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Costing of basic social protection benefits for selected Asian countries: First results of a modelling exercise

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Abbreviations and acronyms

DfID	Department for International Development of the United Kingdom
GDP	Gross Domestic Product
GTZ	German Agency for Technical Cooperation *(Deutsche Gesellschaft für Technische Zusammenarbeit)*
HIV/AIDS	Human Immunodeficiency Virus / Acquired Immune Deficiency Syndrome
ILO	International Labour Organization
IMF	International Monetary Fund
LCU	Local Currency Unit
MDG	Millennium Development Goal
PPP	Purchasing Power Parity
UNAIDS	Joint United Nations Programme on HIV/AIDS
US$	United States dollar

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Executive summary

Purpose, scope, methodology of report

Despite the rapid economic growth in some parts of Asia, poverty is still widespread in many countries. Considerable headway has been made towards achieving the Millennium Development Goals (MDG) in many Asian countries, but 16.6 per cent of the population in Eastern Asia and 29.9 per cent in Southern Asia are still living on less than US$1 (PPP) per day (2001) (United Nations 2005).

National social protection systems are a very powerful means of alleviating and preventing poverty and can help mitigate the adverse effects of chronic poverty (ILO 2001; 2002). They provide protection against old-age and various life risks — disability, ill-health, unemployment, and occupational injury — through contributory social insurance mechanisms and social welfare programmes, including social cash transfer schemes for those who are particularly exposed to poverty risks. Examples from different contexts show that such social cash transfer schemes indeed have a marked effect on the reduction of poverty.[1] Such schemes have proven to be a viable instrument in a development context, as demonstrated by the conditional cash transfers for families and children in Brazil and Mexico, old-age pension programmes in Bangladesh, India and Nepal,[2] as well as targeted cash transfers to households without an able-bodied person in Zambia. Recent ILO micro-simulations on Senegal and Tanzania show that modest old-age pensions and child benefits could reduce extreme poverty by 35 to 40 per cent (Gassmann and Behrendt 2006).

This report presents the calculation of the cost of basic social protection benefit packages, and their affordability in five Asian countries: Bangladesh, India, Nepal, Pakistan and Vietnam for the period 2006 to 2034. This study offers a first estimate on the feasibility of basic social protection in low-income countries in Asia with a view to achieving the Millennium Development Goals.

The study is based on three scenarios, which provide different social protection packages, and follows a similar methodology used in an earlier ILO study on seven African countries.[3]

Results

Scenario I

The base case model estimates the costs of a basic social protection benefits package including the following elements: a universal old-age and disability pension of US$0.50

[1] See, for example, Save the Children UK, et al. 2005; DfID 2005; Barrientos and Lloyd-Sherlock 2003.

[2] Social assistance for old age, disability and survivors provides 150 rupees a month (US$2.10), the cost of which is paid for by government. Criteria for eligibility are; 75 years of age or older for the old-age benefit; disability and a minimum age of 16 years for the disability benefit; for widows, a minimum age of 60 years of age; and a means-test for the survivors' benefit.

[3] See Pal, et al. 2005.

(PPP) per day, a child allowance of US$0.25 (PPP) per day for children between 0 and 14 years of age. In addition, in line with the assumptions of the Commission for Macro-economics and Health, the cost of access to essential health care was estimated at US$34 per capita in 2007 and US$38 in 2015 (and indexed to inflation after 2015).

Based on these assumptions, Nepal would have the highest cost among the five countries, reaching about 17 per cent of GDP at its peak around 2010. The cost for Bangladesh would be the second highest, which is about 11 per cent of GDP at its peak. India, Pakistan, and Vietnam would have lower costs at similar levels, 6 per cent to 8 per cent of GDP during the peak years. A large proportion of costs are attributed to health care costs.

If the share of government expenditure allocated to basic social protection were to be fixed at 2005 levels, most of the countries would be able to finance a small portion of the total cost of the basic social protection package: Pakistan 2 per cent, Nepal 6 per cent, Bangladesh 8 per cent, Vietnam 15 per cent, and India 15 per cent at the onset, yet in all countries these ratios are projected to gradually increase in the long run.

If countries were to allocate up to 20 per cent of government expenditure to basic social protection, India, Pakistan and Vietnam could finance the entire cost over the next decades. India is projected to be able to fully finance the basic social protection package out of domestic resources from 2013, Vietnam from 2023 and Pakistan from 2031. Before this, some temporary external support would be necessary. The situation of Bangladesh and Nepal is almost identical: these two countries would be able to finance around 40 per cent of the costs of a basic social protection package out of government finances by 2034.

Scenario II

Under Scenario II, a more modest approach was used to calculate the costs of providing a basic benefit package based on more country-specific data. It was assumed that the universal old-age and disability pension were set at 30 per cent of GDP per capita per day, the child allowance would come at 15 per cent of GDP per capita per day and limited to orphaned children between 0 and 14 years of age. For the costs of health care, the projections were based on salary levels of assumed 300 health workers per 100,000 population.

The overall cost is projected to be much lower than under Scenario I. The total cost of basic social protection package is highest in Nepal, starting at 2.9 per cent of GDP and decreasing to 2.5 per cent of GDP by 2034. In all other countries, the cost of basic social protection package ranges between 1.3 per cent and 2.3 per cent of GDP over the entire projection period.

If current levels of public spending on basic social protection were kept constant, all countries except Pakistan (with very low current spending levels) would be able to finance a large share of costs out of government resources. The projections suggest that 29 to 48 per cent of the total costs could initially be covered out of domestic resources, increasing to 48 to 65 per cent by 2034.

If government spending on basic social protection were to be increased to a maximum of one fifth of government spending, all countries considered would be able to finance the entire cost of the basic social protection package.

Scenario III

Scenario III is identical to Scenario I with respect to essential health care. However, the universal cash benefits (universal old-age and disability pension and child benefit) are replaced by a targeted cash benefit to the poorest 10 per cent of households.

The projected costs are slightly lower than under Scenario I. Projected costs during the peak years range from 3 to 14 percent of GDP, and decrease to 3 to 12 per cent of GDP at the end of the projection period in 2034.

Since the cost of the benefits package under Scenario III is close to that of Scenario I, the domestic financing of Options 1 and 2 basically showed the same level and trend as for the results of Scenario I.

Conclusions

The results of the projections have shown that provision of a basic social protection benefit package — essential health care, a universal old-age and disability pension, universal child benefits for children or a targeted cash transfer — could be affordable for the five Asian countries considered within a reasonable timeframe. Strengthening basic social protection would provide a major contribution towards reducing poverty and achieving the MDGs.

Investing in basic social protection is a commitment that each nation needs to make. If current public spending on basic social protection were to be upheld, a small portion of the total benefit package could be financed out of existing domestic resources. However, if basic social protection were to be given a higher priority in public budgets, much more could be achieved. Based on more modest assumptions in Scenario II, 100 per cent of the basic social protection package could be financed out of domestic resources in all countries if the share of public spending on basic social protection were to be increased to up to one-fifth of total public budgets. Even under the more generous assumptions of Scenarios I and III, India, Pakistan and Vietnam would be in a position to cover most, if not the full basic social protection package, while Bangladesh and Nepal could still cover a substantial share of total costs. In addition, some commitment from the international community would be necessary, at least for a transitional period.

The results of this study on five Asian countries are broadly consistent with the findings of the ILO's previous study on the affordability of basic social protection in seven African countries (Pal, et al. 2005). However, it should be noted that the study on seven African countries also covered spending on education which is not the case here. The results from both studies show that basic social protection could be an affordable policy option even for low-income countries such as Bangladesh, Burkina Faso, Nepal or Tanzania. This challenges the traditional belief that social protection policy is only affordable to middle income or developed countries.

If Asian countries continue to reach high growth levels, the objective of a basic level of social protection for the population could be achieved even faster than projected in this study, which was based on rather conservative economic assumptions. Many Asian countries have acknowledged that investing in social protection does not impede growth, but renders economic development more sustainable.

1. Introduction

Despite the rapid economic growth in some parts of Asia, poverty is still widespread in many countries. Considerable headway has been made towards achieving the Millennium Development Goals (MDG) in many Asian countries, but 16.6 per cent of the population in Eastern Asia and 29.9 per cent in Southern Asia are still living on less than US$1 (PPP) per day, (2001) (United Nations 2005).

National social protection systems are a very powerful means of alleviating and preventing poverty and can help mitigate the adverse effects of chronic poverty (ILO 2001; 2002). They provide protection against old-age and various life risks — disability, ill-health, unemployment, and occupational injury — through contributory social insurance mechanisms and social welfare programmes, including social cash transfer schemes for those who are particularly exposed to poverty risks. Examples from different contexts show that such social cash transfer schemes indeed have a marked effect on the reduction of poverty.[4] Such schemes have proven to be a viable instrument in a development context, as demonstrated by the conditional cash transfers for families and children in Brazil and Mexico, old-age pensions in some Indian states and Nepal,[5] as well as targeted cash transfers to households without an able-bodied person in Zambia. Recent ILO micro-simulations on Senegal and Tanzania show that modest old-age pensions and child benefits could reduce extreme poverty by 35 to 40 per cent (Gassmann and Behrendt 2006).

In close collaboration with the Department for International Development (United Kingdom) (DfID), the ILO has carried out a first fiscal analysis for the provision of a basic social protection benefit package in seven Sub-Saharan low-income countries (Pal, et al. 2005). This study demonstrated that a basic and modest level of social protection is affordable within a reasonable timeframe in these countries if a reasonable portion of government budgets were to be committed to basic social protection and if, where appropriate, international aid were to provide temporary support. These insights were echoed by the Commission for Africa (2005), which has made a strong case for facilitating access to health and education as well as reliable social cash transfers in Africa. More recently, a number of high-level African government representatives called for a strengthening of social cash transfer programmes as part of national social protection strategies in the *Livingstone Call for Action*.[6]

More research is needed to see to what extent these insights might also apply to Asian countries. Based on the ILO's modelling work on African countries, this present report aims to provide a first estimate of the costs of basic social protection to selected low-income Asian countries, namely Bangladesh, India, Nepal, Pakistan and Vietnam. The purpose of this paper is not to provide concrete policy guidance, but to explore the feasibility of basic social protection benefits in a fairly general way. However, the results of this study could be used as a preliminary factual basis for the development of strategies contributing to the improvement and extension of basic social protection, inclusive of cash

[4] See, for example, Save the Children UK, et al. 2005; DfID 2005; Barrientos and Lloyd-Sherlock 2003.

[5] Social assistance for old age, disability and survivors provides 150 rupees a month (US$2.10), the cost of which is paid for by government. Criteria for eligibility are: 75 years of age or older for the old-age benefit; disability and a minimum age of 16 years for the disability benefit; for widows, a minimum age of 60 years of age; and a means-test for the survivors' benefit.

[6] The "Livingstone Call for Action", March 2006; see http://www.helpage.org/News/Latestnews/@27954.

transfers to low-income countries in Asia — for older persons, children and the most destitute — and universal access to essential health care. The development of such strategies would need to be underpinned by more detailed national data and national contextual information than has been possible in this first comparative study.

2. The model

2.1. Modelling methodology

The model adopted in this report is based on the ILO model used for the costing of basic social protection in African countries (Pal, et al. 2005). The model takes into account country specific information necessary to develop a quantitative model such as real and nominal gross domestic product (GDP), inflation, exchange rate, purchasing power parity (PPP), government expenditure/revenue and medical staff wages. For each country case the main assumptions are provided in the form of a table (see Annexes A, B, and C).

Based on historical data, projections of various demographic, economic and financial parameters were undertaken for the period 2004 to 2034. In some cases, where more current data were available, projections were made from 2005 or 2006.

The model is a simple and robust deterministic "if-then" model, which treats key economic variables (i.e., economic growth, productivity and inflation) as exogenous. It basically projects expenditure and revenues in the social and public sectors in the form of extended budget scenarios based on exogenous assumptions for key parameters of the model. However, the assumptions are internally consistent (for example, the relationship between population growth, economic growth and productivity) and consistent with observed historical data. The model was designed to permit sensitivity analysis of some of the main assumptions (i.e., GDP growth, productivity, benefit levels and coverage, etc).

2.2. Scenarios

This study is based on three model scenarios, which largely reflect a standard set of demographic, economic and benefit level assumptions. Scenario 1, the base case, reflects methods and indicators used in Millennium Development Goal indicators and major international reports. Scenario II provides a more modest option, more closely based on country-level data. Scenario III is based on a targeted cash transfer that is modelled in line with a transfer paid in a GTZ-sponsored pilot project in Zambia.

The results of the Base Case (Scenario I) projections are provided in Annex A. The projections of Scenario II and Scenario III are provided in Annex B and Annex C, respectively.

3. The demographic and economic parameters and assumptions

Country specific historical data were used to the extent available for the countries in this study. For projections, the same assumptions were used for all countries except when indicated otherwise.

3.1. Demographic environment

Population estimates are based on United Nations' population projections from World Population Prospects 2002 (medium variant) (United Nations 2004b). Age-specific data were used in order to provide the appropriate demographic basis for costing of various basic benefit packages. Table 1 provides the proportions of youth and elderly for selected years for the five countries. Even though older persons represent a relatively small proportion of the population today, these countries are ageing at a fast rate. While the share of older people (aged 65 and older) was between 3 per cent and 6 per cent of the population in 2005, it is projected to increase to between 5 per cent and 12 percent by 2034. The proportion of children is expected to decrease rapidly in these countries over the next 30 years but will nevertheless account for between one-fifth and one-third of the total population in 2034.

Table 1. Proportion of youth and elderly in population for selected Asian countries, 2005-2034 (in per cent of the total population)

Country	Under 15 years			65 and older		
	2005	2015	2034	2005	2015	2034
Bangladesh	37.0	31.9	24.5	3.3	3.8	7.1
India	31.9	27.7	21.8	5.3	6.3	10.4
Nepal	39.5	35.6	28.2	3.8	4.2	5.9
Pakistan	39.5	37.0	29.4	3.8	4.0	5.7
Vietnam	29.4	25.3	19.7	5.4	5.5	11.8

Source: United Nations 2004b. World Population Prospects: The 2002 Revision, New York: United Nations.

Table 2 provides dependency ratios (defined as the number of children and/or elderly per working-age population), in these countries. The total dependency ratio of the five countries decreases due to the drop in the share of the population below 15 years of age. The old-age dependency ratio will increase but the total dependency ratio is expected to be relatively low in 2034. Even though the absolute numbers of persons in this group will grow, transfers to this group should not place an unmanageable burden on these countries.

Table 2. Dependency ratios for selected Asian countries, 2005-2034

Country	Youth (0-14)			Old-age (65+)			Total		
	2005	2015	2034	2005	2015	2034	2005	2015	2034
Bangladesh	0.62	0.62	0.36	0.06	0.06	0.10	0.67	0.67	0.46
India	0.51	0.42	0.32	0.08	0.09	0.15	0.59	0.51	0.48
Nepal	0.69	0.59	0.43	0.07	0.07	0.09	0.76	0.66	0.52
Pakistan	0.69	0.63	0.45	0.07	0.07	0.09	0.76	0.69	0.54
Vietnam	0.45	0.37	0.29	0.08	0.08	0.17	0.53	0.45	0.46

Source: United Nations 2004b. World Population Prospects: The 2002 Revision, New York: United Nations.

The number of orphans was calculated based on the proportion of orphaned children for 2003 and 2010, in line with estimates by UNAIDS, UNICEF and USAID (2004). Between these years, these percentages were interpolated. After 2010, the proportion of orphaned children is assumed to be constant.

The average household size is calculated based on Demographic and Health Surveys. [7]

3.2. Economic environment

Gross Domestic Product

Historical data for real and nominal GDP from 1990 to 2003 were obtained from the World Economic Outlook Database of the International Monetary Fund (IMF) (2005b). Real GDP growth is assumed as being equal to the growth of the working-age population plus 1 percentage point for the base case in all countries except India and Vietnam where the growth of the working-age population is augmented by 3 percentage and 2 percentage points, respectively. This modification was made so that growth rates would be consistent with high growth rates experienced during the last several years in these countries. Real growth rates in India and Vietnam in 2004 were 7.27 per cent and 4.63 per cent, respectively, and are assumed to reach 5.04 per cent and 4.48 per cent, respectively, in 2006. Compared to IMF estimates for the coming years, the growth rates assumed in this study are rather conservative. [8]

Inflation

Historical data and projections on inflation were obtained from the IMF World Economic Outlook Database (2005b). The estimated inflation rates for 2006 are 5.8 per cent in Bangladesh, 5.1 per cent in India, 4.0 per cent in Nepal, 9.8 per cent in Pakistan, and 5.5 per cent in Vietnam. For the rest of the projection period, inflation was estimated as being equal to average annual inflation during the period 2000-2006, i.e. 4.8 per cent for Bangladesh, 4.1 per cent for India, 3.9 per cent for Nepal, [9] 6.0 per cent in Pakistan and 4.9 per cent in Vietnam.

Productivity

Productivity increase is assumed to be half of real GDP growth. This implies that half of real economic growth is achieved by increases in the level of employment.

Exchange rates

Historical exchange rate data of local currency units to the US$ were obtained from the International Financial Statistics Database of the IMF (2006c). The rates for the projection period were kept constant at their 2005 level. The PPP for 2005 was also taken from the International Financial Statistics database. This PPP value has been kept constant throughout the projection period.

[7] See www.measuredhs.com

[8] Cf. IMF 2005a; 2006b,d,e,f,g.

[9] This also reflects the fact that the Nepalese rupee is pegged to the Indian rupee.

3.3. Government revenue, expenditure, and expenditure by function

Historical data were obtained from the IMF Government Finance Statistics Database (IMF 2006a). As consolidated general government figures were available only for India, central government figures were used for all other countries.

Revenue data exclude grants. In the majority countries of the study, these data were available up to 2003 and were projected on the basis of GDP growth thereafter. From 2004 onwards, projected levels of government expenditure as a percentage of GDP were assumed to increase by half up to a maximum of 30 per cent of GDP by 2034 (interpolated linear increase). In countries with a government deficit, revenue is assumed to reach the projected expenditure level by 2014 in order to reach a balanced budget. Thereafter, the budget remains balanced, that is, revenue and expenditure is assumed to be equal.

IMF data on consolidated government expenditure for health, and social security and welfare were also used so as to have a basis for what is currently being spent by government (IMF 2006a). Government expenditures were projected in the same manner as government expenditure/revenue up to 2003.

The model simulates two hypothetical options for the financing of the estimated cost of the future benefits package. It should be kept in mind that total government expenditure for health, social protection and welfare would be higher than the projected expenditure for basic social protection, as it also includes expenditure by social protection schemes for all other contingencies. Of course, it must be noted that expenditure allocated today for a variety of social security and health provisions will not and should not be entirely reallocated to the financing of the basic package of benefits modelled here. Therefore, taken into account was an assumption of the portion of 2003 expenditure used for education, health, and social security and welfare (as provided by the IMF) on what is currently being spent to provide basic benefits. Because of the lack of statistical evidence, it was assumed that 90 per cent of 2003 expenditure on health care and 10 per cent of 2003 expenditure on social security and welfare were spent on basic benefits in all five countries.

