

Global AgeWatch Index 2014: Executive summary

Fred has just turned 70 in Norway and Zaina recently celebrated her 61st birthday in Tanzania. But how do their lives compare? Fred can expect to live until his mid-80s, with subsidised healthcare and transport, and a state and company pension, whereas Zaina can expect to live till her mid-70s, with no hope of a pension. She has a small business selling doughnuts, supporting her paralysed husband and two nieces but also volunteers caring for people living with HIV.

In many countries, life expectancy at 60 is now at least a third more than what it was in the mid-twentieth century. However, people's experience of later life varies, depending to a large extent on where they live and their circumstances earlier in life. While many more people are living in better health and comfort than in the past, millions still face a bleak old age.

The 2014 Global AgeWatch Index ranks 96 countries according to the social and economic wellbeing of older people. This represents 91 per cent or nine out of ten people over 60 across the world.

In low- and middle-income countries, only one in four people over 65 receive a pension. Providing basic social protection to older people is about recognising the right to a dignified old age as well as the need for financial independence.

The Index shows that policies supporting people in later life such as pensions, educational and employment opportunities, free healthcare and subsidised transport exist but need to be implemented faster and more systematically.

Winners and losers

This year, the Index shows Norway (1) is the best country to be old in. Apart from Japan (9), all the top 10 countries are again in Western Europe, North America and Australasia.

The worst country to be old in is Afghanistan (96). All regions are represented in the lowest quarter, with African countries making up half of those with low income security rankings and poor health results. Venezuela (76), Serbia (78), and Turkey (77) are included in this section in similar positions to countries in sub-Saharan Africa and Asia.

The Index tells us that economic growth alone will not improve older people's wellbeing and specific policies need to be put in place to address the implications of ageing. Policies on income security in Mexico (30) have lifted it 26 places in the overall rankings since last year despite being less wealthy than Turkey.



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The Index shows that Norway (left) is the best country to be old in and the worst is Afghanistan (above).

The pension revolution

Longer lives are a triumph of human development and are contributing to growing numbers of older people worldwide, yet older people are often seen as a burden or ignored all together. Already, 868 million people are over 60 – that’s nearly 12 per cent of the global population. By 2050, it’s predicted that there will be nearly as many people aged 60 or over as children under 15 – 2.02 billion compared with 2.03 billion.

Virtually all countries have some kind of pension system, but over the past two decades there has been an explosion of new tax-financed, non-contributory “social” pensions. They now exist in more than 100 countries and have the potential to create a basic regular income for some of the very poorest older people. Some of the biggest changes in the Index this year have been driven by the extension of social pensions, such as in Latin America that have dramatically extended coverage. This reflects a recent global trend. China (48) introduced a rural social pension in 2009 covering 133 million people over 60. Other countries such as Nepal (70) and Thailand (36) have followed a similar route.

The rise of social pensions marks a shift in priorities for pension policy. Historically most focus has been on contributory pensions but in low- and middle-income countries these schemes are not meeting the needs of a large proportion of their citizens. This is because most people work in the informal sector where jobs are precarious and they do not have access to formal pension schemes. Incomes are often too low to save for old age. For the growing “fragile middle” of people who have escaped extreme poverty, few are likely to be able to save for a pension.

Mexico and Peru (42) are prime examples of this shift. The contributory pension scheme introduced in Mexico in 1943 still only covers around a quarter of older Mexicans. But the rapid expansion of social pension schemes in the past decade means that nearly nine out of 10 people aged 65-plus are now covered.



Adam Jones/Flickr

Longer lives are a triumph of human development but only half the world’s population can expect to receive even a basic pension in old age.

In Peru, Juana Huamaní Bautista, 74, has become eligible for a social pension under the Pension 65 programme. At 250 nuevo soles (US\$89) every two months, Juana’s pension is not much, but it gives her some independence.

“Now I don’t have to worry so much about money. Whenever I get sick, I can buy medicine without asking my children,” she says.





Is a basic income affordable?





Social pensions help to tackle inequality and support growth. In most European Union countries, pensions systems as a whole now do more to reduce inequality than all other parts of the tax or benefit system combined. They can also contribute to reducing poverty by increasing the amount families have to spend. In low-income countries this can have the same results. In Bolivia, the universal Dignity Pension for everyone from the age of 60 has led to dramatic increases in school enrolment and falls in child labour in households with an older person.





So, is a guaranteed basic income for older people affordable for low- and middle- income countries? The cost is, in reality, much less than often assumed. Research in 50 countries found that the cost of a universal pension for all people over 65 at 20 per cent of average income would range from 0.4 per cent of GDP in Burkina Faso to 1.8 per cent in China.





