominant Second Pillar, 1984–2004 .....	69
5.1 Multipillar Pension Taxonomy .....	82
5.2 Stylized Reform Choices for Countries: Matching Reform Needs with Constraints and Opportunities .....	85

VI	OLD-AGE INCOME SUPPORT IN THE TWENTY-FIRST CENTURY	
7.1	Principal Features of Structural Reforms to Social Security Systems (Old-Age Disability and Death) in Latin America, 1980s and 1990s . . . . .	142
7.2	Principal Features of Structural Reforms to Social Security Systems (Old-Age Disability and Death) in Latin America, 1990s and 2000s . . . . .	144
7.3	Characteristics of Pension Reforms Moving to a Multipillar System in Transition Economies in Europe and Central Asia, as of April 2004 . . . . .	154
A.1	Poverty Gap in Select African Countries, by Type of Household, Various Years . . . . .	173
A.2	Inventory of Noncontributory Pension Programs in Developing Countries . . . . .	174
A.3	Money as a Percentage of GDP Required to Eliminate the Poverty Gap in Select African Countries, by Type of Household, Various Years . . . . .	176
A.4	Cost of Social Pensions (0.70 Percent of the Poverty Threshold) as a Percentage of GDP in Select African Countries, Various Years . . . . .	177

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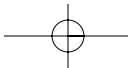
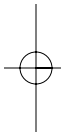
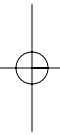
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# Preface

THIS REPORT WAS INITIATED BY THE OFFICE of the Chief Economist of the World Bank, which wanted the key staff involved in pension issues to explain the Bank's perspective on pension reforms to other Bank staff and the outside world. The result constitutes a joint cross-sectoral effort, much of which was undertaken outside of regular working hours. The cross-sectoral and cross-regional Bank team includes staff from three sectors or networks (Social Protection, Financial Sector, and Poverty Reduction and Economic Management) and four Bank regions (Europe and Central Asia, Latin America and the Caribbean, Middle East and North Africa, and East Asia and the Pacific). The bios of lead and collaborating authors appear at the end of the report.

The team's work benefited from presentations and comprehensive discussions with the pension community inside and outside the Bank, from consultations at the General Assembly of the International Social Security Association (Beijing, September 12–18, 2004) and at the International Labour Organization during the General Assembly (Geneva, November 8, 2004), from comments by the international trade union movement, and from quite tough but extremely valuable reviews and guidance from five outside experts: Mukul Asher (University of Singapore), Nicholas Barr (London School of Economics), Axel Boersch-Supan (University of Mannheim), Peter Diamond (Massachusetts Institute of Technology), and Salvador Valdés-Prieto (Catholic University of Santiago, Chile). We are grateful for all the feedback and suggestions we have received, many of which are reflected in the revised version, and we appreciate the interest of so many pension experts in the pension work of the Bank. All remaining errors are, of course, our own.

This report has not undergone the review accorded to official World Bank publications. The findings, interpretations, and conclusions expressed herein are those of the authors and do not necessarily reflect the views of the World Bank and its affiliated organizations or those of the executive directors of the World Bank or the governments they represent.





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# Acronyms and Abbreviations

AFAP	Administradora de Fondos de Ahorro Provisional (Uruguay)
AFJP	Administradora de Fondos de Jubilaciones y Pensiones (Argentina)
AFORE	Administradora de Fondos para el Retiro (Mexico)
AFP	Administradora de Fondos de Pensiones (Bolivia, Chile, Colombia, Dominican Republic, El Salvador, Nicaragua, Peru)
EDAP	Entidades Depositarias del Ahorro Provisional (Ecuador)
EET	Exempt-exempt-tax (treatment of contributions, returns, and benefits)
ERISA	Employee Retirement Income Security Act (United States)
EU	European Union
GDP	Gross domestic product
HIV/AIDS	Human immunodeficiency virus/acquired immune deficiency syndrome
ILO	International Labour Office (Geneva)
IMF	International Monetary Fund (Washington, D.C.)
IOPS	International Organization of Pension Supervisors
IPD	Implicit pension debt
ISSA	International Social Security Association (Geneva)
OECD	Organization for Economic Co-operation and Development (Paris)
OED	Operations Evaluation Department (World Bank)
OPC	Operadora de Pensiones Complementarios (Costa Rica)
PROST	Pension Reform Options Simulation Toolkit
TEE	Tax-exempt-exempt (treatment of contributions, returns, and benefits)