In respect of the level of expenditure on basic social protection, two options were calculated. Option 1 assumes that the current level of expenditure on health care and social security and welfare is kept constant over time. Table 3 summarizes government revenue/expenditure as well as functional expenditure on social security and welfare, and health care from 2001 to 2003 as a proportion of GDP. In 2003, total social expenditure reached between 1 per cent and 2 per cent of GDP in Bangladesh, India and Nepal. Pakistan spent only 0.3 per cent of GDP on social protection while expenditure levels in Vietnam reached 3.5 per cent of GDP.

The average expenditure on social protection was about one-tenth of government expenditure for Bangladesh, Nepal, and Vietnam (Table 4). India spent close to 6 per cent; and Pakistan spending was 1.5 per cent, much lower when compared to other countries. [10]

[10] It is not entirely clear to what extent expenditure under the *zakat* system is included in these figures in the case of Pakistan.

Table 3. Government revenue/expenditure, and total public social expenditure for selected Asian countries, 2001-2003 (in per cent of GDP)

	Revenue			Expenditure			Total social expenditure		
	2001	2002	2003	2001	2002	2003	2001	2002	2003
Bangladesh	9.5	9.7	9.6	10.8	10.6	10.7	1.0	1.0	1.1
India	16.8	17.4	17.4	25.2	25.6	25.6	1.5	1.5	1.5
Nepal	11.2	11.4	11.8	18.0	17.4	16.3	1.4	1.7	1.7
Pakistan	12.5	13.4	13.5	17.3	18.2	17.4	0.2	0.3	0
Vietnam	21.0	22.1	23.6	24.8	25.3	29.1	3.6	3.2	3.5

Source: IMF 2005c; own calculations.

Table 4. Public social expenditure for selected Asian countries, 2001-2003 (in per cent of total public expenditure)

	Total social expenditure			Social security and welfare			Health		
	2001	2002	2003	2001	2002	2003	2001	2002	2003
Bangladesh	9.0	9.9	10.2	3.8	3.5	3.5	5.1	6.4	6.7
India	6.1	5.8	5.8	2.7	2.7	2.7	3.4	3.1	3.1
Nepal	7.6	10.1	10.2	2.8	4.8	5.3	4.8	5.3	4.9
Pakistan	1.3	1.7	1.5	0.7	0.9	0.9	0.6	0.8	0.6
Vietnam	14.4	12.8	11.9	11.2	9.8	9.2	3.2	3.1	2.7

Note: Social protection expenditure (as provided in IMF statistics for the functions of health and social security and welfare).
Source: IMF 2005c; own calculations.

Option 2 assumes that governments spend one-fifth of total expenditure on basic social protection. This would be slightly lower than the current spending on social protection in Korea, where 22 per cent of public expenditure is devoted to social protection.[11] In most other OECD countries, current social expenditure levels are much higher. While the United States spend 41 per cent of government expenditure on social protection (including non-basic social protection), most countries in Western Europe devote well above 50 per cent of public expenditure on social protection (see Table 5).

[11] The study on African countries (Pal, et al. 2005) is based on a maximum level of one-third of government expenditure allocated to basic social protection, which included education. The educational component is not included in this study.

Table 5. Expenditure on selected social protection benefits of OECD countries, most recent year available (as a proportion of GDP)

	Public social expenditure as percentage of GDP				Total public social expenditure as proportion of total gov't. expenditure
	Old age	Health	Family benefits	Total	
Australia	4.7	6.2	2.8	18.0	49.1
Canada	4.8	6.7	0.9	17.8	42.3
France	10.6	7.2	2.8	28.5	54.4
Germany	11.7	8.0	1.9	27.4	56.5
Japan	7.3	6.3	0.6	16.9	44.8
Korea	1.2	3.2	0.1	6.1	21.7
New Zealand	4.7	6.1	2.2	18.5	49.0
Sweden	9.2	7.4	2.9	28.9	50.7
United Kingdom	8.1	6.1	2.2	21.8	54.0
United States	5.3	6.2	0.4	14.8	41.4

Source: Own calculations based on OECD SOCX.

Under both options, however, the proportion of total government expenditure allocated to social protection expenditure does not exceed the cost of the basic benefit package.

4. Basic social protection package

The aim of this study is to analyse transfers which are not only affordable but which could have an important trickle down effect in reducing poverty, not only within the family nucleus but also in the economy.[12] Furthermore, it assesses the financial and fiscal feasibility of a basic social protection benefit package consisting of a universal old-age pension provided to those over 65 years of age and the disabled; universal access to basic health care; and a specific child benefit (either to all children or specifically targeted to orphans).

4.1. Basic universal old-age and disability pensions

Rationale

According to ILO estimates, only 20 per cent of the world's population benefits from adequate social protection coverage. In large parts of Asia, coverage for old-age income protection is less than 10 per cent of the labour force. Thus, where a large proportion of the population is not covered by contributory old-age pensions; older persons are particularly vulnerable to poverty.

Universal basic pensions have a strong impact on improving the livelihoods of older persons and could alleviate at least the most severe forms of poverty.[13] Contrary to the widespread view that low income countries cannot afford universal pension schemes, examples from a number of African, Asian and Latin American countries show that the provision of universal pensions (sometimes called "social pensions") is feasible and affordable even in middle and low income countries.[14] In Asia, such schemes exist already in Nepal and in some Indian states (Rajan 2002; 2003; Pellissery 2005). Basic old-age pensions are increasingly recognized as an effective mechanism to protect older persons from poverty and destitution in a development context (DfID 2005; HelpAge International 2004).

Means-testing would be a possible way to target the benefit to the most needy and thus may seem to be a effective way to limit spending.- However, existing cross-country evidence has shown benefit targeting is costly and often does not produce the desired results (Coady, et al. 2004). The World Bank also noted, "screening out the poorest through targeting is a bigger problem than including the non-poor; the poorest may actually lose from too much fine-tuning in targeting".[15] It is thus assumed that benefits would be universal and would not exclude the non-poor. Benefits would thus also reach those whose living standards are slightly above the poverty line. Spillover effects to the rich are expected to be very limited if benefit levels are rather modest.

[12] Much of the discussion that follows is based on the previous ILO costing study of African countries Pal, et al. 2005.

[13] Cf. e.g. Barrientos 2002; Barrientos, et al. 2003; Barrientos and Lloyd-Sherlock 2003; Charlton and McKinnon 2001.

[14] Some of these pension schemes are universal in a strict sense; others operate with some form of means-test.

[15] World Bank 1997; see also Subbarao, et al. 1997.

Therefore, the model calculations are based on a system of universal benefits. As benefit levels are very low, it is assumed that mainly vulnerable groups would claim benefits. The benefits are provided to all persons 65 years and above and to disabled persons in working age. It was estimated that approximately 1 per cent of persons of working-age would be eligible for a disability pension (depending on the definition of disability).

Amount of benefit

The first Millennium Development Goal is based on an extreme poverty threshold of US$1 a day (PPP). The most recent figures show that 36 per cent of the population in Bangladesh are living below the US$1 (1993 PPP) consumption threshold, 35 per cent in India, 39 per cent in Nepal and 13 per cent in Pakistan.[16] The aim was therefore to take this as a basic starting point for a universal pension. Universal pensions are meant to close the poverty gap of the poor elderly. The average size of the poverty gap for that group is unknown and estimated here as being about 50 per cent of the threshold. The Base Case (Scenario I) projections therefore take into account a basic universal pension of US$0.50 (PPP) per day for all the countries. This daily value was adjusted for inflation over the projection period in the Base Case.

In order to see the magnitude of this assumed benefit level, it is important to see its relationship with respect to GDP per capita. This level is equivalent in 2006 to 19 per cent of GDP per capita in Bangladesh, 11 per cent in India, 24 per cent in Nepal, 15 per cent in Pakistan and 13 per cent in Vietnam.

An alternative approach stipulates a basic pension, which is based on each country's poverty line or a similar reference in order to pay more attention to national circumstances (Scenario II). This was ascertained from available data for some of the countries in the study. In effect, for Pakistan, the official poverty line for 2004 was Rs. 849 per month, which represented 27 per cent of GDP per capita. Therefore a calculation of a basic benefit as a proportion of GDP per capita (see Scenario II) was undertaken. The model assumed a pension of 30 per cent of GDP per capita, with a maximum of US$1 (PPP) per day (increasing in line with inflation). This level is equivalent in 2005 to US$1.12 (PPP) per day in Bangladesh, US$1.08 (PPP) in India, US$1.06 (PPP) in Nepal and US$1.11 (PPP) in Pakistan and Vietnam.

4.2. Basic health care

The link between good health, a productive life, economic development and poverty reduction is not contested. Therefore, it is indispensable that the basic social protection package also contains a strong health component. The Commission on Macroeconomics and Health has estimated the per capita costs of scaling up priority health interventions in low-income countries at US$34 per year on average in low-income countries by 2007, and US$38 in 2015 (Commission on Macroeconomics and Health 2001: 55, 165-167).[17] This cost estimate is based on a detailed costing of the additional expenditure required for

[16] United Nations 2004a; 2006. Data refer to the following years: 2000 for Bangladesh, 1999 for India, 1995 for Nepal and 1998 for Pakistan. As data for Vietnam were only available for urban areas, they are not reported here.

[17] Amounts are expressed in US$2002. The respective estimate for least developed countries is US$34 for 2007 and US$41 for 2015. For low-middle-income countries, the estimate is US$36 and US$40, respectively. The authors note that "[…] at purchasing power parities, […] the minimum cost of the essential package would probably be above $80 per person per year" (Commission on Macroeconomics and Health 2001: 120, footnote 79).

extending the coverage of 49 priority interventions, which largely focused on communicable diseases, childhood and maternity related interventions (Kumaranayake, et al. 2001). The Commission on Macroeconomics and Health also put forward a rough target of 4 per cent of GNP for budgetary health spending while acknowledging that this level is far from being reached by low-income countries (Commission on Macroeconomics and Health 2001: 59). [18]

The model provides two options for calculating the cost of universal basic health care. The first one uses the estimate of the Commission on Macroeconomics and Health (i.e. US$34 per capita per year on average in low-income countries by 2007, and US$38 in 2015 in current US$ [19]). These figures are indexed with inflation. When estimating actual per capita public health care expenditure based on IMF data, it became apparent that at present none of the countries forming part of the study were even close to reaching this level. Per capita government expenditure on health oscillated between US$0.7 (Pakistan) and US$3.8 (India) in 2002. [20]

Therefore, an alternative method for estimating the cost of basic health care has been provided in the model. This alternative method proposes a country specific cost base. Results from this option are provided in Scenario II. This approximation takes into account the following two parameters: medical staff ratio to population; and wages of medical staff and overhead non-staff costs. It is assumed that 300 medical staff per 100,000 persons would be available, which corresponds approximately to 1997 estimates of health personnel in Namibia [21] (and represents about 40 per cent of the level in the United Kingdom). The level of Namibia was chosen as a benchmark as, since 1990, the Namibian government has set a policy framework *Towards Achieving Health for All Namibians* and the Government committed itself to providing access to health services for all Namibians by the year 2000. [22] Thus the levels achieved by Namibia should be indicative of possibilities and requirements for universal basic health care provision in low-income countries. Once the number of health staff required to deliver the services has been calculated, staff costs can be estimated based on average wages of health care staff. Where no separate data on wages in the health sector was available, it was assumed that health staff average wage would equal teachers' average wage. Other non-staff health costs are assumed to be 67 per cent of wage costs. [23]

It should be noted that the model does not take into account the difficulty that individual countries may experience in finding the necessary number of qualified medical staff (doctors/nurses) needed to fill the posts that will be created.

[18] This target expenditure level is still much lower than the 12 per cent of GNP that has been estimated as necessary to meet the MDG goals of reduced infant mortality; cf. Gupta, et al. 2001.

[19] Commission on Macroeconomics and Health 2001: 55.

[20] Calculated from IMF 2006a; United Nations 2004b.

[21] World Health Organization Statistical Information System (WHOSIS).

[22] Ministry of Health and Social Services, Namibia.

[23] Estimated from figures from the *Ghana Medium-term Expenditure Framework* (Government of Ghana).

4.3. Child benefit

As a further component of the basic benefit package, it was considered that a child benefit (in the form of a cash transfer) should also be included in Scenarios I and II based on the recommendations of The Joint United Nations Programme on HIV/AIDS (UNAIDS), the United Nations Children's Fund (UNICEF) and the United States Agency for International Development (USAID) (2004). The child benefit broadly follows the example of the South African Child Support Grant.[24] The level of the child benefit set in the Base Case is US$0.25 (PPP) per day. This level of the child benefit is equivalent to half of the universal old-age and disability pension benefit.[25] Further in-depth studies would be needed to ascertain the level of such a benefit in view of the existence of universal access to basic health care and basic education (primary level). The benefit is paid to all children up to age 14.

Even though the more recent 2004 publication by UNAIDS, UNICEF and USAID (2004) makes the case for providing programs for a much "broader vulnerable children population" and not only to orphans, the cost of providing such a universal child benefit may seem relatively high in certain cases. Therefore a more modest option is chosen in Scenario II, which would limit child benefits to orphans, to account for their particular vulnerability. Thus, an alternative has been built into the model to calculate a benefit for orphans based on data from a report by UNAIDS, UNICEF and USAID (2004) which had disaggregated data on the number of orphans. The level of the projected child benefit would be 15 per cent of GDP per capita, that is half of the basic old-age and disability pension in Scenario II, and would be paid to all orphans.

4.4. Targeted cash transfers

The model further considers targeted cash transfers by way of a programme that has been tested in a GTZ-funded project in the Kalomo district in Zambia (Schubert 2005). This programme provides cash benefits of US$13.71 (PPP) (US$6.34) per month to the 10 per cent most destitute households in the district. These households are identified through a community-based targeting mechanism that focuses on those who are unable to support themselves due to the lack of an able-bodied person in the household.

Although benefit levels are rather modest (the monthly benefit is equivalent to the cost of a bag of maize), the first results are rather encouraging. Not only have living standards of recipients considerably improved, but households have also started to save and invest part of the money. Further evaluations of the project will show the effects of the cash transfer on the livelihoods of recipient households in the short and medium term.

However, it remains to be seen what effect such a benefit can have on reducing poverty levels in the short and medium term. The impact on poverty headcounts based on the first Millennium Development Goal might be limited if the living standards of the most destitute are improved but still remain below the poverty line used for calculating this

[24] The Child Support Grant, which aims to give additional income support to poor children, is a means-tested benefit for children under the age of nine. The 2001 benefit level of 110 Rand per month is equivalent to 6 per cent of GDP per capita or US$12.78 (US$55 PPP) per month, or US$0.42 (US$1.83 PPP) per day. See Hunter, et al. 2004, own calculations.

[25] The assumed relationship between the child benefit and the old-age and disability pension is based on the equivalence scale calculations for Tanzania in Lancaster, et al. 1999.

indicator. Nevertheless, the improvement in living standards is expected to show in poverty gap measurements. [26]

Targeted cash transfers replace universal basic old-age and invalidity pensions as well as child benefits in Scenario III.

4.5. Administrative costs

The model is based on the assumption that 15 per cent of total cash benefit expenditure is spent on administration of universal cash transfers (old-age and disability pensions and child benefit). This estimate is based on the experience of the basic pensions scheme in Namibia where the costs of reaching the poorer remote rural communities is taken into account (Schleberger 2002). For the targeted cash transfers, administration costs of 33 per cent of benefit expenditure have been assumed in line with the study on Africa (Pal, et al. 2005) in order to account for the higher costs of targeting.

The existing basic old-age pensions provide interesting blueprints on the feasibility of benefit delivery to the population. The main challenges in the implementation and administration of social cash transfer programmes are the delivery of benefits to the population, mainly in respect to long distances and security requirements, as well as the lack of up-to-date registry information about pensioners' deaths (Fultz and Pieris 1999).

The administrative costs for basic health care are provided for in the overhead costs of this programme.

4.6. Summary of scenarios

The basic social protection package in Scenario I includes the following:

- Universal old-age and disability pension of US$0.5 (in PPP terms) per day, to older persons aged 65 or over and the disabled (assumed to be 1 per cent of population where better data are not available);
- Universal child benefit at 50 per cent of old-age and disability pension per child (US$0.25 PPP) for all children aged 0-14; and
- Universal access to essential health care based on per capita cost of US$34 in 2007 and US$38 in 2015, which are the estimates of the Commission on Macro Economics and Health.

The basic social protection package in Scenario II includes:

- Universal old-age and disability pension to older persons aged 65 or over and the disabled at 30 per cent of GDP per capita (capped at US$1 (PPP) per day);
- Universal child benefit at 15 per cent of GDP per capita (capped at US$0.5 per day) to orphans aged 0-14; and
- Universal access to essential health care through improvement in public health (i.e., health care costs based on a ratio of 300 health staff per 100,000 population; medical

[26] This is indeed what has been shown in ILO microsimulations of targeted cash transfers in Senegal and Tanzania (Gassmann and Behrendt 2006).

staff wages indexed in-line with half of productivity and inflation; and non staff overhead costs of 67 percent of wages).

The basic social protection package in Scenario III includes:

- Targeted cash transfer to 10 per cent most destitute households of US$13.71 PPP per household and month; and
- Universal access to essential health care (same as Scenario I).

Table 6 summarizes the assumptions on the basic social protection benefit package.

Table 6. Summary of three scenarios for basic social protection benefit package

Scenario	Benefit package					Option:
	Old-age	**Disability**	**Child allowance**	**Health**	**Targeted cash transfer**	
I	US$0.5 (PPP) /day for the 65 and older	US$0.5(PPP)/day to 1% of working age population	US$0.25 (PPP)/day for children 0-14 yrs	US$34/capita in 2007 and US$38/capita in 2015	–	Ratio of gov't. expenditure on basic social protection
II	30% of GDP/capita capped at US$1(PPP)	30% of GDP/capita capped at US$1(PPP) /day	15% of GDP/capita for HIV/AIDS orphans aged 0-14	Provision of 300 health staff for every 100,000 population	–	1) Constant 2003 level, 2) 20% of gov't. expenditure
III	–	–	–	Same as Scenario I	US$13.71 (PPP) to 10% poorest households	

5. Results

5.1. Scenario I: Base case

5.1.1. Summary of assumptions

The base case model estimates the costs of a basic social protection benefits package based on the following main assumptions:

- Real GDP growth is assumed as growth of working age population plus 1 percentage point. For India and Vietnam, it was assumed as working age population growth plus 3 and 2 percentage points, respectively.
- Projected levels of total government expenditure to increase by 50 per cent of current levels by year 2034, with a maximum of 30 per cent of GDP
- Government revenue (excluding grants) is assumed to reach the projected expenditure level by 2014 in order to reach a balanced budget.
- Universal pension benefit at US$0.50 (PPP) per day for all persons 65 years of age and older, and the disabled (assumed as 1 per cent of working age population).
- Per capita health cost equal to the Commission on Macroeconomics and Health estimate of US$34 by 2007 and US$38 by 2015 (indexed with inflation).
- Child benefit of 50 per cent of universal basic pension per child for all children in the age bracket 0-14 years.
- Administration costs of delivering cash benefits equal to 15 per cent of cash benefit expenditure.
- Government expenditure on basic social protection under Option 1 is fixed at 2003 level as follows: Bangladesh 6.4 per cent, India 3.1 per cent, Nepal 5.0 per cent, Pakistan 0.8 per cent, and Vietnam 3.3 per cent.
- Government expenditure on social protection under Option 2 is capped at 20 per cent of government expenditure.