Despite the positive developments, the bigger picture remains that only half the world’s population can expect to receive even a basic pension in old age. Even in countries with social pensions, many of these remain narrowly targeted and too small to make a real difference. If this is to change, more countries will need to see themselves move up the Index by guaranteeing an adequate minimum income to all older people.

Rankings and values

	Overall rank and value		 Income security		 Health status		 Capability		 Enabling environment	
	Rank	Value	Rank	Value	Rank	Value	Rank	Value	Rank	Value
Norway	1	93.4	1	89.1	16	73.5	1	76.2	4	80.1
Sweden	2	88.3	9	82.8	12	75.2	3	65.7	6	79.4
Switzerland	3	87.9	29	76.0	2	81.3	10	58.0	1	83.7
Canada	4	87.5	7	83.2	4	80.3	8	59.7	9	78.9
Germany	5	86.3	15	80.5	11	75.6	5	62.8	11	78.6
Netherlands	6	86.0	5	85.6	13	74.8	11	57.4	5	79.6
Iceland	7	85.3	3	87.5	8	78.2	16	52.8	10	78.8
United States	8	83.5	22	78.7	25	70.1	4	65.0	17	76.8
Japan	9	82.6	31	75.4	1	83.9	12	56.8	21	75.0
New Zealand	10	80.7	27	77.1	9	77.8	6	61.8	30	71.5
United Kingdom	11	80.1	11	82.7	27	69.3	23	46.1	3	81.8
Denmark	12	77.6	18	79.8	33	68.1	20	48.3	14	77.7
Australia	13	76.1	61	52.2	5	79.8	2	70.2	26	72.5
Austria	14	76.0	6	84.6	19	72.7	43	34.1	2	82.7
Finland	15	75.8	16	80.4	21	70.8	30	43.9	18	76.1
France	16	74.8	2	88.0	7	78.3	37	36.3	23	74.2
Ireland	17	74.2	20	79.1	17	73.1	34	38.7	16	77.0
Israel	18	72.2	45	68.1	26	69.8	13	55.3	35	69.6
Luxembourg	19	71.3	4	87.0	10	76.6	54	29.4	19	76.1
Estonia	20	67.7	38	72.4	55	50.0	7	61.8	39	68.1
Spain	21	67.6	41	71.3	3	80.5	56	29.2	22	74.7
Chile	22	67.5	42	70.5	14	74.4	27	44.7	49	66.0
Uruguay	23	65.3	10	82.8	37	63.3	29	44.5	57	63.5
Panama	24	65.0	39	72.3	31	68.7	33	40.2	48	66.4
Czech Republic	25	64.8	13	82.0	47	56.1	28	44.5	50	65.8

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Costa Rica	26	64.0	51	64.6	15	73.8	49	32.0	29	71.6
Belgium	27	63.9	40	71.8	30	68.7	58	28.9	24	73.4
Georgia	28	61.3	48	65.9	60	46.2	15	53.2	45	67.1
Slovenia	29	60.1	23	78.6	38	63.2	81	19.2	7	79.2
Mexico	30	59.5	34	73.3	35	64.5	52	29.9	46	66.7
Argentina	31	59.4	17	80.1	40	59.4	35	38.0	66	61.7
Poland	32	58.1	24	77.8	48	55.3	61	27.3	37	69.2
Ecuador	33	57.9	56	62.4	28	69.2	42	34.4	58	63.4
Cyprus	34	57.8	46	67.9	24	70.7	51	30.0	55	63.8
Latvia	35	57.0	32	74.2	66	44.1	14	54.0	68	60.1
Thailand	36	56.3	58	57.9	41	59.1	73	22.6	12	78.2
Portugal	37	55.3	12	82.1	23	70.7	79	19.4	51	65.4
Mauritius	38	54.2	8	82.8	63	45.0	70	24.6	38	69.2
Italy	39	53.9	25	77.5	6	78.7	69	24.6	74	58.5
Armenia	40	53.0	30	75.6	74	34.0	9	58.9	73	58.9
Romania	41	52.8	26	77.2	64	44.9	46	33.5	64	62.0
Peru	42	52.6	65	50.7	32	68.1	24	46.0	79	56.9
Sri Lanka	43	52.6	79	34.9	54	50.0	32	43.0	25	72.9
Philippines	44	52.3	73	41.9	76	31.9	18	50.2	15	77.3
Vietnam	45	52.2	70	46.8	36	63.9	71	24.4	31	71.3
Hungary	46	51.9	35	73.1	57	47.4	53	29.4	60	63.1
Slovakia	47	51.7	21	78.8	53	51.4	36	37.0	80	56.8
China	48	51.5	72	42.1	58	46.5	38	36.2	28	71.8
Kyrgyzstan	49	51.0	54	63.5	83	28.9	31	43.0	36	69.6
South Korea	50	50.4	80	32.5	42	58.2	19	48.6	54	64.1

