

Older-Age Social Pensions and Poverty: Revisiting Assumptions on Targeting and Universalism

Cruz-Martínez G.

Whether social protection benefits should be assigned to all (universal) or kept only for those who meet specific criteria (targeting) remains one of the most contentious questions in social policy research. The purpose of this article is to revisit three assumptions on the two main social policy options for the provision of social benefits to older persons. Each assumption is assessed through counterfactual reasoning using a combination of literature review and statistical analysis with a global perspective. The study finds that (i) 79 countries would be economically able to shift from targeted noncontributory pensions to basic universal noncontributory pensions with less than 1.2 percent of the respective national gross domestic products; (ii) 16 countries have means-tested/region-tested noncontributory pensions more expensive than a hypothetical basic universal social pension; (iii) an arbitrary threshold of economic development is not a limitation for implementing social pensions; and (iv) at least 17 countries with relatively low economic development have successfully implemented social pensions without means targeting. Therefore, contrary to what several international organizations and scholars have argued, universal social pensions are politically and economically viable and efficient strategies to alleviate income poverty.

Published by Wiley Periodicals, Inc., 350 Main Street, Malden, MA 02148, USA, and 9600 Garsington Road, Oxford, OX4 2DQ.

cash transfers

development

social assistance

social policy

social protection