Assumptions and main results for Scenario 1 are found in detailed tables in Annex A.

5.1.2. Results by country

Bangladesh

The results of the base case scenario of Bangladesh show that a universal old-age and disability pension would require about 0.4 per cent to 0.5 per cent of GDP (Figure 1). The cost of child benefit is about 1.7 per cent of GDP in 2006 and then slowly decreases to 0.8 per cent in 2034. The cost of health care is estimated to be 6.8 per cent of GDP in 2006, then increases to 8.6 per cent in 2011, and decreases slowly thereafter to 6.6 per cent by 2034. Administration costs of social cash transfers are estimated to initially amount to 0.3 per cent of GDP in 2006 and to decrease to 0.2 per cent by 2034. Total expenditure for basic social protection is estimated to reach 9.2 per cent of GDP in 2006, increase to a peak of 10.7 per cent in 2010, and decrease to 8.0 per cent by 2034.

Figure 1. Costs of basic social protection benefits package for Bangladesh, 2006-2034 (in per cent of GDP)

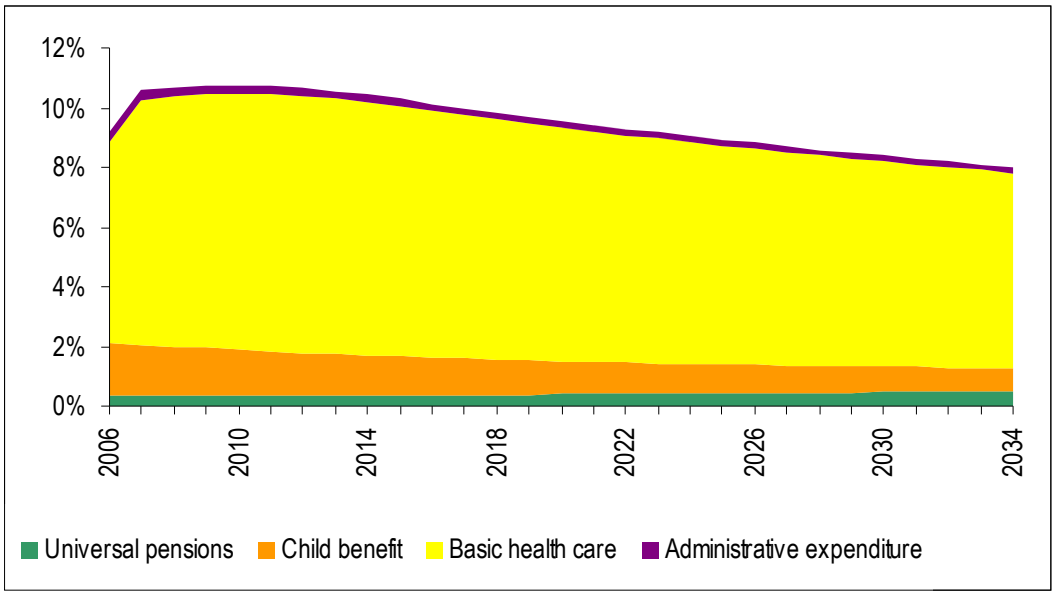
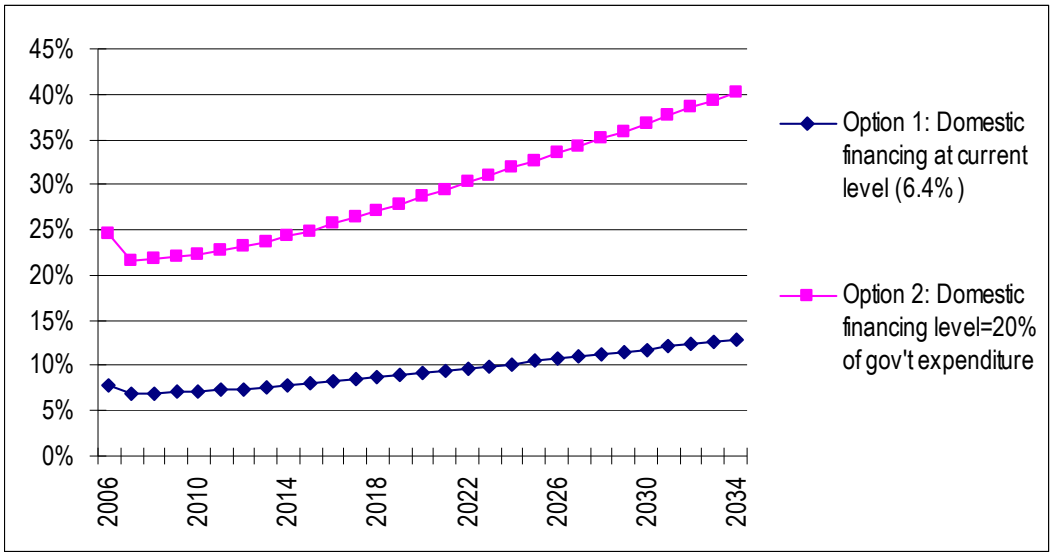


Figure 2 represents the capacity of the Government of Bangladesh to finance basic social protection out of domestic resources from 2006 to 2034. Under Option 1, it was assumed that government expenditure on basic social protection would remain at its current level (6.4 per cent of total government expenditure. In this case, the Government of Bangladesh would be able to finance initially 8 per cent, and this ratio would slowly increase to about 13 per cent by 2034. Under Option 2, it was assumed that the Government would allocate 20 per cent of its total expenditure to basic social protection. Under these assumptions, the Government would be able to finance about one-quarter of the cost in 2006, and this proportion is projected to increase to 40 per cent by 2034. These results suggest that provision of basic social protection under Scenario I in Bangladesh would require both increasing the government's financial allocation to the social protection sector, and external financial support.

Figure 2. Domestic financing of basic social protection benefits package under two options for Bangladesh, 2006-2034 (in per cent of total costs)



India

The results of the base case scenario for India show that a universal old-age and disability pension would require about 0.3 per cent of GDP over the entire projection period (Figure 3). The cost of a child benefit would start at 0.9 per cent of GDP in 2006 and then slowly decrease to 0.2 per cent by 2034. The cost of health care is estimated to be about 3.9 per cent of GDP in 2006, then increase to about 4.6 per cent in 2009, and decrease slowly thereafter to 2.3 per cent of GDP. Administration costs are estimated at 0.2 per cent of GDP, declining to 0.1 per cent by 2034. Total expenditure for basic social protection is estimated at 5.3 per cent in 2006, would reach its peak of 6.0 per cent in 2007, and decrease to 2.9 per cent by 2034.

Figure 3. Cost of basic social protection benefits package for India, 2006-2034 (in per cent of GDP)

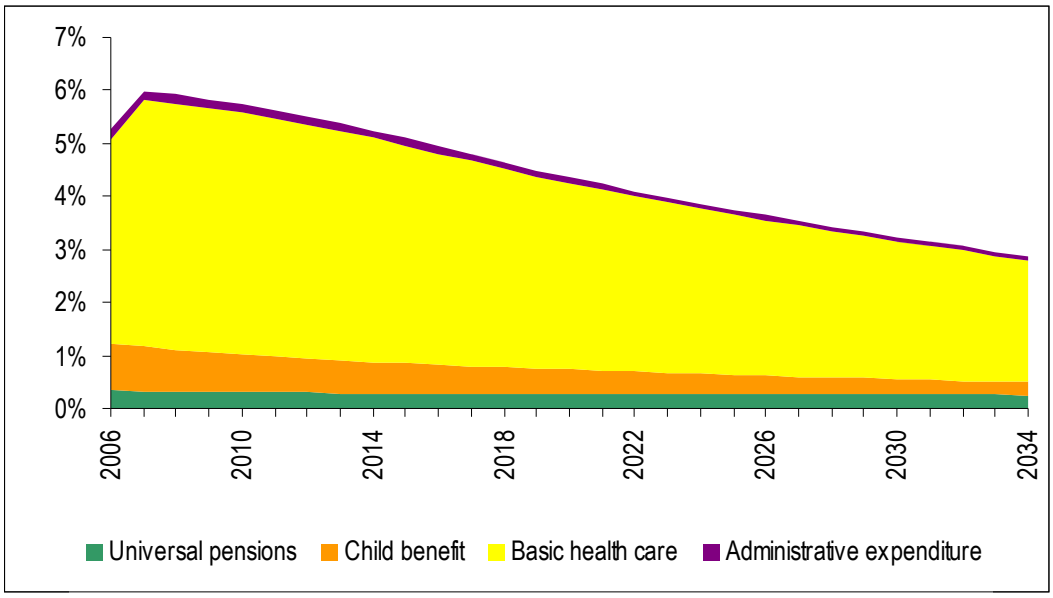
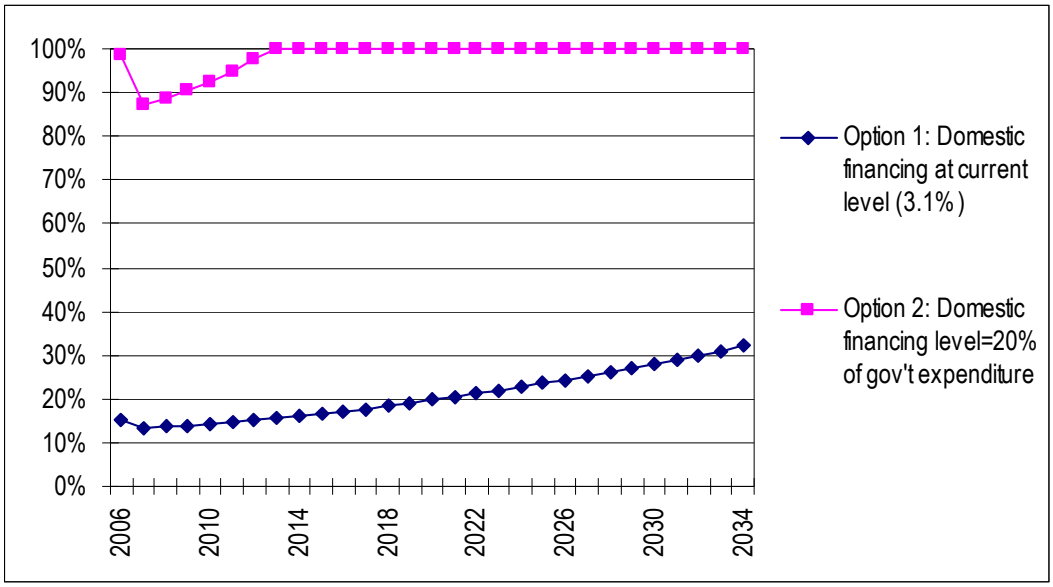


Figure 4 represents the capacity of the Government of India to finance basic social protection out of domestic resources from 2006 to 2034. Under Option 1, it was assumed that government expenditure on basic social protection would remain at its current level (3.1 per cent of total government expenditure), and under Option 2, it was assumed that the Government of India would allocate 33.3 per cent of its total expenditure to basic social protection. Under Option 1, it was estimated that the government would be able to finance 13.4 per cent of the total basic social protection expenditure in 2007 and the ratio would slowly increase to 32 per cent by 2034. Under Option 2, the Government would be able to finance the entire cost from 2013. Under Scenario I, these results suggest that the provision of basic social protection in India would require an increase in the government's financial allocation to the social protection sector. If one-fifth of government expenditure would be devoted to basic social protection, the costs could be covered out of domestic resources after a short transitional period.

Figure 4. **Domestic financing of basic social protection benefits package under two options for India, 2006-2034** (in per cent of total costs)



Nepal

The results of the base case scenario for Nepal show that a universal old-age and disability pension would require 0.5 per cent to 0.6 per cent of GDP over the entire projection period (Figure 5). The cost of a child benefit estimated at 2.5 per cent of GDP in 2006 is projected to decrease to 1.2 per cent by 2034. The cost of health care is estimated to amount to 11.0 per cent of GDP in 2006, rise to a peak of 14.0 per cent in 2012, and decrease slowly thereafter to a level of 10.5 per cent of GDP by 2034. Administration costs are estimated to start at 0.5 per cent of GDP, and decrease to 0.3 per cent by 2034. Total expenditure for basic social protection is estimated at 14.5 per cent of GDP in 2006, it is projected to reach its peak of 17.3 per cent in 2010, and thereafter decrease to 12.5 per cent by 2034.

Figure 5. **Cost of basic social protection benefits package for Nepal, 2006-2034** (in per cent of GDP)

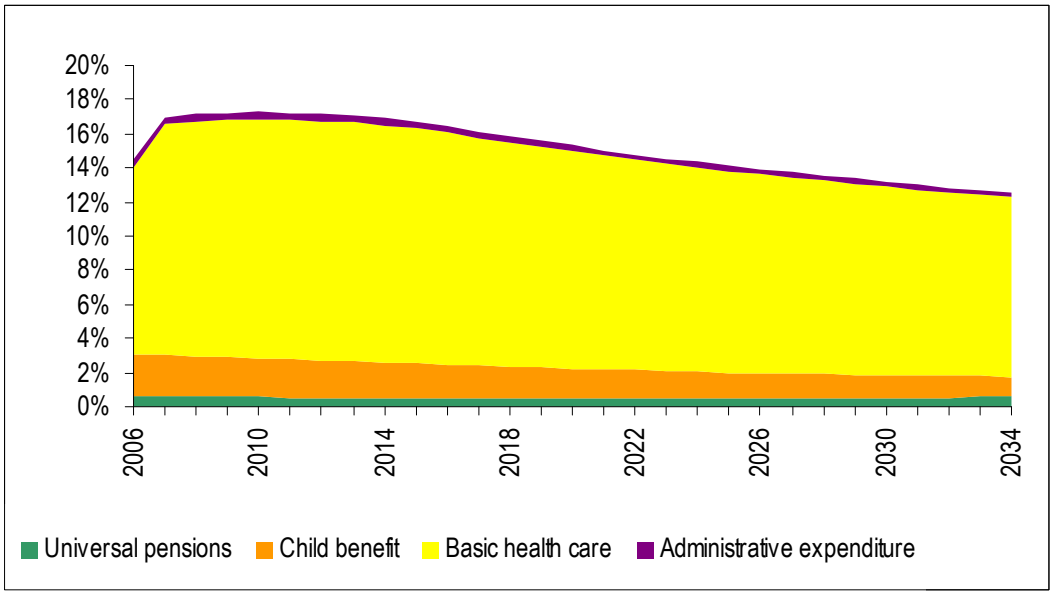
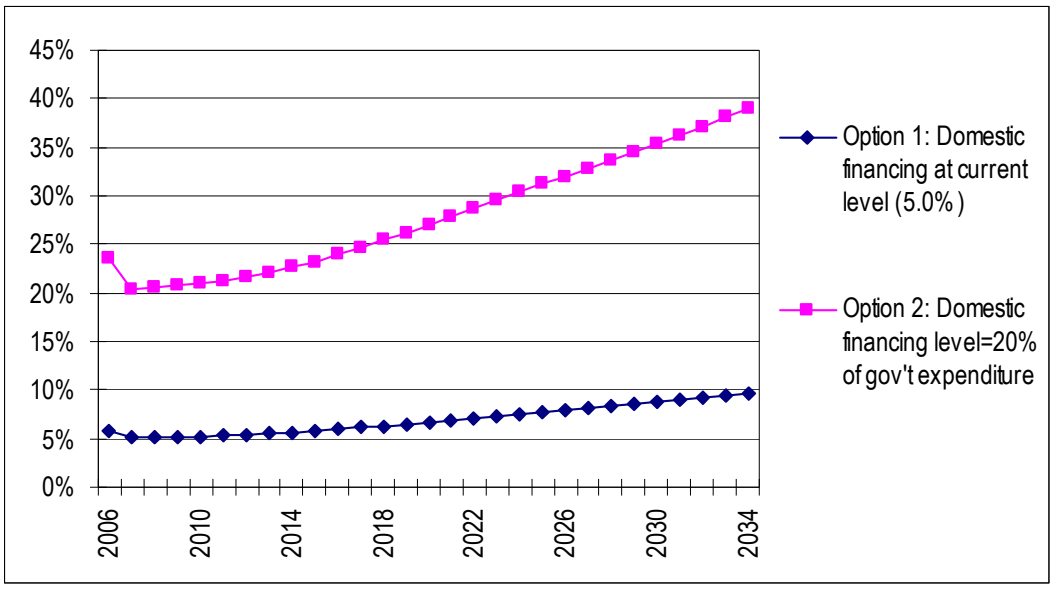


Figure 6 represents the capacity of the Government of Nepal to finance basic social protection out of domestic resources from 2006 to 2034. Under Option 1, it was assumed that government expenditure on basic social protection would remain at its current level (5.0 per cent of total government expenditure), and under Option 2, it was assumed that the government of Nepal would allocate 20 per cent of total expenditure to basic social protection. Under Option 1, it was estimated that the Government would be able to finance 6 per cent of total basic social protection expenditure in 2006. This ratio would subsequently increase to about 10 per cent by 2034. Under Option 2, the Government would be able to finance 20 per cent in 2007, and this ratio would increase to 39 per cent by 2034. Under Scenario I, these results suggest that provision of basic social protection in Nepal would require both increasing government's financial allocation to the social protection sector, and external financial support.

Figure 6. Domestic financing of basic social protection benefits package under two options for Nepal, 2006-2034 (in per cent of total costs)



Pakistan

The results of the base case scenario of Pakistan show that a universal old-age and disability pension would require 0.3 per cent of GDP over the entire projection period (Figure7). The cost of a child benefit is estimated to require1.6 per cent of GDP in 2006 and then to slowly decrease to 0.8 per cent by 2034. The cost of health care is estimated to be 3.7 per cent of GDP in 2006, then to increase to around 4.9 per cent in 2012, and to decrease slowly thereafter to 3.5 per cent of GDP by 2034. Administration costs of social cash transfers are estimated to initially amount to 0.3 per cent of GDP and to decrease to 0.2 per cent by 2034. Total expenditure for basic social protection is estimated to require 5.9 per cent in 2006, to reach its peak of 6.9 per cent in 2011, and to decrease to 4.8 per cent by 2034.