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Bolivia	51	50.3	55	62.6	59	46.4	22	46.6	78	57.1
Colombia	52	50.3	68	48.2	18	72.8	76	20.8	42	67.5
Albania	53	48.9	44	68.6	61	45.7	21	47.9	86	54.7
Nicaragua	54	48.9	77	38.0	45	57.0	59	27.7	33	70.6
Malta	55	48.4	52	64.1	20	72.1	87	14.3	47	66.4
Bulgaria	56	47.5	47	67.8	68	40.0	45	33.5	69	59.8
El Salvador	57	47.0	76	38.1	34	66.3	67	25.2	53	65.3
Brazil	58	46.3	14	80.8	43	57.4	66	25.6	87	54.6
Bangladesh	59	45.5	75	39.6	71	37.7	39	36.2	41	67.5
Lithuania	60	45.4	53	63.9	65	44.2	17	50.3	90	52.6
Tajikistan	61	45.0	57	59.0	80	31.1	40	35.0	61	63.1
Dominican Republic	62	44.4	81	29.9	39	61.0	62	26.8	43	67.3
Guatemala	63	44.3	74	41.3	44	57.0	84	17.7	34	70.2
Belarus	64	43.7	50	65.0	84	28.6	64	26.0	44	67.1
Russia	65	42.5	37	72.9	86	27.1	26	45.1	82	55.5
Paraguay	66	42.1	78	35.8	50	54.4	41	34.7	77	57.5
Croatia	67	41.7	66	50.6	49	55.3	77	20.5	72	58.9
Montenegro	68	40.9	60	56.0	56	49.1	78	19.5	70	58.9
India	69	39.0	71	44.6	87	27.0	55	29.3	52	65.3
Nepal	70	38.9	69	47.9	79	31.2	68	25.0	59	63.2
Indonesia	71	38.6	86	18.6	70	37.8	48	32.3	8	79.0
Mongolia	72	38.1	36	73.0	93	20.5	65	26.0	62	62.9
Greece	73	37.3	28	76.0	22	70.7	80	19.3	91	49.6
Moldova	74	36.2	63	51.6	90	25.8	50	31.6	76	57.7
Honduras	75	36.2	84	21.4	46	56.2	63	26.2	65	62.0

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Venezuela	76	36.1	67	49.8	29	69.1	60	27.4	93	49.5
Turkey	77	36.1	33	73.3	52	52.5	93	6.0	40	67.6
Serbia	78	35.4	49	65.7	62	45.3	92	9.9	67	60.2
Cambodia	79	35.2	89	16.5	51	53.3	74	22.5	27	72.2
South Africa	80	35.2	19	79.6	89	25.9	75	22.3	83	55.0
Ghana	81	34.0	87	17.8	77	31.9	25	45.9	56	63.7
Ukraine	82	31.0	43	70.2	85	27.3	85	15.2	85	54.8
Morocco	83	30.3	64	51.1	72	37.5	88	14.2	89	53.9
Lao PDR	84	30.3	85	18.7	82	29.7	83	19.0	20	75.5
Nigeria	85	25.7	90	16.3	88	25.9	47	32.3	75	58.3
Rwanda	86	23.4	92	11.5	81	30.0	89	13.8	13	78.2
Iraq	87	23.1	62	52.2	75	32.8	91	11.2	92	49.6
Zambia	88	21.1	91	13.3	91	24.7	57	29.2	84	54.8
Uganda	89	19.5	93	11.3	92	22.1	72	23.9	70	58.9
Jordan	90	17.0	59	56.6	67	43.6	95	1.6	32	70.6
Pakistan	91	12.3	95	6.0	78	31.8	44	33.9	81	56.0
Tanzania	92	10.7	94	6.1	69	39.8	86	14.6	88	54.5
Malawi	93	6.4	96	6.0	95	18.8	82	19.0	94	48.4
West Bank & Gaza	94	4.5	82	23.0	73	36.6	96	1.3	63	62.3
Mozambique	95	4.1	88	17.3	94	18.9	94	4.2	96	45.1
Afghanistan	96	3.7	83	22.0	96	7.1	90	12.0	95	47.0

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