

## ADDRESSING THE AGING PROBLEM: SOME CONSIDERATIONS OF PUBLIC POLICY FOR THE ELDERLY

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### 1. Introduction

The income uncertainty at old-age that is faced by many elderly in Latin America reflects a great need for well designed public policies to prevent this group from poverty. Such policies should reach the target-population, as well as promote development across the region.

Current policy proposals for the elderly attempt to consider important factors such as the expected increase in the size of this group, the lack of social insurance coverage, the need of long-term care services,<sup>1</sup> and the role of the family as an informal provider of economic protection (safety-nets). Nevertheless, some governmental interventions with the goal of improving the living conditions of the elderly seem to be inadequate or insufficient. This is, for example, the case of reforms to pension systems in the region. These reforms seem to be incomplete, as they have not yet permitted to raise the levels of social protection.

Having a clear understanding of the scope and limits of social policies for the elderly may be difficult for the non-experts. One possible explanation for this is that only part of the entire policy process is known (or made public), as it entails several complications. For instance, particular aspects that can be apparently obvious during the design-

phase of a reform may not be considered as such during the implementation-phase.

The purpose of this document is to review the main elements that define public policies for the elderly. Section 2 presents a general discussion of the policy process, from the problem's identification and definition, to the development of potential solutions and policy evaluation. The document stresses the importance of accounting for the environment—legal, economic and political—when designing public policies associated with problems of the elderly. Section 3 concludes.

### 2. The public policy process

The concept of public policy was developed in the 1950s as an attempt to establish a systematic study of the government's actions, and develop scientific methods to improve its activity. Since then, the concept flourished and many models have been developed to analyze the processes and actors involved in policy-making. Models of the public policy process vary depending on the scholars' perspectives—for example, Lerner and Lasswel (1951), Brewer and DeLeon (1983) and Meny and Thoenig (1992); however, most agree on the main stages involved in the process: (a) problem identification; (b) design-estimation; (c) selection; (d) implementation; (e) evaluation. The sections below briefly describe the relevant aspects of each stage, considering the particular case of public policies for the elderly.

#### 2.1 Problem identification

The process of public policy for the elderly begins with the identification of a *public problem*. Social needs must be recognized by governmental authorities to be included into the public agenda. This is possible when a problem is socially internalized and an interest group mobilizes resources to support its solution (Meny & Thoenig). A salient feature of this stage is the involvement of an interest group (e.g. socially organized groups, political parties) that is capable of putting forward the public problem, but may redefine

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<sup>1</sup> The increase in life expectancy at birth not only implies that there will be a growing number of elderly, but also that these individuals will live longer.

it.<sup>2</sup> Thus, there is a risk that the problem that affects the elderly might be presented according to particular interests, different to the original needs.

In *developed* countries the elderly represent a relatively important group not only in demographic, but in economic and political terms. Normally, these individuals have significant purchasing power and their preferences influence the production of goods and services. In consequence, their needs and problems are relevant issues in the public agenda.

In Latin America the financing of the pensions' systems—generally part of social insurance schemes—has called public attention in contrast to other problems associated to population aging. Nonetheless the elderly who lack social insurance suffer from exclusion, have low economic capacity and a weak representation of their political interests. These reasons make difficult for the public attention and the governments to assist them in their needs.

## 2.2 Design-Estimation

It is considered one of the most technical stages of the process (Brewer and De Leon). It consists on developing proposals of solution and forecasting outcomes. Several methods of analysis, as cost-benefit and cost-effectiveness, are used during this stage. In this manner, attending only to technical aspects becomes the main criteria for ordering the proposals of solution, based on objective methods.

Nevertheless, this stage is not free from personal values and particular interests. For instance, it is important to recognize that technical experts belong to organizations, and are accountable to their superiors. Usually, decision-makers who have their own views and interests can

influence the experts' activity. In addition, the use of highly technical procedures does not necessarily guarantees neutral (value-free) solutions. Experts are human beings, with specific backgrounds and particular opinions about the problems they analyze and the solutions they consider more adequate.<sup>3</sup>

An important aspect related to the involvement of technical experts is the development of *policy networks*. This refers to the relationships between organizations and individuals that share a common interest for a specific policy: public and private organizations, NGOs and international organizations. The nature of the networks varies upon the problem that is being addressed; very specific issues tend to involve very specialized organizations. Thus, individuals and public support may often be difficult to obtain.