Figure 7. Cost of basic social protection benefits package for Pakistan, 2006-2034 (in per cent of GDP)

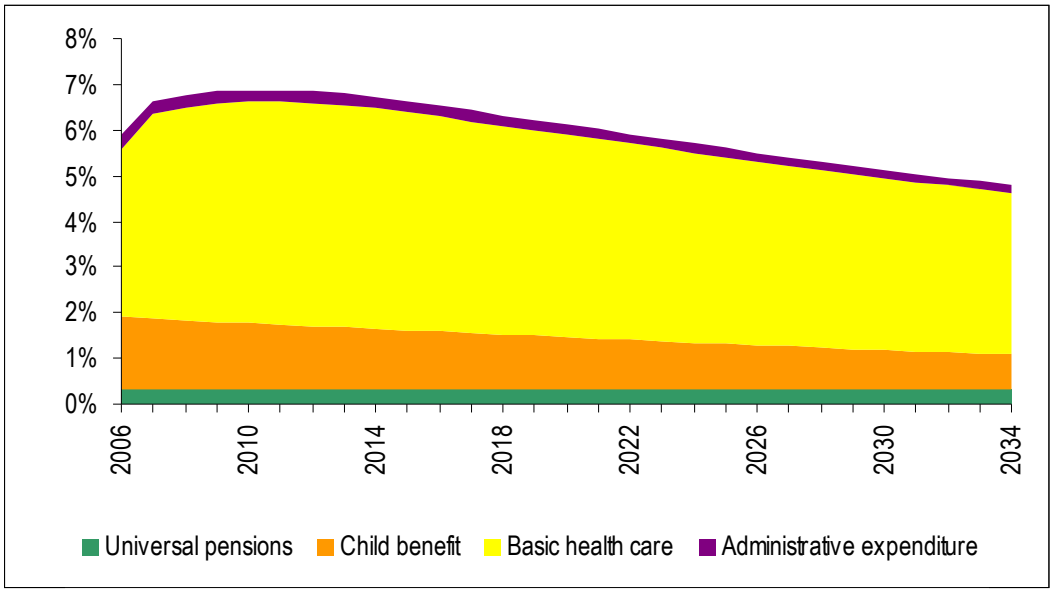
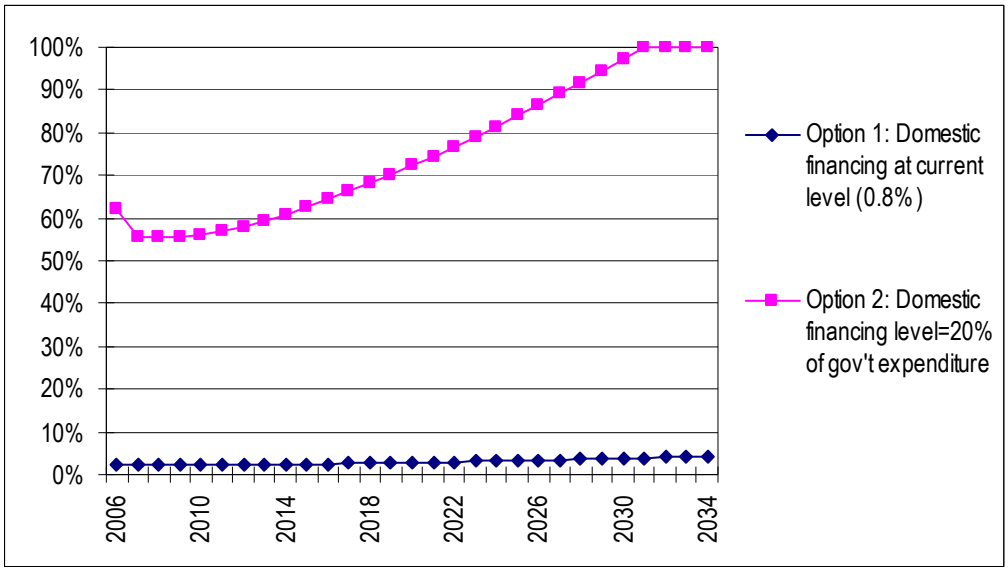


Figure 8 represents the capacity of the Government of Pakistan to finance basic social protection out of domestic resources from 2006 to 2034. Under Option 1, it was assumed that government expenditure on basic social protection would remain at the current level (0.8 per cent of total government expenditure), and under Option 2, it was assumed that the government of Pakistan would allocate 20 per cent of its total expenditure to basic social protection. Under Option 1, it was estimated that the Government would be able to finance 2.4 per cent of total basic social protection expenditure in 2006, and this ratio would slowly increase to 4.3 per cent by 2034.Under Option 2, the Government would be able to finance well more than half of the basic social protection package in 2006, and could shoulder the entire cost as from 2031. Compared to other Asian countries in this study, the discrepancy between the financial strength of the Government of Pakistan and its current weak commitment to social protection in the country is remarkable. The results of projections indicate that provision of basic social protection would be affordable to Pakistan, and more efforts on internal resource mobilization would be critical to its successful provision.

Figure 8. Domestic financing of basic social protection benefits package under two options for Pakistan, 2006-2034 (in per cent of total costs)



Vietnam

The results of the base case scenario for Vietnam shows that a universal old-age and disability pension would require 0.3 per cent to 0.5 per cent of GDP (Figure 9). It should be noted that the cost initially would decrease from 0.4 per cent in 2006 to 0.3 per cent in 2013. However, the cost would then increase to 0.5 per cent by 2034 due to the effects of population aging. The cost of a child benefit in 2006 is estimated to be 1.0 per cent and to slowly decrease to 0.4 per cent by 2034. The cost of health care is estimated to be 4.9 per cent of GDP in 2006, to reach 5.9 per cent in 2007, and to decrease slowly thereafter to 3.9 per cent by 2034. Administration costs are estimated to initially amount to 0.2 per cent of GDP and to decrease to 0.1 per cent in 2034. Total expenditure for basic social protection is estimated at 7.4 per cent in 2006, decreasing to 4.9 per cent by 2034.

Figure 9. Cost of basic social protection benefits package for Viet Nam, 2006-2034 (in per cent of GDP)

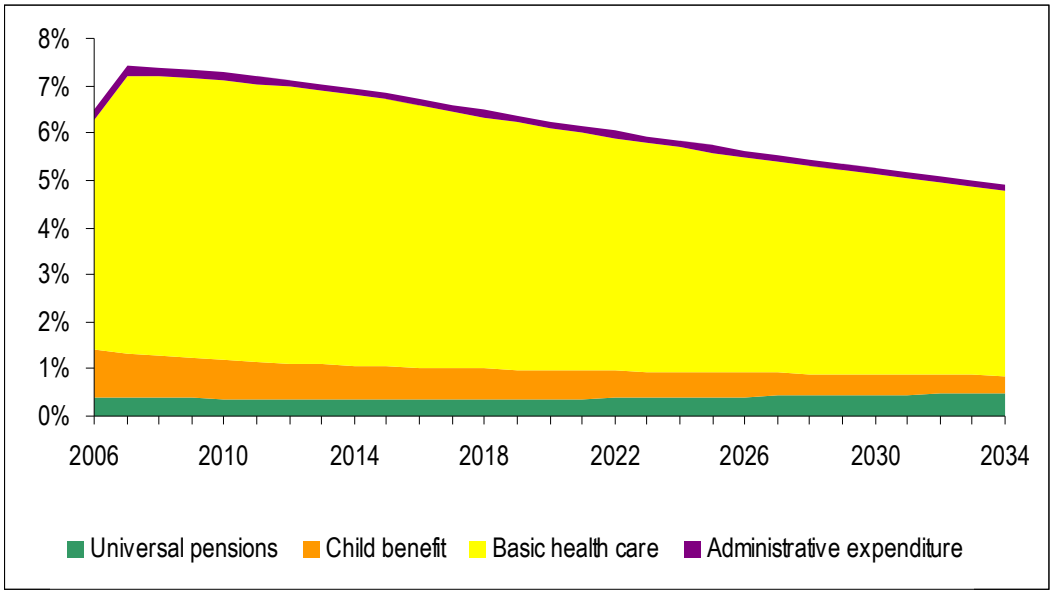
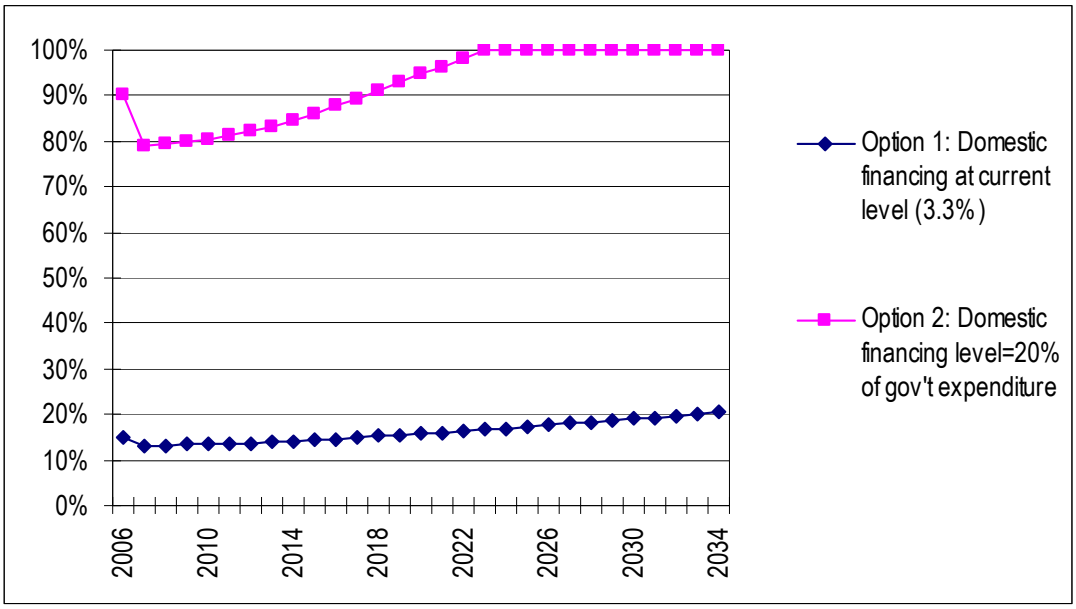


Figure 10 represents the capacity of the Government of Viet Nam to finance basic social protection out of domestic resources from 2006 to 2034. Under Option 1, it was assumed that government expenditure on basic social protection would remain at the current level (3.3 per cent of total government expenditure), and under Option 2, it was assumed that Government would allocate 20 per cent of its total expenditure to basic social protection. Under Option 1, it was estimated that the Government would be able to finance 13.3 per cent of total basic social protection expenditure in 2007 and that this ratio would slowly increase to 20.4 per cent by 2034. Under Option 2, the Government would be able to finance more than four-fifth of total costs from the start, and would be in a position to cover full costs from year 2023. The results indicate that provision of basic social protection would be affordable to Vietnam and that internal resource mobilization would be the key to its successful provision.

Figure 10. Domestic financing of basic social protection benefits package under two options for Viet Nam, 2006-2034 (in per cent of total costs)

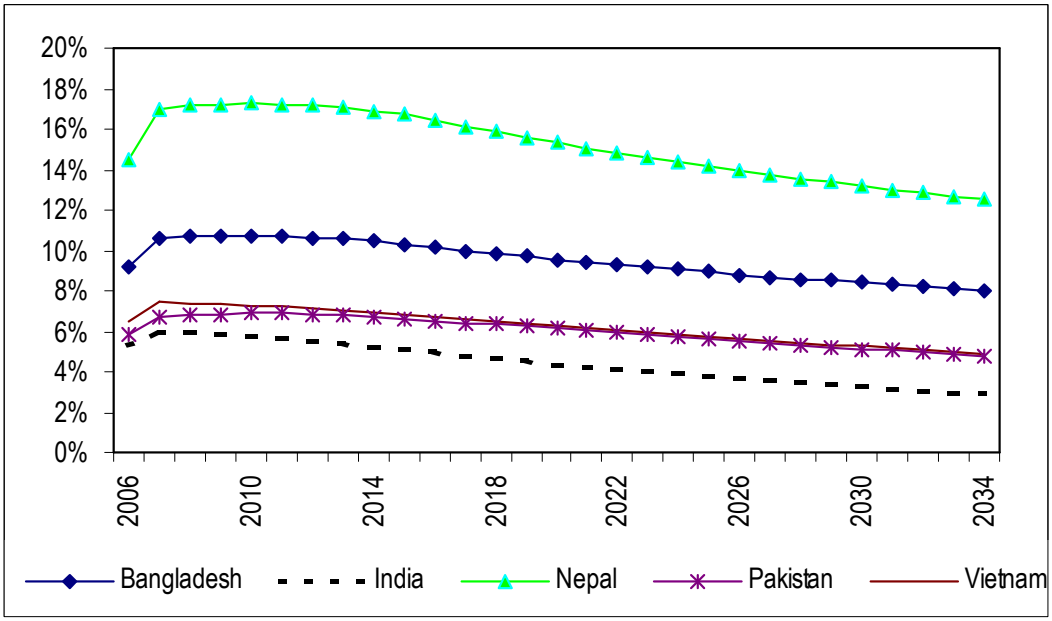


5.1.3. Results in a comparative perspective

Cost of basic social protection

Figure11 summarizes the cost of the social protection benefits package under Scenario I in terms of the percentage of GDP in five countries in Asia from 2005 to 2034. The country with the highest relative cost would be Nepal, where the cost of basic social protection package are projected to reach 17.3 per cent at peak in 2010, but would subsequently decrease to 12.5 per cent of GDP by 2034. In Bangladesh, the cost of a basic social protection package would rise to 10.7 per cent of GDP at its peak in 2010 and then slowly decrease to 8.0 per cent of GDP by 2034. At lower levels, Pakistan, and Vietnam are projected to rise in parallel to around 6.9 per cent and 7.4 per cent, respectively, of GDP at the peak (2011 and 2007, respectively) and then decline to 4.8 per cent and 4.9 per cent, respectively, of GDP by 2034. India is the country in which the cost of a basic social protection package is consistently lowest relative to GDP. The projected basic social protection package would require 6 per cent of GDP at its peak in 2007 before gradually declining to 2.9 per cent of GDP by 2034.

Figure 11. Cost of social protection benefits package of Scenario I (in per cent of GDP)



Domestic financing ratios

Figure 12 summarizes the ratio of the cost for the social protection benefits package of Scenario I paid by the government under Option 1, where government expenditure on basic social protection is fixed at 2005 levels (Bangladesh 6.4 per cent, India 3.1 per cent, Nepal 5.0 per cent, Pakistan 0.8 per cent, and Vietnam 3.3 per cent). Under these conditions, India is deemed to have the strongest financial ability among the five countries. India would be able to finance close to one-third of a basic social protection package by 2034, followed by Vietnam, which is estimated to be able to finance little more than 20 per cent of the cost in 2034. Bangladesh and Nepal move in parallel with 12.9 per cent and 9.6 per cent, respectively, of total costs that could be financed out of domestic resources. Pakistan's current expenditure on social protection is the lowest among the five countries, and the consequences of maintaining the current level of expenditure is well reflected in the projections.

Figure 12. Domestic financing ratio of basic social protection package of Scenario I under Option 1 (government expenditure on basic social protection is fixed at the 2005 level), 2006-2034

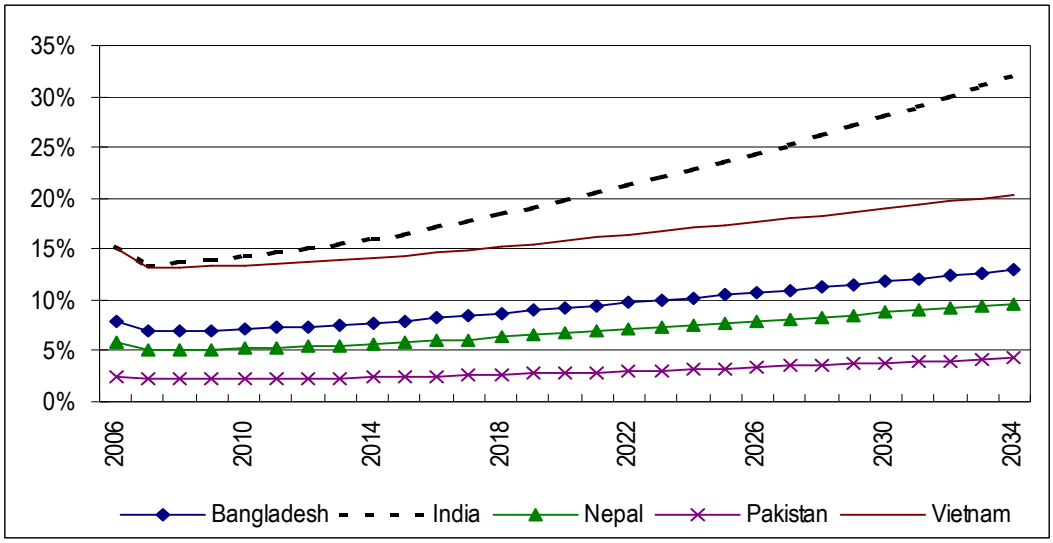
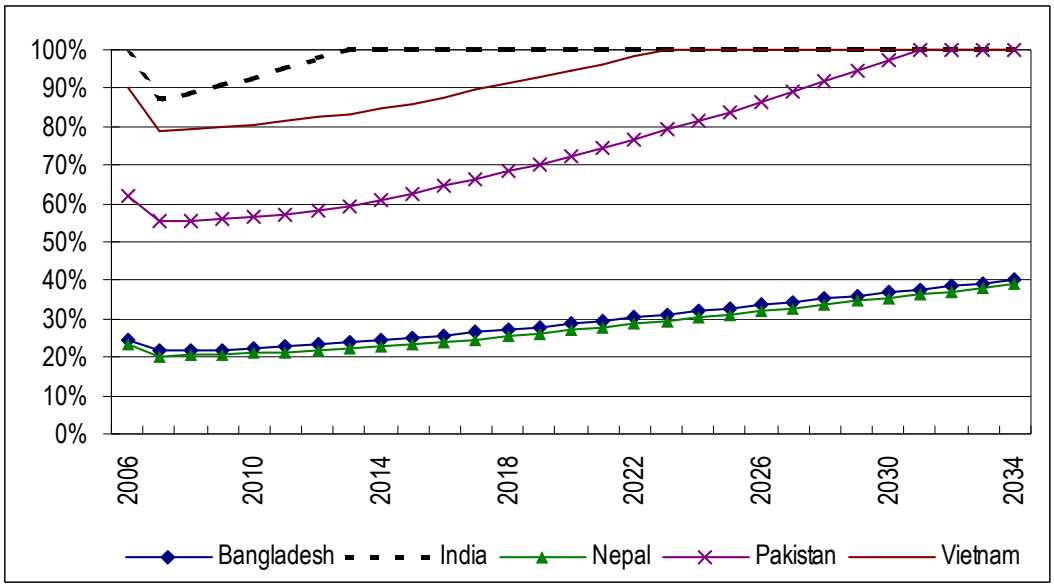


Figure 13 represents the ratio of the cost that the government can finance under Option 2, where it was assumed that governments were to allocate 20 per cent of their expenditure on basic social protection.[27] The results suggest that India, Pakistan and Vietnam could finance the entire cost over the next few years. India is projected to be able to fully finance the basic social protection package out of domestic resources from 2013, Vietnam from 2023 and Pakistan from 2031. Before this, some temporary external support would be necessary. The situation of Bangladesh and Nepal is almost identical: these two countries would be able to finance around 40 per cent of the costs of a basic social protection package out of government finances by 2034.

