

Ageing, Livelihoods and HIV/AIDS Briefing NotesNo: 4a

HIV/AIDS and the Pension

Key Points:

- The pension is no longer being used as a 'safety net' to support household livelihoods it is operating as an AIDS grant.
- The burden of caring for the sick and dying and for orphans falls on the elderly who have to bear the costs through the pension.
- The concentration of deaths among younger adults means that in 40 years time population of pensionable age may decline resulting in fewer pensions and threatening livelihood security.

In the previous Briefing (BN 4) we highlighted how Namibia's non contributory pension plays a pivotal role in household livelihoods. Rather than being a grant for the elderly, it constitutes a cash transfer to households *through* the elderly. Here we outline the ways in which the HIV/AIDS pandemic is placing pressure on the pension as a social safety net. We argue that such are the demands on the pension to care for orphans and those who are sick and dying that the pension has effectively become an AIDS grant with implications for the livelihoods of households who have traditionally relied on it as a safety net.

More mouths to feed...more costs incurred: Orphans and the elderly pension

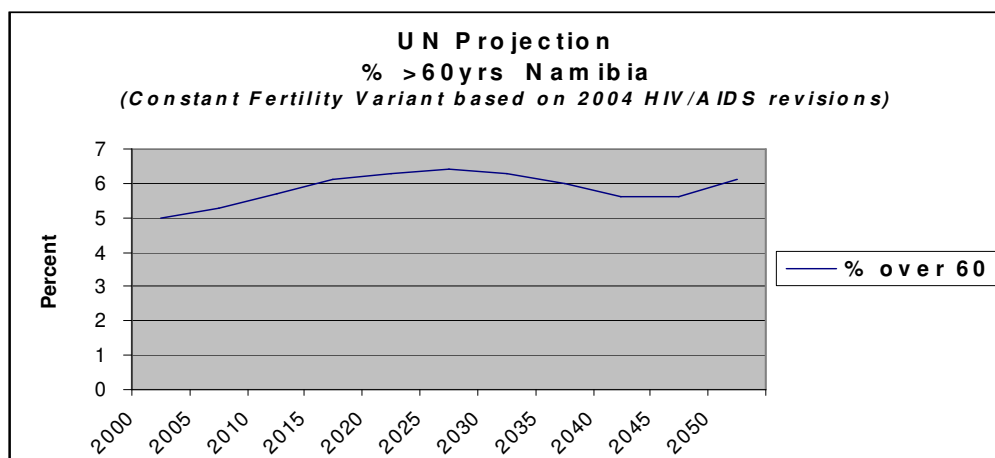
We have already highlighted the role of the elderly as principal carers for orphans and have highlighted the major problems they face in accessing government benefits designated to support these children (Briefing 5). As such the pension is being used to feed, clothe and school an ever increasing number of children as the case example below illustrates.

Mr Mbandi (aged 86years) lives with his wife aged 74, one daughter and eight grandchildren. The household survives on Mahangu plus maize meal purchased with the pension. Mr Mbandis daughter recently passed away leaving four orphans in his care. During his daughter's illness, the pension was largely spent on hospital fees. Now the pension is used almost exclusively to feed these children, buy school uniforms, and to pay for school fees. There is nothing left over. After cropping, the pension is his most important livelihood as without it he argues 'we would not be surviving'.

The pension and caring for the ill

The elderly are the main carers for those who are sick and dying. Numerous case study participants recounted stories of how their adult children contracted HIV





working away but came home to the villages to be cared for.

Caring for the sick places enormous pressures on the financial resources of the elderly, diverting pension money away from supporting basic household livelihood security. The pension is used to pay medical expenses, transport to and from the hospital, and to buy nutritious foods for the sick. The cost of funerals is also borne by the elderly in cases where no occupational provision has been made. The impacts of such care on the elderly are highlighted in the following focus group extract;

'When you are talking now it is like you are opening up a wound because this disease has left houses empty, killed a lot of people and brought poverty and we elders are facing a money crisis because of funerals, paying for medicine, and buying food for the patient' (Elderly Men - Tsandi Constituency).

Although the government assists those who are sick with HIV/AIDS through the disability grant, our research revealed that very few elderly households were in receipt of the grant. To qualify for a grant, the applicant must be certified by a doctor as having full-blown AIDS. If the patient is on ARVs and in remission, he/she has the benefit withdrawn such that many do not bother applying for such a short-term grant.

AIDS and the pension – is the pension as a cash transfer sustainable?

The pension as a cash transfer of social assistance to households is only sustainable if the demographic structure

of a population remains reasonably constant. HIV/AIDS disproportionately affects those in the reproductive age groups such that in 30-40 years time the numbers reaching retirement age may be diminished due to AIDS related deaths, resulting in fewer households receiving a pension. The graph above projects the Namibian population on the basis of a constant fertility rate but takes into account AIDS related mortality as well as improved life expectancy as a result of ARVs as part of the UN's 2004 revisions. Although the UN percentage figures do not tally with the Namibian CSO figures, the trend is clear – under this scenario, the proportion of pensioners will increase until 2025 but then experience a decline for the next twenty years.

Our research has shown how the pension is being **diverted away from basic household livelihood support and is increasingly becoming an AIDS grant with implications for livelihood security. More serious are the implications of future changes in age structure that, as a result of HIV/AIDS, threaten household livelihoods as the proportion of pensioners declines reflecting current age-specific mortality.**

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Project website:

www.ageingnamibia.group.shef.ac.uk

The Research Team:

Principal Investigators:

Dr Deborah Sporton (University of Sheffield)

d.sporton@shef.ac.uk

Mr Alfons Mosimane (UNAM)

amosimane@unam.na

UNAM Research Fellows: Johanna Mbandi,

Samson Mulonga