## 2.3 Selection

Policy decision-makers are usually in the sphere of politics, which means that decision-making processes are both complex and prone to be influenced by participant groups and individuals.<sup>4</sup> Hence, for this stage is crucial to take into account the constraints imposed by the context: the *legal framework, economic, administrative and political* factors. First, laws establish what a government can and cannot do. For example, health policies of countries where euthanasia is permitted may significantly differ from those implemented in countries where this practice is not allowed. Second, a very important constraint for policy selection, especially in less developed countries, is the availability of resources. The general situation of a country's economy may be crucial to choose among different policy proposals. For example, in developing countries policies for poverty alleviation are usually targeted. Because of scarce resources it is practically impossible to design policies that

<sup>2</sup> For a specific problem, it can be difficult to establish who loses due to its negative aspects and who benefits from the proposed solutions. Costs and benefits of some public policies may not be clear (e.g. in environmental policy when trying to reduce pollution levels) compared to policies developed for the well-being of the elderly, which is a group easily identifiable.

<sup>3</sup> For example, for an economist the problem of poverty may involve an inefficient income distribution, whereas a sociologist may consider poverty a multi-dimensional problem closely related to social processes. It would be reasonable to expect these experts to develop quite different proposals to fight poverty. See also Tribe (1992).

<sup>4</sup> See Allison (1987)

cover the whole impoverished population. Third, administrative capacity also varies from one country to another: skills, information and communication systems and infrastructure. Thus, it is desirable to account for whether the available administrative resources are ready to make the policy choice possible. Finally, a successful policy requires public support; which means that selection also involves negotiation and reaching agreements among interested groups and individuals. Politics and policies are closely related, and influence each other.

Nowadays, elderly-related policies seem to enjoy wide public support. In other words, caring for the elderly is part of being politically correct. This can be seen as an opportunity to obtain benefits for these individuals, but it also may entail the risk of some interest groups “capturing” this issue, which can be used as a flag to obtain particular benefits. Consider, for example, the promises of politicians during electoral campaigns with the purpose of maximizing the citizens’ vote, without a real commitment with the claims of the elderly.

In addition, it is different to express support for the elderly from agreeing to share the cost of policies that favor them. In general it is easier to obtain public support for policies in which costs are not easily identifiable, either because they involve complex calculations or because they are spread among many beneficiaries. Conversely, when the recipients are clearly identified and they do not bear the policy costs, public support is difficult to obtain.

With respect to public policies for the elderly in Latin America, it is common that decision-makers (leaders of interests’ groups, opinion groups, political parties, congressmen and high level civil servants) do not belong to the elderly group.<sup>5</sup> Thus it would be expected in the medium-term that policies for this group will be favored, as leaders will belong to it and will try to protect their interests.

<sup>5</sup> In some countries of the south-cone some civil servants do belong to the elderly group.

## 2.4 Implementation

As mentioned above, it is desirable for policy selection to consider the availability of administrative resources for implementation. Failing in doing so may make sophisticated policy designs almost impossible to implement.<sup>6</sup> Some crucial aspects for effective policy implementation are the following:

- a. The responsible for policy implementation must be clearly identified. It provides leverage to drive collective action to a common goal and also facilitates accountability.
- b. Recognizing the trade-off between co-ordination and control. In general, the higher the co-ordination the lower the control and vice-versa. Some policies require high degrees of control, such as intelligence and security policies. Conversely, policies that involve intergovernmental relationships require high degrees of co-ordination.
- c. Implementation is a dynamic process, characterized by its effects on—as well as being affected by—the context. Therefore, this activity is subject to constant change and adjustment to the environment.

## 2.5 Evaluation

The purpose of this stage is to assess the outcomes of the policy, and gathering information to decide whether: (a) the policy should continue, (b) it should be adjusted, (c) it should be finished. Many methods and techniques are used for policy evaluation and they differ according to the nature of the policy itself. An important consideration is that evaluation may be used as a control device; if the policy objectives were not accomplished the responsible agency or agencies, and all the actors involved may have problems (budget’s reduction for example). Because of this possibility, interested actors may tend to emphasize positive outcomes and hide actual and potential shortcomings. When this is

<sup>6</sup> See for example Pressman and Wildavsky (1973)

the case the objective of policy evaluation is hard to accomplish, and policy adjustment is likely to be based on biased information.

### 3. Conclusions

The attention to the problems of the elderly population has gained importance for Latin American governments. Notorious advances have been observed in relation to better access to health services, campaigns for diseases prevention, promotion of “active” retirement, physical activities and recreational services,<sup>7</sup> and the practice of discounts and special tariffs for the elderly in several countries.

This document broadly discusses the stages of public policies for the elderly. The possibilities for proposing and implementing effective policies considerably depend upon the knowledge of problems, and the availability of resources and infrastructure. The document emphasizes that the economic, political, and legal contexts in which interventions take place are key elements to understand their reached goals and their limitations.

There are lots of challenges ahead, like extending the benefits to rural and poor zones, the strengthening of institutions, and the promotion of the community based care to face the problems of the old. This requires having adequate and carefully elaborated policies for the elderly.

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<sup>7</sup> For example, in the “Casas del Abuelo” in Cuba.