Figure 13. Domestic financing ratio of basic social protection package of Scenario I under Option 2 (government expenditure on basic social protection is fixed at 20 per cent), 2006-2034



5.2. Results for Scenario II

5.2.1. Summary of assumptions

Under Scenario II, a more modest approach was used to calculate the costs of providing a basic benefit package based on more country-specific data. The main assumptions for this scenario are:

- Real GDP growth is assumed as working age population plus 1 percentage point. For India and Vietnam, it was assumed as working age population growth plus 3 percentage points and 2 percentage points, respectively.
- Projected levels of total government expenditure could increase by 50 per cent of current levels by 2034, with a maximum of 30 per cent of GDP.
- Government revenue (excluding grants) is assumed to reach the projected expenditure level by 2014 in order to reach a balanced budget.

[27] The earlier ILO study on African countries (Pal, et al. 2005) assumed one-third of total government expenditure, which included education expenditure. As this present study does not include education, the maximum share of expenditure is lower than in the earlier study.

- Universal old-age and disability pension at 30 per cent of GDP per capita (capped at US$1 (PPP)) and the disabled (assumed as 1 per cent of working age population).

- Basic health care costs based on ratio of 300 medical staff to 100,000 population; medical staff wages indexed in line with half of productivity and inflation; non-staff overhead costs of 67 per cent of staff costs. As the average wages for medical staff could not be established, teachers' salaries were used as a proxy.

- Child benefit at 15 per cent of GDP per capita (capped at US$0.5 (PPP)) a day indexed to inflation. Provided to orphans in age group 0-14 years.

- Administration costs of delivering cash benefits equal to 15 per cent of cash benefit expenditure.

- Government expenditure on basic social protection under Option 1 is fixed at 2003 estimated levels as follows: Bangladesh 6.4 per cent, India 3.1 per cent, Nepal 5.0 per cent, Pakistan 0.8 per cent, and Vietnam 3.3 per cent.

- Government expenditure on social protection under the Option 2 is fixed at 20 per cent of government expenditure.

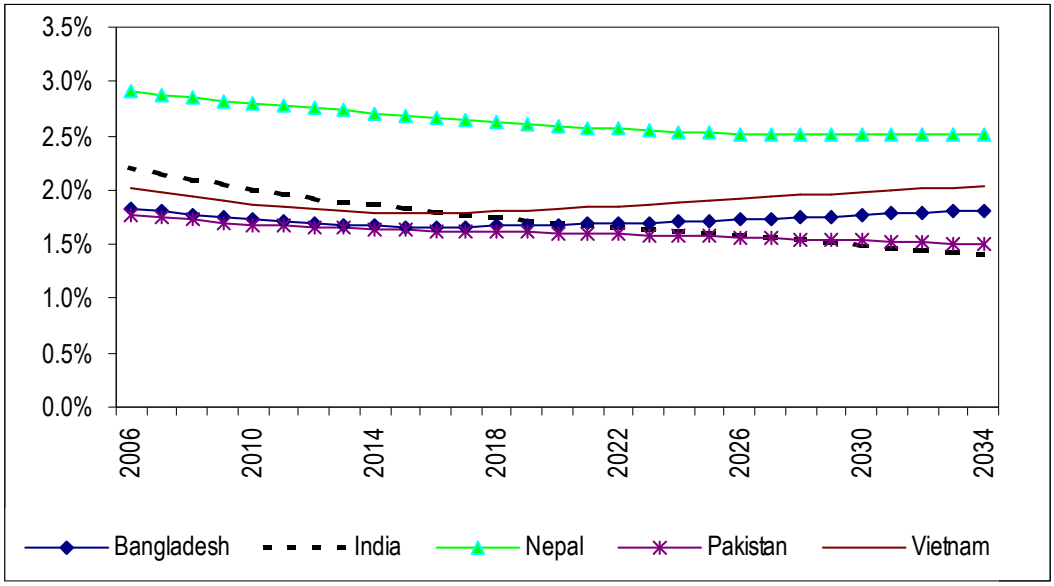
The assumptions and the main results are found in the detailed tables in Annex B.

5.2.2. Results in a comparative perspective

Cost of Basic Social Protection

Figure 14 represents the cost of basic social protection benefits package of Scenario II. The overall cost is projected to be much lower than under Scenario I. Over time, the costs are projected to decline in all countries, yet in the case of Bangladesh and Vietnam, the total costs of basic social protection package are projected to increase again around 2015, reaching the initial cost level by the end of the projection period in 2034. The total cost of basic social protection package is highest in Nepal, starting at 2.9 per cent of GDP and decreasing to 2.5 per cent of GDP. In all other countries, the cost of basic social protection package ranges between 1.3 per cent and 2.3 per cent of GDP.

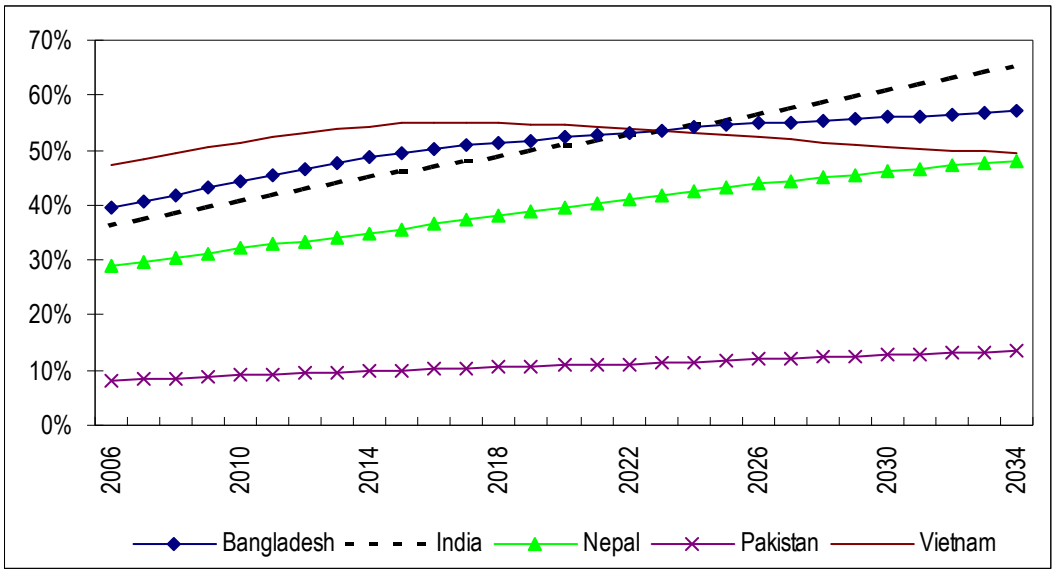
Figure 14. Cost of social protection benefits package of Scenario II (in per cent of GDP)



Domestic financing ratios

Figure 15 represents the percentage cost of the social protection benefits package that could be financed out of domestic resources if current levels of spending on basic social protection are kept constant. The results show that, unlike Scenario I, all countries except Pakistan would be able to finance a large share of costs out of government resources. If Vietnam were to keep its current level of spending on basic social protection, about one-half of its total cost could be covered out of domestic resources. Unlike other countries, the share of domestic financing is estimated to slowly decrease after reaching a peak of 55 per cent in 2015, largely due to the ageing of the population. In all other countries, the share of domestic financing is estimated to rise over time, starting at 36 per cent and 40 per cent, respectively, in India and Bangladesh, and reaching 65 per cent and 57 per cent, respectively, of the total basic social protection package by 2034. In Nepal, the domestic financing ratio is projected to reach 29 per cent of total costs in 2006, but rise to 48 per cent by 2034. For Pakistan, the very low actual spending level on basic social protection is reflected in the low domestic financing ratio.

Figure 15. Domestic financing ratio of social protection package of Scenario II under Option 1 (government expenditure on social protection is fixed at 2005 level), 2005-2032



Under Option 2, where the government expenditure on social protection is assumed to reach a maximum of 20 per cent of total government expenditure, the domestic financing ratios of all the countries are projected to be 100 per cent through the entire projection period. In other words, under these assumptions, all countries would be able to fund the entire basic social protection package out of domestic resources.

The results of Options 1 and 2 suggest that provision of the more modest basic social protection benefits package under Scenario II is in the financial reach of all countries considered.

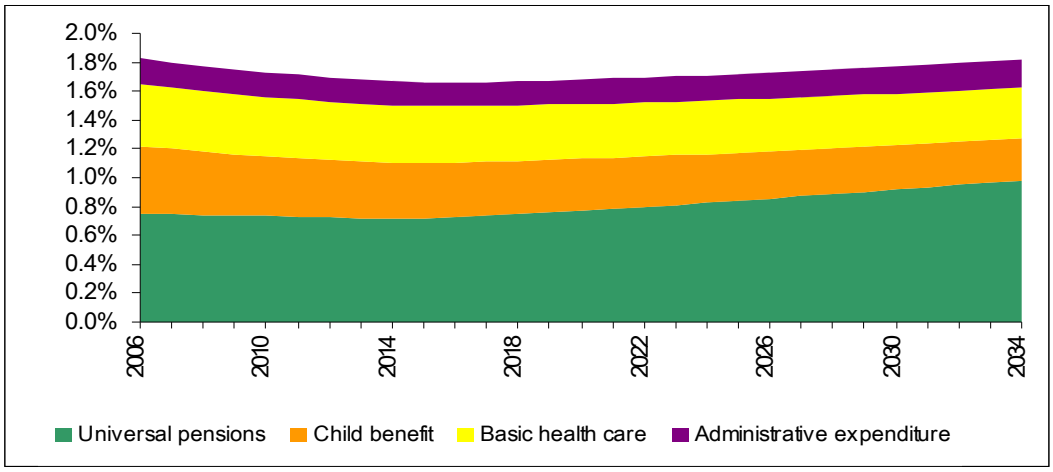
5.2.3. Results by country

Since the domestic financing ratio under Option 1 is shown in Figure 16, and the domestic financing ratio under Option 2 is 100 per cent in all countries, only the details of the costs are presented in this session.

Bangladesh

The cost of basic social protection under Scenario II in Bangladesh is estimated at about 1.8 per cent of GDP in 2006, consisting of 0.7 per cent for the universal old-age and disability pension, 0.4 per cent for essential health care, 0.5 per cent for the orphan benefit, and 0.2 per cent for administration costs. The total costs of the basic protection benefit package are projected to decrease to a minimum of 1.7 per cent of GDP in 2016, before slightly increasing again mainly due to the aging of the population. It is estimated that the total cost in 2034 would be 1.8 per cent of GDP.

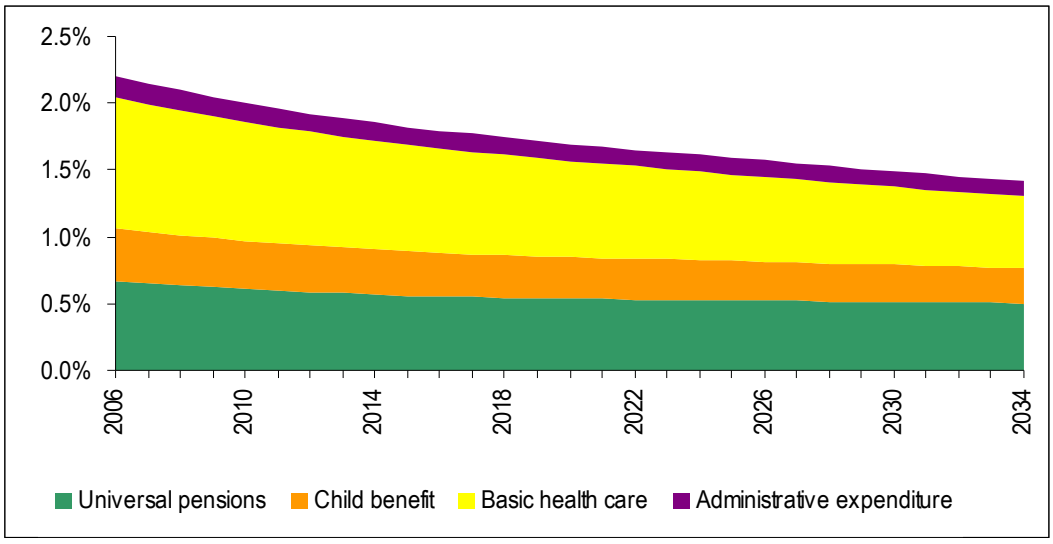
Figure 16. Cost of basic social protection benefits package of Scenario II for Bangladesh, 2006-2034
(in per cent of GDP)



India

Figure 17 represents the cost of basic social protection under Scenario II in India is estimated at 2.2 per cent of GDP in 2006, consisting of 0.7 per cent for the universal old-age and disability pension, 1.0 per cent for essential health care, 0.4 per cent for the orphan benefit, and 0.2 per cent for administration costs. The total costs of the basic social protection benefit package are projected to gradually decrease to a level of 1.4 per cent of GDP by 2034.

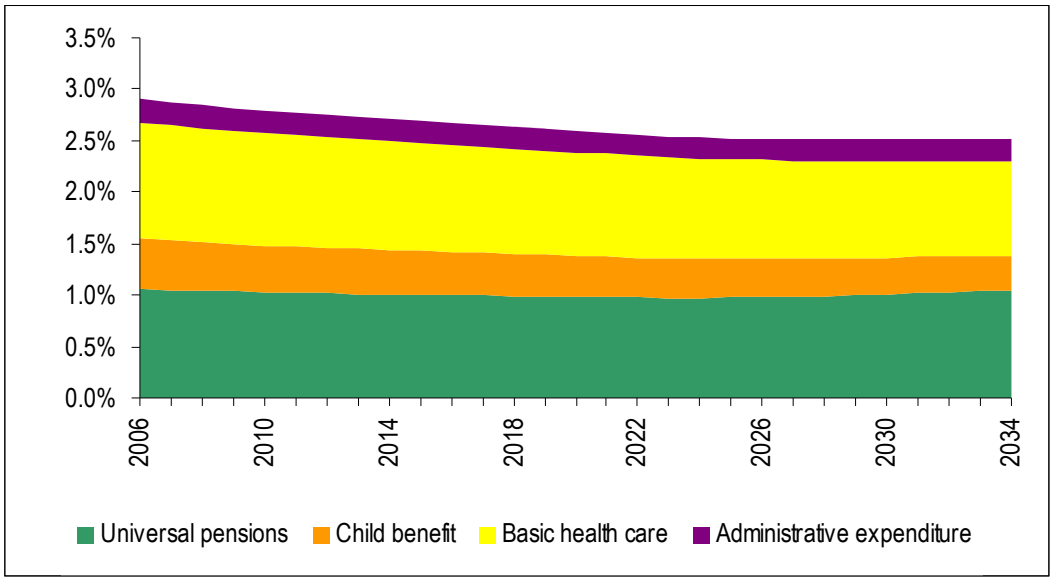
Figure 17. Cost of basic social protection benefits package of Scenario II for India, 2006-2034
(in per cent of GDP)



Nepal

Figure 18 represents the cost of basic social protection under Scenario II in Nepal is estimated at 2.9 per cent of GDP in 2006, including 1.1 per cent for the universal old-age and disability pension, another 1.1 per cent for essential health care, 0.5 per cent for the orphan benefit, and 0.2 per cent for administration costs. The overall costs are projected to slowly decline to 2.5 per cent of GDP by 2034.

Figure 18. Cost of basic social protection benefits package of Scenario II for Nepal, 2006-2034
(in per cent of GDP)



Pakistan

Figure 19 represents the cost of basic social protection under Scenario II in Pakistan is estimated at 1.8 per cent of GDP in 2006, consisting of 0.6 per cent for the universal old-age and disability pension, 0.7 per cent for essential health care, 0.3 per cent for child benefit, and 0.1 per cent for administration costs. Overall, the costs are projected to decline over time to a level of 1.5 per cent of GDP by 2034.

Figure 19. Cost of basic social protection benefits package of Scenario II for Pakistan, 2006-2034
(in per cent of GDP)

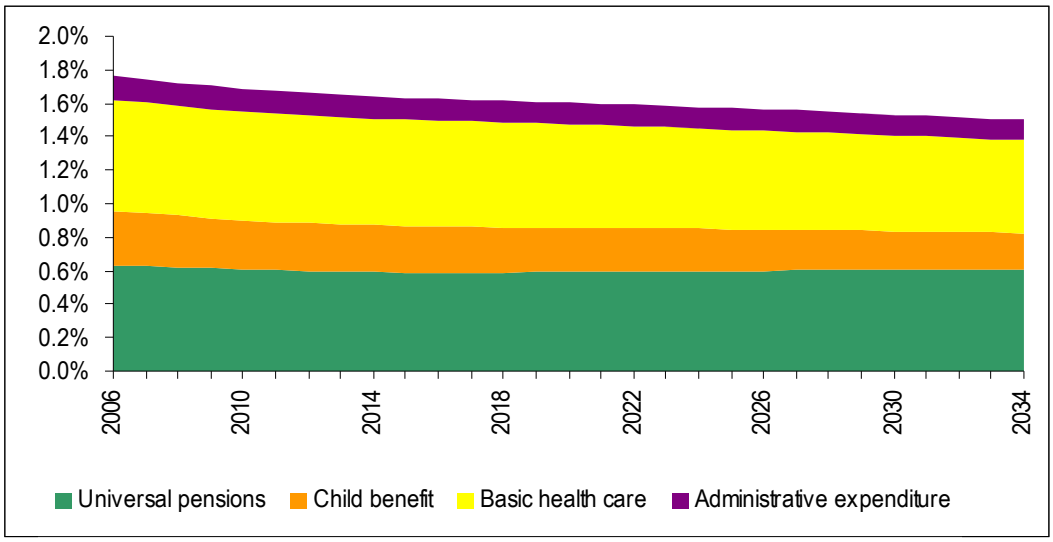
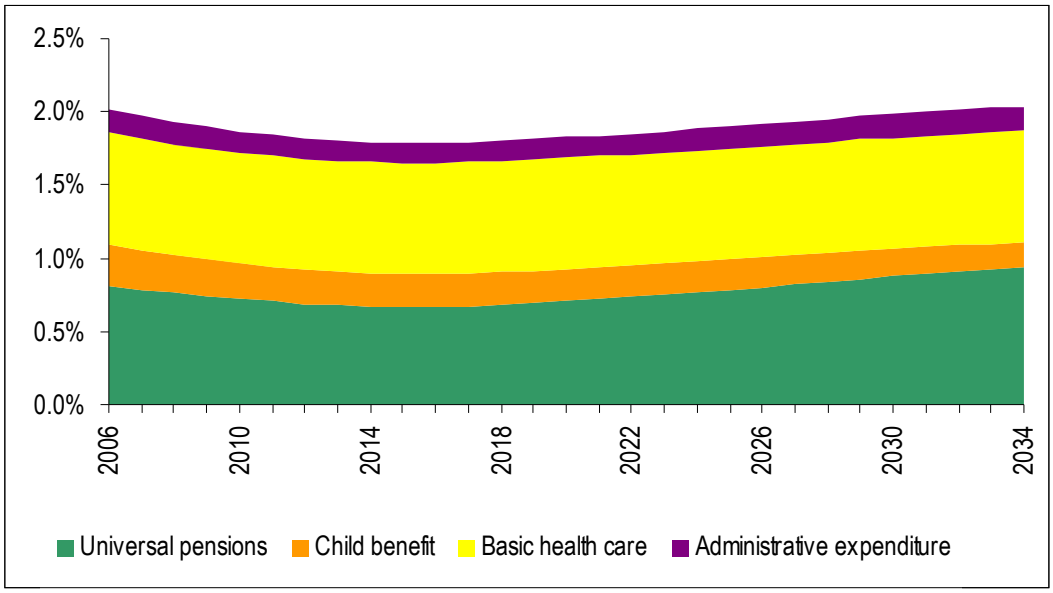


Figure 20 represents the cost of basic social protection under Scenario II in Vietnam is estimated at 2.0 per cent of GDP in 2006, consisting of 0.8 per cent for the universal old-age and disability pension, another 0.8 per cent for essential health care, 0.3 per cent for the orphan benefit, and 0.2 per cent for administration costs. The costs for this basic social protection package is projected to decline to a minimum of 1.8 per cent of GDP by 2015, before the volume of the package would return to 2.0 per cent of GDP by 2034.

Figure 20. Cost of basic social protection benefits package of Scenario II for Vietnam, 2006-2034
(in per cent of GDP)



5.3. Results for Scenario III

5.3.1. Summary of assumptions

Scenario III is identical to Scenario I with respect to essential health care. However, the universal cash benefits (universal old-age and disability pension and child benefit) are replaced by a targeted cash benefit to the poorest 10 per cent of households. The main assumptions for this scenario are:

- Real GDP growth is assumed as the working age population plus 1 percentage point. For India and Vietnam, it was assumed as working age population growth plus 3 percentage points and 2 percentage points, respectively.
- Projected levels of total government expenditure increase by 50 per cent of current levels by 2034, with a maximum of 30 per cent of GDP.
- Government revenue (excluding grants) is assumed to reach the projected expenditure level by 2014 in order to reach a balanced budget.
- Per capita health cost equal to the Commission on Macroeconomics and Health estimate of US$34 by 2007 and US$38 by 2015 (indexed with inflation).
- Targeted cash transfer to the 10 per cent most destitute households of US$13.71 (PPP) per month in 2004 indexed to inflation.

- Administration costs of delivering cash benefits equal to 33 per cent of cash benefit expenditure.

- Government expenditure on basic social protection under Option 1 is fixed at 2005 levels as follows: Bangladesh 6.4 per cent, India 3.1 per cent, Nepal 5.0 per cent, Pakistan 0.8 per cent, and Vietnam 3.3 per cent.

- Government expenditure on basic social protection under Option 2 is fixed at 20 per cent of government expenditure.

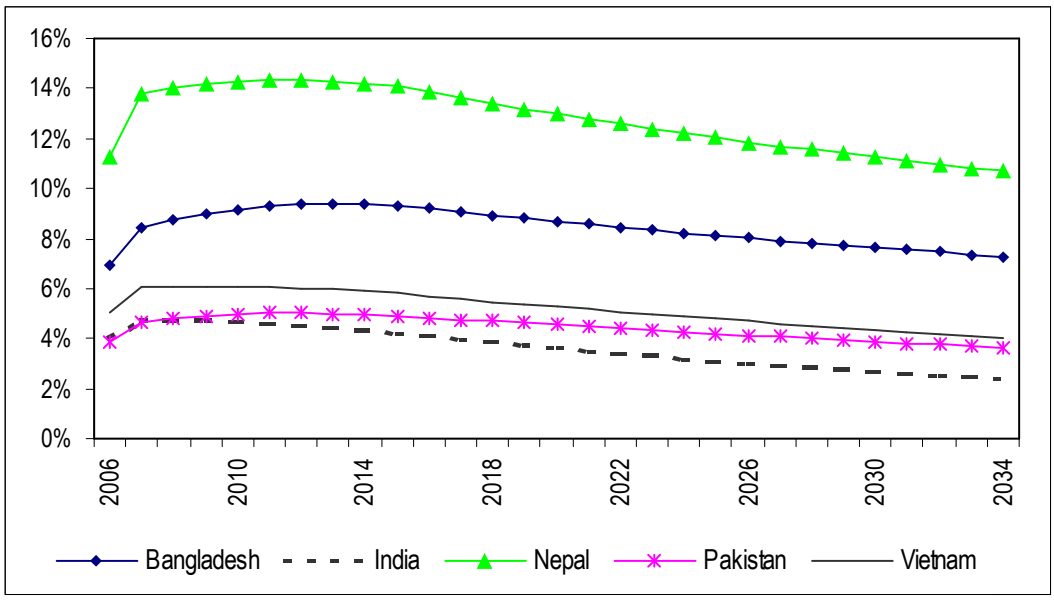
Assumptions and main results are found in detailed tables in Annex C.

5.3.2. Results in a comparative perspective

Cost of basic social protection

Figure 21 summarizes the cost of the basic social protection benefit package of Scenario III in terms of the percentage of GDP for the five Asian countries considered until 2034. The country with the highest cost would be Nepal where the basic social protection benefit package would require 14.3 per cent at its peak in 2011, but slowly decrease to 10.7 per cent of GDP by 2034. In Bangladesh, the total cost would increase to 9.3 per cent of GDP at its peak in 2013, and decline to 7.3 per cent by the end of the projection period. The remaining three countries find themselves within a narrow band of similar developments. The basic social protection package for India is projected to increase up to a maximum of 4.9 per cent of GDP by 2007 before declining to 2.4 per cent by 2034. For Pakistan, the package would rise to a peak of 5.0 per cent of GDP by 2011, and subsequently gradually decrease to 3.6 per cent of GDP by 2034. In Vietnam, the total costs are projected to attain a maximum of 6.1 per cent of GDP in 2009, but would decrease to 4.0 per cent of GDP by 2034.

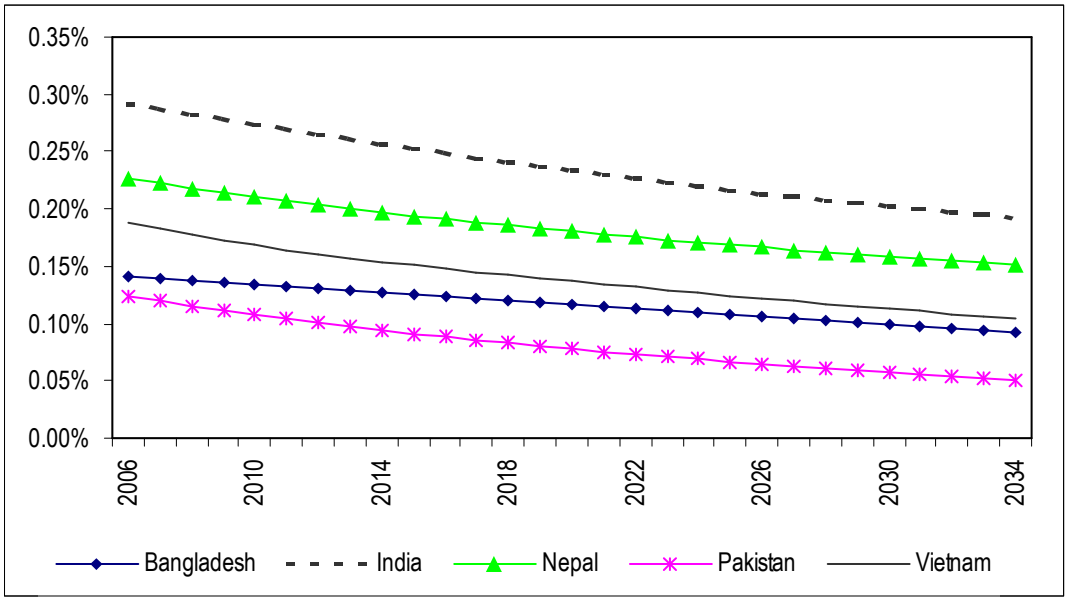
Figure 21. Cost of social protection benefits package of Scenario III for five Asian countries, 2006-2034
(in per cent of GDP)



The cost of the basic social protection package under Scenario III is mainly driven by the cost of health care. As Figure 22 shows, the cost of the targeted cash transfer alone is very limited and projected to decrease over time. Starting at between 0.12 per cent and 0.29 per cent of GDP, the costs of a targeted cash transfer are expected to gradually decrease to

0.08 per cent and 0.24 per cent of GDP in 2034. These low costs reflect the modest benefit levels and small group of recipients compared to the universal benefits.

Figure 22. Projected cost of targeted cash transfer under Scenario III for five Asian countries, 2006-2034 (as percentage of GDP)



Domestic financing ratios

Figure 23 summarizes the ratio of the cost for the social protection benefits package of Scenario I paid by government under Option 1, where government expenditure on social protection is fixed at 2005 levels (Bangladesh 6.4 per cent, India 3.1 per cent, Nepal 5.0 per cent, Pakistan 0.8 per cent and Vietnam 3.3 per cent). Among the five countries, India would be able to finance close to one-fifth of the total package during the next few years, yet the domestic financing ratio could increase to about 39 per cent of total costs by 2034. Vietnam starts at a similar level as India, yet its domestic financing ratio is projected to increase much slower to about 25 per cent by 2034. Bangladesh and Nepal could both cover 6 per cent to 9 per cent of total costs during the next years, but the domestic financing ratio is expected to increase to 10 per cent to 14 per cent by 2034. For Pakistan, keeping the relatively low current spending levels constant would allow the coverage of 3 per cent of total costs, slowly increasing to 6 per cent by 2034.

Figure 23. Domestic financing ratio of social protection package of Scenario III under Option 1 for five Asian countries (government expenditure on social protection is fixed at 2005 level), 2006-2034

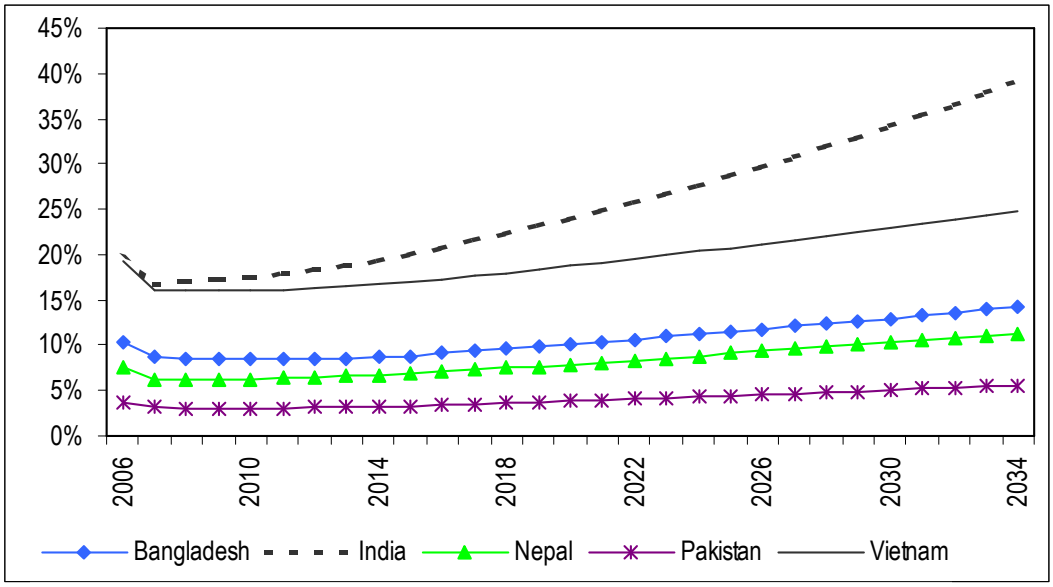
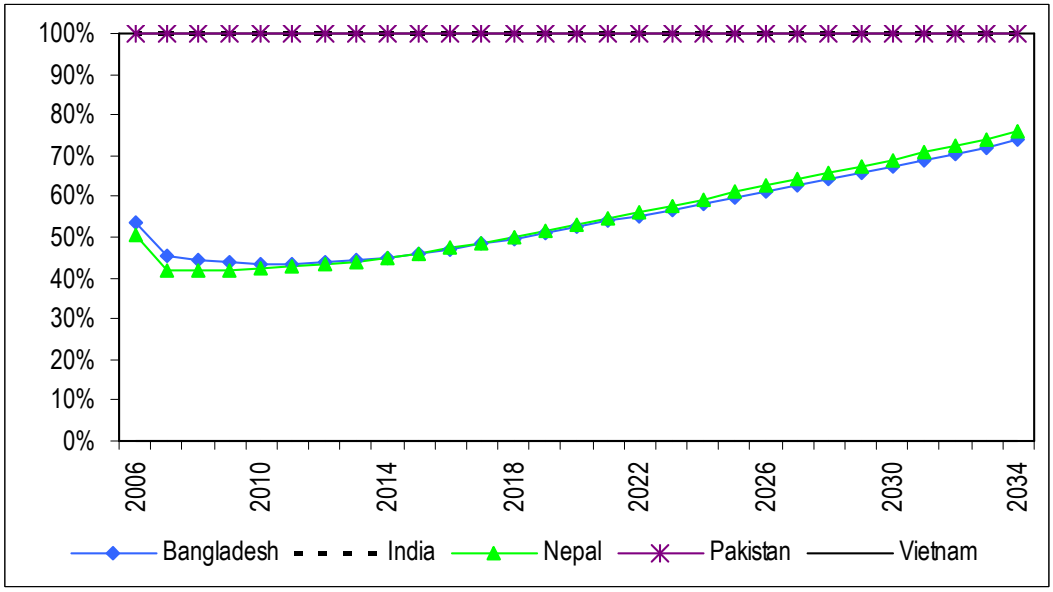


Figure 24 represents the domestic financing ratio of the social protection benefits package of Scenario III under Option 2, where it was assumed that government would spend up to 20 per cent of total public expenditure on basic social protection. Under this assumption, India, Pakistan, and Vietnam would be able to finance the entire cost throughout the projection period. Following a very similar pattern, Bangladesh and Nepal would be able to finance 42 per cent to 45 per cent of the total benefit package in 2006, but the domestic financing ratio is projected to increase to 74 per cent to 76 per cent of total costs by 2034.

Figure 24. Domestic financing ratio of social protection package of Scenario III under Option 2 (government expenditure on social protection is fixed at 20 per cent) for five Asian countries, 2005-2033



6. Conclusions

Table 7 summarizes the costs of various social protection benefits as calculated in Scenarios I, II, and III, and shows the range of different policy options considered.

Table 7. Summary of costs of basic social protection benefits, including administration costs for cash benefits (in per cent of GDP)

Benefit		**Old-age & disability pension**		**Child benefit**		**Health care**		**Targeted cash transfer**
Benefit level		**US$0.5 (PPP)/day**	**30% of GDP/capita**	**US$0.25 (PPP)**	**15% of GDP per capita**	**Per capita health cost of US$38 by 2015**	**300 health workers per 100,000 pop**	**US$13.71 (PPP) per month**
Eligibility		**Elderly, 65 or older**		**All children aged 0-14**	**Orphans aged 0-14**	**Universal**	**Universal**	**10% poorest**
Scenario		**I**	**II**	**I**	**II**	**I and III**	**II**	**III**
Bangladesh	2010	0.4	0.7	1.5	0.4	8.6	0.4	0.2
	2020	0.4	0.8	1.1	0.4	7.8	0.4	0.2
	2030	0.5	0.9	0.9	0.3	6.9	0.4	0.2
India	2010	0.3	0.6	0.7	0.4	4.6	0.9	0.1
	2020	0.3	0.6	0.5	0.4	3.5	0.7	0.1
	2030	0.3	0.5	0.3	0.3	2.6	0.6	0.1
Nepal	2010	0.5	1.0	2.3	0.5	14.0	1.1	0.3
	2020	0.5	1.0	1.7	0.5	12.7	1.0	0.2
	2030	0.5	1.0	1.3	0.4	11.0	0.9	0.2
Pakistan	2010	0.3	0.6	1.4	0.3	4.8	0.6	0.1
	2020	0.3	0.6	1.1	0.3	4.4	0.6	0.1
	2030	0.3	0.6	0.9	0.2	3.8	0.6	0.1
Vietnam	2010	0.4	0.7	0.8	0.2	5.9	0.8	0.2
	2020	0.4	0.7	0.6	0.2	5.1	0.8	0.2
	2030	0.5	0.9	0.4	0.2	4.2	0.8	0.1

The results of the projections have shown that provision of a basic social protection benefit package — essential health care, a universal old-age and disability pension, universal child benefits for children or a targeted cash transfer — could be affordable for the five Asian countries considered within a reasonable timeframe. Strengthening basic social protection would provide a major contribution towards reducing poverty and achieving the MDGs.

Investing in basic social protection is a commitment that each nation needs to make. If current public spending on basic social protection were to be upheld, a small portion of the total benefit package could be financed out of existing domestic resources (see Table 8, Option I). However, if basic social protection were to be given a higher priority in public budgets, much more could be achieved. Based on more modest assumptions in Scenario II, 100 per cent of the basic social protection package could be financed out of domestic resources in all countries if the share of public spending on basic social protection were to be increased to up to one-fifth of total public budgets (see Table 8, Option II). Even under the more generous assumptions of Scenarios I and III, India, Pakistan and Vietnam would be in a position to cover most, if not the full basic social protection package, while Bangladesh and Nepal could still cover a substantial share of total costs. In addition, some commitment from the international community would be necessary, at least for a transitional period.

Table 8. Cost of basic social protection that could be financed by government under Option 1 and Option 2, 2010-2030 (in per cent of the total costs)

		Scenario I		Scenario II		Scenario III	
Option		**1**	**2**	**1**	**2**	**1**	**2**
	2010	7	22	44	100	8	44
Bangladesh	2020	9	29	52	100	10	52
	2030	12	37	56	100	13	67
	2010	14	93	41	100	18	100
India	2020	20	100	51	100	24	100
	2030	28	100	61	100	34	100
	2010	5	21	32	100	6	42
Nepal	2020	7	27	40	100	8	53
	2030	9	35	46	100	10	69
	2010	2	56	9	100	3	100
Pakistan	2020	3	72	11	100	4	100
	2030	4	97	13	100	5	100
	2010	13	81	52	100	16	100
Vietnam	2020	16	95	54	100	19	100
	2030	19	100	50	100	23	100

Note: Option 2 assumes that current levels of public spending on basic social protection would be kept constant; Option 2 is based on the assumption that public expenditure on basic social protection would be increased to a maximum of 20 per cent of total government spending.

The results of this study on five Asian countries are broadly consistent with the findings of the ILO's previous study on the affordability of basic social protection in seven African countries (Pal, et al. 2005). The results from both studies show that basic social protection could be an affordable policy option even for low-income countries such as Bangladesh, Burkina Faso, Nepal or Tanzania. This challenges the traditional belief that social protection policy is only affordable to middle income or developed countries.

If Asian countries continue to reach high growth levels, the objective of a basic level of social protection for the population could be achieved even faster than projected in this study, which was based on rather conservative economic assumptions. Many Asian countries have acknowledged that investing in social protection does not impede growth, but renders economic development more sustainable.

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Annex A. Scenario I

Table A1. Scenario I main assumptions: Bangladesh

Main assumptions	2006	2010	2015	2020	2025	2030	2034
Population							
Total population	155,520,534	167,169,829	181,427,806	195,214,730	208,267,664	220,321,209	229,049,923
of which 0-4	19,457,285	19,588,951	19,533,525	19,433,038	19,163,073	18,704,116	18,241,502
of which 5-14	37,248,515	37,913,918	38,350,297	38,603,196	38,569,145	38,294,141	37,796,196
of which 15-64	93,598,217	103,755,064	116,655,906	128,445,182	139,546,064	149,570,924	156,797,084
of which 65+	5,216,517	5,911,896	6,888,078	8,733,314	10,989,382	13,752,028	16,215,141
Economy							
Real GDP growth	3.69%	3.55%	3.20%	2.82%	2.56%	2.30%	2.12%
Rate of inflation	6.10%	4.84%	4.84%	4.84%	4.84%	4.84%	4.84%
Productivity change	1.85%	1.77%	1.60%	1.41%	1.28%	1.15%	1.06%
Percentage of invalids in working-age population	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Exchange rate (LCU/US$)	64.01	64.01	64.01	64.01	64.01	64.01	64.01
PPP$ Exchange rate	12.9	12.9	12.9	12.9	12.9	12.9	12.9
Government revenue as a proportion of GDP	10.42%	11.53%	12.82%	13.69%	14.56%	15.42%	16.12%
Increase of government revenue in addition to GDP growth	3.06%	2.69%	1.48%	1.38%	1.30%	1.22%	1.16%
Pensions	Pension amount is	Pension amount is calculated as a $ amount					
Ratio of universal pensions to GDP per capita							
Maximum universal pension per day (in US$ or PPP$)	0.56	0.68	0.86	1.09	1.38	1.75	2.12
Health care	Expenditure calculated using option based on the Commission for Macroeconomics and Health of the WHO estimate						
Ratio of wages in health care to teachers' wages							
Staff/population ratio in health care (per 100,000 pop)							
Health expenditure factor							
Per capita minimum health care basket (CMH / WHO) option (US	29.55	48.52	65.52	82.99	105.10	133.11	160.80
Child benefit	Child benefit is calculated as a fixed PPP$ per day a	Beneficiaries: all children in age 0-14					
Child benefit as a proportion of GDP per capita							
Child benefit as a US$ or PPP$ a day amount	0.28	0.34	0.43	0.55	0.69	0.88	1.06
Proportion of children between 0 and 14 years of age receiving a child benefit	100%	100%	100%	100%	100%	100%	100%
Administrative expenditure in % of cash benefit expenditure	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%
Option							
Proportion of government expenditure allocated to basic social p	20%	20%	20%	20%	20%	20%	20%

Table A2. Scenario I result of Bangladesh

Results	2006	2010	2015	2020	2025	2030	2034
Total expenditure on basic benefit package in million US$	6,233.8	10,159.6	14,576.4	19,792.6	26,697.2	35,784.6	44,999.3
Universal pensions	254.1	346.7	508.9	801.7	1,255.2	1,957.2	2,757.5
Basic health care	4,595.1	8,111.3	11,888.0	16,200.2	21,889.3	29,327.0	36,831.8
Child benefit	1,170.9	1,434.4	1,828.7	2,322.2	2,925.6	3,658.1	4,344.7
Administrative expenditure	213.8	267.2	350.6	468.6	627.1	842.3	1,065.3
Total expenditure on basic benefit package in % of GDP	9.2%	10.7%	10.3%	9.6%	8.9%	8.4%	8.0%
Universal pensions	0.4%	0.4%	0.4%	0.4%	0.4%	0.5%	0.5%
Basic health care	6.8%	8.6%	8.4%	7.8%	7.3%	6.9%	6.6%
Child benefit	1.7%	1.5%	1.3%	1.1%	1.0%	0.9%	0.8%
Administrative expenditure	0.3%	0.3%	0.2%	0.2%	0.2%	0.2%	0.2%
Total expenditure on basic benefit package in % of govern	81.4%	89.8%	80.4%	69.8%	61.3%	54.4%	49.7%
Universal pensions	3.3%	3.1%	2.8%	2.8%	2.9%	3.0%	3.0%
Basic health care	60.0%	71.7%	65.6%	57.1%	50.3%	44.6%	40.7%
Child benefit	15.3%	12.7%	10.1%	8.2%	6.7%	5.6%	4.8%
Administrative expenditure	2.8%	2.4%	1.9%	1.7%	1.4%	1.3%	1.2%
Total expenditure on basic benefit package in % of govern	88.0%	93.1%	80.4%	69.8%	61.3%	54.4%	49.7%
Universal pensions	3.6%	3.2%	2.8%	2.8%	2.9%	3.0%	3.0%
Basic health care	64.9%	74.3%	65.6%	57.1%	50.3%	44.6%	40.7%
Child benefit	16.5%	13.1%	10.1%	8.2%	6.7%	5.6%	4.8%
Administrative expenditure	3.0%	2.4%	1.9%	1.7%	1.4%	1.3%	1.2%
Option 1: Proportion of government expenditure allocated	6.4%	6.4%	6.4%	6.4%	6.4%	6.4%	6.4%
Government financing in % of GDP	0.7%	0.8%	0.8%	0.9%	0.9%	1.0%	1.0%
Government financing (in million US$)	491.4	726.2	1,164.3	1,820.0	2,796.3	4,224.0	5,814.0
External financing required (in million US$)	5,742.4	9,433.4	13,412.1	17,972.6	23,900.9	31,560.5	39,185.2
Option 2: Proportion of government expenditure allocated	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%
Government financing in % of GDP	2.3%	2.4%	2.6%	2.7%	2.9%	3.1%	3.2%
Government financing (in million US$)	1,530.9	2,262.3	3,626.9	5,669.4	8,710.6	13,158.3	18,111.3
External financing required (in million US$)	4,703.0	7,897.4	10,949.5	14,123.2	17,986.6	22,626.3	26,888.0
Share of domestic financing under Option 1	8%	7%	8%	9%	10%	12%	13%
Share of domestic financing under Option 2	25%	22%	25%	29%	33%	37%	40%

Results	2006	2010	2015	2020	2025	2030	2034
Total expenditure on social protection in million US$	6,505.3	10,538.0	15,146.1	20,703.7	28,138.7	38,045.7	48,194.5
Basic social protection	6,233.8	10,159.6	14,576.4	19,792.6	26,697.2	35,784.6	44,999.3
Other social protection	271.5	378.4	569.8	911.1	1,441.6	2,261.1	3,195.2
Total expenditure on social protection in percent of GDP	9.6%	11.1%	10.7%	10.0%	9.4%	8.9%	8.6%
Basic social protection	9.2%	10.7%	10.3%	9.6%	8.9%	8.4%	8.0%
Other social protection	0.4%	0.4%	0.4%	0.4%	0.5%	0.5%	0.6%

Table A3. Scenario I main assumptions: India

Main assumptions	2006	2010	2015	2020	2025	2030	2034
Population							
Total population	1,112,535,175	1,173,805,984	1,246,350,530	1,312,212,413	1,369,283,724	1,416,576,369	1,448,050,121
of which 0-4	116,596,445	116,479,473	116,257,411	114,383,107	110,357,672	105,213,571	101,460,201
of which 5-14	233,560,097	232,092,454	228,751,017	228,581,167	226,866,119	221,420,397	214,633,693
of which 15-64	702,509,004	758,145,974	823,233,397	876,186,766	920,085,272	956,951,023	981,105,045
of which 65+	59,869,629	67,088,083	78,108,705	93,061,373	111,974,661	132,991,378	150,851,182
Economy							
Real GDP growth	5.04%	4.85%	4.50%	4.13%	3.90%	3.72%	3.57%
Rate of inflation	5.10%	4.10%	4.10%	4.10%	4.10%	4.10%	4.10%
Productivity change	2.52%	2.42%	2.25%	2.06%	1.95%	1.86%	1.79%
Percentage of invalids in working-age population	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Exchange rate (LCU/US$)	44.79	44.79	44.79	44.79	44.79	44.79	44.79
PPP$ Exchange rate	9.28	9.28	9.28	9.28	9.28	9.28	9.28
Government revenue as a proportion of GDP	19.18%	22.71%	27.27%	27.99%	28.71%	29.43%	30.00%
Increase of government revenue in addition to GDP growth	5.33%	4.42%	4.26%	0.56%	0.54%	0.53%	0.52%
Pensions	Pension amount is PPP$	Pension amount is calculated as a $ amount					
Ratio of universal pensions to GDP per capita							
Maximum universal pension per day (in US$ or PPP$)	0.5	0.6	0.8	1.0	1.2	1.4	1.7
Health care	Expenditure calculated using option based on the Commission for Macroeconomics and Health of the WHO estimate						
Ratio of wages in health care to teachers' wages							
Staff/population ratio in health care (per 100,000 pop)							
Health expenditure factor							
Per capita minimum health care basket (CMH / WHO) option (US$)	28.72	45.49	59.51	72.76	88.96	108.77	127.75
Child benefit	Child benefit is calculated as a fixed PPP$ per day amount			Beneficiaries: all children in age 0-14			
Child benefit as a proportion of GDP per capita							
Child benefit as a US$ a day amount	0.27	0.32	0.39	0.48	0.59	0.72	0.84
Proportion of children between 0 and 14 years of age receiving a child benefit	100%	100%	100%	100%	100%	100%	100%
Administrative expenditure in % of cash benefit expenditure	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%
Option							
Proportion of government expenditure allocated to basic social protection	20%	20%	19%	16%	13%	11%	10%

Table A4. Scenario I results: India

Results		2006	2010	2015	2020	2025	2030	2034
Total expenditure on basic benefit package in million US$	23,084.7	43,421.8	67,257.8	91,789.6	118,222.6	151,299.7	192,133.1	231,550.7
Universal pensions		2,757.2	3,614.7	5,110.3	7,368.5	10,721.5	15,422.1	20,412.7
Basic health care		31,952.2	53,398.4	74,171.1	95,477.9	121,813.6	154,080.1	184,983.6
Child benefit		7,216.3	8,437.0	10,210.1	12,409.5	14,918.6	17,667.5	20,080.4
Administrative expenditure		1,496.0	1,807.8	2,298.1	2,966.7	3,846.0	4,963.4	6,074.0
Total expenditure on basic benefit package in % of GDP	3.5%	5.3%	5.7%	5.1%	4.4%	3.8%	3.2%	2.9%
Universal pensions		0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%
Basic health care		3.9%	4.6%	4.1%	3.5%	3.0%	2.6%	2.3%
Child benefit		0.9%	0.7%	0.6%	0.5%	0.4%	0.3%	0.2%
Administrative expenditure		0.2%	0.2%	0.1%	0.1%	0.1%	0.1%	0.1%
Total expenditure on basic benefit package in % of government expenditure	13.5%	20.3%	21.6%	18.7%	15.6%	13.1%	11.0%	9.6%
Universal pensions		1.3%	1.2%	1.0%	1.0%	0.9%	0.9%	0.8%
Basic health care		14.9%	17.2%	15.1%	12.6%	10.5%	8.8%	7.7%
Child benefit		3.4%	2.7%	2.1%	1.6%	1.3%	1.0%	0.8%
Administrative expenditure		0.7%	0.6%	0.5%	0.4%	0.3%	0.3%	0.3%
Total expenditure on basic benefit package in % of government revenue	19.9%	27.5%	25.3%	18.7%	15.6%	13.1%	11.0%	9.6%
Universal pensions		1.7%	1.4%	1.0%	1.0%	0.9%	0.9%	0.8%
Basic health care		20.2%	20.1%	15.1%	12.6%	10.5%	8.8%	7.7%
Child benefit		4.6%	3.2%	2.1%	1.6%	1.3%	1.0%	0.8%
Administrative expenditure		0.9%	0.7%	0.5%	0.4%	0.3%	0.3%	0.3%
Option 1: Proportion of government expenditure allocated to basic social protection (2003 level)	3.1%	3.1%	3.1%	3.1%	3.1%	3.1%	3.1%	3.1%
Government financing in % of GDP		0.8%	0.8%	0.8%	0.9%	0.9%	0.9%	0.9%
Government financing (in million US$)		6,586.8	9,583.1	15,111.8	23,354.8	35,602.3	53,735.1	74,191.5
External financing required (in million US$)		36,835.0	57,674.7	76,677.8	94,867.8	115,697.4	138,398.0	157,359.2
Option 2: Proportion of government expenditure allocated to basic social protection (alternative scenario)	13.5%	20.0%	20.0%	18.7%	15.6%	13.1%	11.0%	9.6%
Government financing in % of GDP		5.2%	5.3%	5.1%	4.4%	3.8%	3.2%	2.9%
Government financing (in million US$)		42,798.9	62,267.7	91,789.6	118,222.6	151,299.7	192,133.1	231,550.7
External financing required (in million US$)		623.0	4,990.2	-	-	-	-	-
Share of domestic financing under Option 1		15%	14%	16%	20%	24%	28%	32%
Share of domestic financing under Option 2		99%	93%	100%	100%	100%	100%	100%

Results		2006	2010	2015	2020	2025	2030	2034
Total expenditure on social protection in million US$	27,527.5	48,670.5	74,292.9	102,017.2	133,337.4	173,748.2	225,025.5	275,698.0
Basic social protection		43,421.8	67,257.8	91,789.6	118,222.6	151,299.7	192,133.1	231,550.7
Other social protection		5,248.7	7,035.1	10,227.6	15,114.8	22,448.5	32,892.5	44,147.4
Total expenditure on social protection in percent of GDP		5.9%	6.3%	5.7%	4.9%	4.3%	3.8%	3.4%
Basic social protection		5.3%	5.7%	5.1%	4.4%	3.8%	3.2%	2.9%
Other social protection		0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.5%

Table A5. Scenario I main assumptions: Nepal

Main assumptions	2006	2010	2015	2020	2025	2030	2034
Population							
Total population	26,857,030	29,147,788	32,011,251	34,901,353	37,831,381	40,740,028	42,996,889
of which 0-4	3,792,895	3,873,099	3,900,880	3,957,557	4,042,610	4,088,445	4,081,755
of which 5-14	6,721,858	7,128,758	7,488,339	7,662,911	7,776,846	7,938,522	8,060,088
of which 15-64	15,321,107	16,995,096	19,282,754	21,724,645	24,195,643	26,523,157	28,319,998
of which 65+	1,021,170	1,150,835	1,339,278	1,556,240	1,816,282	2,189,904	2,535,048
Economy							
Real GDP growth	3.65%	3.61%	3.51%	3.33%	3.05%	2.75%	2.59%
Rate of inflation	5.30%	3.90%	3.90%	3.90%	3.90%	3.90%	3.90%
Productivity change	1.82%	1.81%	1.76%	1.67%	1.52%	1.38%	1.30%
Percentage of invalids in working-age population	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Exchange rate (LCU/US$)	80.82	80.82	80.82	80.82	80.82	80.82	80.82
PPP$ Exchange rate	13.60	13.60	13.60	13.60	13.60	13.60	13.60
Government revenue as a proportion of GDP	13.77%	16.45%	19.40%	20.71%	22.02%	23.33%	24.38%
Increase of government revenue in addition to GDP growth	5.63%	4.58%	1.47%	1.38%	1.29%	1.21%	1.16%
Pensions	Pension amount is PPP$	Pension amount is calculated as a $ amount					
Ratio of universal pensions to GDP per capita							
Maximum universal pension per day (in US$ or PPP$)	0.6	0.7	0.8	1.0	1.2	1.4	1.7
Health care	Expenditure calculated using option based on the Commission for Macroeconomics and Health of the WHO estimate						
Ratio of wages in health care to teachers' wages							
Staff/population ratio in health care (per 100,000 pop)							
Health expenditure factor							
Per capita minimum health care basket (CMH / WHO) option (US$)	30.04	47.50	61.57	74.54	90.23	109.23	127.27
Child benefit	Child benefit is calculated as a fixed PPP$ per day amount			Beneficiaries: all children in age 0-14			
Child benefit as a proportion of GDP per capita							
Child benefit as a US$ a day amount	0.29	0.33	0.41	0.49	0.59	0.72	0.84
Proportion of children between 0 and 14 years of age receiving a child benefit	100%	100%	100%	100%	100%	100%	100%
Administrative expenditure in % of cash benefit expenditure	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%
Option							
Proportion of government expenditure allocated to basic social protection	20%	20%	20%	20%	20%	20%	20%

Table A6. Scenario I results: Nepal

Results		2006	2010	2015	2020	2025	2030	2034
Total expenditure on basic benefit package in million US$	532.5	1,067.7	1,707.0	2,384.6	3,126.8	4,081.7	5,309.5	6,523.4
Universal pensions		41.4	54.3	76.2	106.8	150.1	216.7	289.8
Basic health care		806.8	1,384.6	1,971.1	2,601.5	3,413.6	4,450.0	5,472.1
Child benefit		185.5	226.1	283.3	350.0	430.9	530.8	624.3
Administrative expenditure		34.0	42.1	53.9	68.5	87.1	112.1	137.1
Total expenditure on basic benefit package in % of GDP	8.4%	14.5%	17.3%	16.7%	15.3%	14.1%	13.2%	12.5%
Universal pensions		0.6%	0.5%	0.5%	0.5%	0.5%	0.5%	0.6%
Basic health care		11.0%	14.0%	13.8%	12.7%	11.8%	11.0%	10.5%
Child benefit		2.5%	2.3%	2.0%	1.7%	1.5%	1.3%	1.2%
Administrative expenditure		0.5%	0.4%	0.4%	0.3%	0.3%	0.3%	0.3%
Total expenditure on basic benefit package in % of government expenditure	50.7%	85.1%	95.4%	86.2%	73.9%	64.1%	56.5%	51.4%
Universal pensions		3.3%	3.0%	2.8%	2.5%	2.4%	2.3%	2.3%
Basic health care		64.3%	77.4%	71.2%	61.5%	53.6%	47.4%	43.1%
Child benefit		14.8%	12.6%	10.2%	8.3%	6.8%	5.6%	4.9%
Administrative expenditure		2.7%	2.4%	1.9%	1.6%	1.4%	1.2%	1.1%
Total expenditure on basic benefit package in % of government revenue	67.4%	105.3%	104.9%	86.2%	73.9%	64.1%	56.5%	51.4%
Universal pensions		4.1%	3.3%	2.8%	2.5%	2.4%	2.3%	2.3%
Basic health care		79.6%	85.1%	71.2%	61.5%	53.6%	47.4%	43.1%
Child benefit		18.3%	13.9%	10.2%	8.3%	6.8%	5.6%	4.9%
Administrative expenditure		3.4%	2.6%	1.9%	1.6%	1.4%	1.2%	1.1%
Option 1: Proportion of government expenditure allocated to basic social protection (2003 level)	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Government financing in % of GDP		0.8%	0.9%	1.0%	1.0%	1.1%	1.2%	1.2%
Government financing (in million US$)		62.1	88.6	137.0	209.5	315.2	465.4	629.2
External financing required (in million US$)		1,005.6	1,618.4	2,247.5	2,917.3	3,766.4	4,844.1	5,894.2
Option 2: Proportion of government expenditure allocated to basic social protection (alternative scenario)	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%
Government financing in % of GDP		3.4%	3.6%	3.9%	4.1%	4.4%	4.7%	4.9%
Government financing (in million US$)		250.9	357.8	553.3	845.7	1,272.9	1,879.2	2,540.6
External financing required (in million US$)		816.8	1,349.2	1,831.3	2,281.0	2,808.8	3,430.3	3,982.8
Share of domestic financing under Option 1		6%	5%	6%	7%	8%	9%	10%
Share of domestic financing under Option 2		23%	21%	23%	27%	31%	35%	39%

Results		2006	2010	2015	2020	2025	2030	2034
Total expenditure on social protection in million US$	585.9	1,130.6	1,790.6	2,503.8	3,296.7	4,324.6	5,665.5	7,004.3
Basic social protection		1,067.7	1,707.0	2,384.6	3,126.8	4,081.7	5,309.5	6,523.4
Other social protection		62.9	83.5	119.2	170.0	242.9	355.9	481.0
Total expenditure on social protection in percent of GDP		15.4%	18.1%	17.6%	16.1%	15.0%	14.1%	13.4%
Basic social protection		14.5%	17.3%	16.7%	15.3%	14.1%	13.2%	12.5%
Other social protection		0.9%	0.8%	0.8%	0.8%	0.8%	0.9%	0.9%

Table A7. Scenario I assumptions: Pakistan

Main assumptions	2006	2010	2015	2020	2025	2030	2034
Population							
Total population	165,084,031	181,752,940	204,465,275	227,395,301	249,765,724	271,600,203	288,637,555
of which 0-4	24,926,197	26,690,993	28,300,541	28,835,086	28,612,416	28,501,783	28,477,770
of which 5-14	39,945,796	43,296,846	47,278,193	51,253,470	54,211,838	55,771,943	56,316,785
of which 15-64	92,013,708	103,008,803	118,318,215	134,967,769	153,120,170	172,210,982	187,424,367
of which 65+	6,222,705	6,977,333	8,159,823	9,896,559	12,021,989	14,379,062	16,367,046
Economy							
Real GDP growth	3.88%	3.85%	3.76%	3.62%	3.50%	3.28%	3.05%
Rate of inflation	9.80%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%
Productivity change	1.94%	1.93%	1.88%	1.81%	1.75%	1.64%	1.52%
Percentage of invalids in working-age population	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Exchange rate (LCU/US$)	59.6	59.6	59.6	59.6	59.6	59.6	59.6
PPP$ Exchange rate	18.2	18.2	18.2	18.2	18.2	18.2	18.2
Government revenue as a proportion of GDP	15.43%	17.95%	20.74%	22.14%	23.54%	24.94%	26.06%
Increase of government revenue in addition to GDP growth	4.96%	3.99%	1.51%	1.41%	1.32%	1.24%	1.19%
Pensions	Pension amount is PPP$	Pension amount is calculated as a $ amount					
Ratio of universal pensions to GDP per capita							
Maximum universal pension per day (in US$ or PPP$)	0.6	0.8	1.0	1.4	1.8	2.4	3.1
Health care	Expenditure calculated using option based on the Commission for Macroeconomics and Health of the WHO estimate						
Ratio of wages in health care to teachers' wages							
Staff/population ratio in health care (per 100,000 pop)							
Health expenditure factor							
Per capita minimum health care basket (CMH / WHO) option (US$)	31.35	54.69	77.45	103.63	138.65	185.51	234.16
Child benefit	Child benefit is calculated as a fixed PPP$ per day amount			Beneficiaries: all children in age 0-14			
Child benefit as a proportion of GDP per capita							
Child benefit as a US$ a day amount	0.30	0.38	0.51	0.68	0.91	1.22	1.54
Proportion of children between 0 and 14 years of age receiving a child benefit	100%	100%	100%	100%	100%	100%	100%
Administrative expenditure in % of cash benefit expenditure	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%
Option							
Proportion of government expenditure allocated to basic social protection	20%	20%	20%	20%	20%	20%	18%

Table A8. Scenario I results: Pakistan

Results		2006	2010	2015	2020	2025	2030	2034
Total expenditure on basic benefit package in million US$	4,166.9	8,232.3	14,131.2	21,982.6	32,513.9	47,462.3	68,576.1	91,498.8
Universal pensions		479.6	678.7	1,059.6	1,706.5	2,751.5	4,373.6	6,254.6
Basic health care		5,176.0	9,939.6	15,835.7	23,563.9	34,629.5	50,383.8	67,588.4
Child benefit		2,178.0	2,966.1	4,285.6	6,076.1	8,407.4	11,445.8	14,537.1
Administrative expenditure		398.6	546.7	801.8	1,167.4	1,673.8	2,372.9	3,118.8
Total expenditure on basic benefit package in % of GDP	4.0%	5.9%	6.9%	6.6%	6.1%	5.6%	5.1%	4.8%
Universal pensions		0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%
Basic health care		3.7%	4.8%	4.8%	4.4%	4.1%	3.8%	3.5%
Child benefit		1.6%	1.4%	1.3%	1.1%	1.0%	0.9%	0.8%
Administrative expenditure		0.3%	0.3%	0.2%	0.2%	0.2%	0.2%	0.2%
Total expenditure on basic benefit package in % of government expenditure	22.8%	32.3%	35.5%	32.0%	27.6%	23.8%	20.6%	18.4%
Universal pensions		1.9%	1.7%	1.5%	1.5%	1.4%	1.3%	1.3%
Basic health care		20.3%	25.0%	23.0%	20.0%	17.4%	15.1%	13.6%
Child benefit		8.5%	7.5%	6.2%	5.2%	4.2%	3.4%	2.9%
Administrative expenditure		1.6%	1.4%	1.2%	1.0%	0.8%	0.7%	0.6%
Total expenditure on basic benefit package in % of government revenue	28.4%	38.1%	38.3%	32.0%	27.6%	23.8%	20.6%	18.4%
Universal pensions		2.2%	1.8%	1.5%	1.5%	1.4%	1.3%	1.3%
Basic health care		24.0%	26.9%	23.0%	20.0%	17.4%	15.1%	13.6%
Child benefit		10.1%	8.0%	6.2%	5.2%	4.2%	3.4%	2.9%
Administrative expenditure		1.8%	1.5%	1.2%	1.0%	0.8%	0.7%	0.6%
Option 1: Proportion of government expenditure allocated to basic social protection (2003 level)	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%
Government financing in % of GDP		0.1%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%
Government financing (in million US$)		199.6	311.2	538.3	920.7	1,559.8	2,610.8	3,896.8
External financing required (in million US$)		8,032.7	13,820.0	21,444.3	31,593.2	45,902.5	65,965.3	87,601.9
Option 2: Proportion of government expenditure allocated to basic social protection (alternative scenario)	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	18.4%
Government financing in % of GDP		3.6%	3.9%	4.1%	4.4%	4.7%	5.0%	4.8%
Government financing (in million US$)		5,098.6	7,950.0	13,753.0	23,521.5	39,851.0	66,701.1	91,498.8
External financing required (in million US$)		3,133.7	6,181.1	8,229.7	8,992.4	7,611.3	1,875.0	-
Share of domestic financing under Option 1		2%	2%	2%	3%	3%	4%	4%
Share of domestic financing under Option 2		62%	56%	63%	72%	84%	97%	100%

Results		2006	2010	2015	2020	2025	2030	2034
Total expenditure on social protection in million US$	4,319.5	8,425.7	14,408.2	22,422.7	33,235.6	48,645.9	70,487.7	94,266.1
Basic social protection		8,232.3	14,131.2	21,982.6	32,513.9	47,462.3	68,576.1	91,498.8
Other social protection		193.4	277.0	440.1	721.7	1,183.6	1,911.6	2,767.3
Total expenditure on social protection in percent of GDP		6.0%	7.0%	6.8%	6.3%	5.7%	5.3%	4.9%
Basic social protection		5.9%	6.9%	6.6%	6.1%	5.6%	5.1%	4.8%
Other social protection		0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%

Table A9. Scenario I assumptions: Vietnam

Main assumptions	2006	2010	2015	2020	2025	2030	2034
Population							
Total population	84,685,747	89,127,586	94,742,283	100,079,230	104,648,910	108,374,375	110,966,408
of which 0-4	7,892,145	8,046,557	8,264,409	8,140,642	7,602,538	7,080,010	7,007,316
of which 5-14	16,368,416	15,393,035	15,735,234	16,185,208	16,298,738	15,655,408	14,802,660
of which 15-64	55,872,648	60,928,401	65,548,843	69,196,762	72,211,538	74,612,283	76,073,647
of which 65+	4,552,538	4,759,593	5,193,797	6,556,618	8,536,096	11,026,674	13,082,785
Economy							
Real GDP growth	4.48%	3.94%	3.27%	2.98%	2.77%	2.58%	2.42%
Rate of inflation	5.50%	4.63%	4.63%	4.63%	4.63%	4.63%	4.63%
Productivity change	2.24%	1.97%	1.63%	1.49%	1.39%	1.29%	1.21%
Percentage of invalids in working-age population	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Exchange rate (LCU/US$)	17,075	17,075	17,075	17,075	17,075	17,075	17,075
PPP$ Exchange rate	3,483	3,483	3,483	3,483	3,483	3,483	3,483
Government revenue as a proportion of GDP	25.2%	27.3%	29.5%	29.6%	29.7%	29.9%	30.0%
Increase of government revenue in addition to GDP growth	2.4%	2.1%	0.1%	0.1%	0.1%	0.1%	0.1%
Pensions	Pension amount is PPP$	Pension amount is calculated as a $ amount					
Ratio of universal pensions to GDP per capita							
Maximum universal pension per day (in US$ or PPP$)	0.6	0.7	0.9	1.1	1.3	1.7	2.0
Health care	Expenditure calculated using option based on the Commission for Macroeconomics and Health of the WHO estimate						
Ratio of wages in health care to teachers' wages							
Staff/population ratio in health care (per 100,000 pop)							
Health expenditure factor							
Per capita minimum health care basket (CMH / WHO) option (US$)	29.83	48.61	65.05	81.56	102.25	128.20	153.63
Child benefit	Child benefit is calculated as a fixed PPP$ per day amount			Beneficiaries: all children in age 0-14			
Child benefit as a proportion of GDP per capita							
Child benefit as a US$ a day amount	0.28	0.34	0.43	0.54	0.67	0.84	1.01
Proportion of children between 0 and 14 years of age receiving a child benefit	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Administrative expenditure in % of cash benefit expenditure	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%
Option							
Proportion of government expenditure allocated to basic social protection	20%	20%	20%	20%	19%	18%	16%

Table A10. Scenario I results: Vietnam

Results		2006	2010	2015	2020	2025	2030	2034
Total expenditure on basic benefit package in million US$	1,750.3	3,366.9	5,331.0	7,471.1	9,945.9	13,144.1	17,236.3	21,331.1
Universal pensions		216.8	272.9	372.8	579.2	927.5	1,478.6	2,083.6
Basic health care		2,525.9	4,332.1	6,163.0	8,162.2	10,700.8	13,893.9	17,047.6
Child benefit		514.5	595.7	764.7	971.8	1,197.2	1,427.8	1,641.3
Administrative expenditure		109.7	130.3	170.6	232.7	318.7	436.0	558.7
Total expenditure on basic benefit package in % of GDP	4.0%	6.5%	7.3%	6.9%	6.3%	5.7%	5.3%	4.9%
Universal pensions		0.4%	0.4%	0.3%	0.4%	0.4%	0.5%	0.5%
Basic health care		4.9%	5.9%	5.7%	5.1%	4.7%	4.2%	3.9%
Child benefit		1.0%	0.8%	0.7%	0.6%	0.5%	0.4%	0.4%
Administrative expenditure		0.2%	0.2%	0.2%	0.1%	0.1%	0.1%	0.1%
Total expenditure on basic benefit package in % of government expenditure	13.7%	22.2%	24.8%	23.3%	21.1%	19.2%	17.6%	16.4%
Universal pensions		1.4%	1.3%	1.2%	1.2%	1.4%	1.5%	1.6%
Basic health care		16.7%	20.2%	19.2%	17.3%	15.7%	14.2%	13.1%
Child benefit		3.4%	2.8%	2.4%	2.1%	1.8%	1.5%	1.3%
Administrative expenditure		0.7%	0.6%	0.5%	0.5%	0.5%	0.4%	0.4%
Total expenditure on basic benefit package in % of government revenue	16.5%	25.8%	26.6%	23.3%	21.1%	19.2%	17.6%	16.4%
Universal pensions		1.7%	1.4%	1.2%	1.2%	1.4%	1.5%	1.6%
Basic health care		19.3%	21.6%	19.2%	17.3%	15.7%	14.2%	13.1%
Child benefit		3.9%	3.0%	2.4%	2.1%	1.8%	1.5%	1.3%
Administrative expenditure		0.8%	0.7%	0.5%	0.5%	0.5%	0.4%	0.4%
Option 1: Proportion of government expenditure allocated to basic social protection (2003 level)	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%
Government financing in % of GDP		1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Government financing (in million US$)		505.9	717.1	1,071.7	1,572.1	2,280.2	3,275.1	4,346.4
External financing required (in million US$)		2,861.1	4,613.9	6,399.4	8,373.8	10,863.9	13,961.2	16,984.7
Option 2: Proportion of government expenditure allocated to basic social protection (alternative scenario)	13.7%	20.0%	20.0%	20.0%	20.0%	19.2%	17.6%	16.4%
Government financing in % of GDP		5.8%	5.9%	5.9%	5.9%	5.7%	5.3%	4.9%
Government financing (in million US$)		3,029.9	4,295.4	6,419.3	9,416.5	13,144.1	17,236.3	21,331.1
External financing required (in million US$)		337.0	1,035.6	1,051.9	529.4	-	-	-
Share of domestic financing under Option 1		15%	13%	14%	16%	17%	19%	20%
Share of domestic financing under Option 2		90%	81%	86%	95%	100%	100%	100%

Results		2006	2010	2015	2020	2025	2030	2034
Total expenditure on social protection in million US$	2,778.8	4,511.5	6,774.9	9,459.8	13,089.4	18,256.5	25,484.0	33,034.1
Basic social protection		3,366.9	5,331.0	7,471.1	9,945.9	13,144.1	17,236.3	21,331.1
Other social protection		1,144.6	1,443.8	1,988.7	3,143.5	5,112.3	8,247.7	11,703.0
Total expenditure on social protection in percent of GDP		8.7%	9.2%	8.7%	8.2%	8.0%	7.8%	7.6%
Basic social protection		6.5%	7.3%	6.9%	6.3%	5.7%	5.3%	4.9%
Other social protection		2.2%	2.0%	1.8%	2.0%	2.2%	2.5%	2.7%

Annex B. Scenario II

Table B1. Scenario II assumptions: Bangladesh

Main assumptions	2006	2010	2015	2020	2025	2030	2034
Pensions	Pension amount is PPP$	Pension amount is calculated as a % of GDP per capita					
Ratio of universal pensions to GDP per capita	0.19	0.18	0.16	0.15	0.14	0.13	0.13
Maximum universal pension per day (in US$ or PPP$)	1.13	1.36	1.72	2.18	2.77	3.50	4.23
Health care	Expenditure calculated using option based on staff ratio, staff wages, exp. Ratio						
Ratio of health care staff wages to GDP per capita	0.9	0.8	0.8	0.8	0.7	0.7	0.7
Staff/population ratio in health care (per 100,000 pop)	300	300	300	300	300	300	300
Health expenditure factor	1.7	1.7	1.7	1.7	1.7	1.7	1.7
Child benefit	Child benefit is calculated as a proportion of GDP per capita			Beneficiaries: all orphans in age 0-14			
Child benefit as a proportion of GDP per capita	0.15	0.15	0.15	0.15	0.15	0.15	0.15
Proportion of children between 0 and 14 years of age receiving a child benefit	9%	8%	8%	8%	8%	8%	8%
Administrative expenditure in % of cash benefit expenditure	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%
Option							
Proportion of government expenditure allocated to basic social protection	16%	14%	13%	12%	12%	11%	11%

Table B2. Scenario II results: Bangladesh

Results		2006	2010	2015	2020	2025	2030	2034
Total expenditure on basic benefit package in million US$	####	1,240.1	1,635.9	2,351.4	3,482.4	5,133.7	7,546.0	10,192.3
Universal pensions		508.2	693.4	1,017.9	1,603.3	2,510.4	3,914.4	5,515.0
Basic health care		289.3	389.4	558.1	789.0	1,102.1	1,521.4	1,952.9
Child benefit		318.6	390.5	541.4	738.7	995.3	1,324.4	1,649.7
Administrative expenditure		124.0	162.6	233.9	351.3	525.9	785.8	1,074.7
Total expenditure on basic benefit package in % of GDP	1.9%	1.8%	1.7%	1.7%	1.7%	1.7%	1.8%	1.8%
Universal pensions		0.7%	0.7%	0.7%	0.8%	0.8%	0.9%	1.0%
Basic health care		0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.3%
Child benefit		0.47%	0.4%	0.4%	0.4%	0.3%	0.3%	0.3%
Administrative expenditure		0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%
Total expenditure on basic benefit package in % of government expenditure	17.4%	16.2%	14.5%	13.0%	12.3%	11.8%	11.5%	11.3%
Universal pensions		6.6%	6.1%	5.6%	5.7%	5.8%	5.9%	6.1%
Basic health care		3.8%	3.4%	3.1%	2.8%	2.5%	2.3%	2.2%
Child benefit		4.2%	3.5%	3.0%	2.6%	2.3%	2.0%	1.8%
Administrative expenditure		1.6%	1.4%	1.3%	1.2%	1.2%	1.2%	1.2%
Total expenditure on basic benefit package in % of government revenue	19.3%	17.5%	15.0%	13.0%	12.3%	11.8%	11.5%	11.3%
Universal pensions		7.2%	6.4%	5.6%	5.7%	5.8%	5.9%	6.1%
Basic health care		4.1%	3.6%	3.1%	2.8%	2.5%	2.3%	2.2%
Child benefit		4.5%	3.6%	3.0%	2.6%	2.3%	2.0%	1.8%
Administrative expenditure		1.8%	1.5%	1.3%	1.2%	1.2%	1.2%	1.2%
Option 1: Proportion of government expenditure allocated to basic social protection (2003 level)	6.4%	6.4%	6.4%	6.4%	6.4%	6.4%	6.4%	6.4%
Government financing in % of GDP		0.7%	0.8%	0.8%	0.9%	0.9%	1.0%	1.0%
Government financing (in million US$)		491.4	726.2	1,164.3	1,820.0	2,796.3	4,224.0	5,814.0
External financing required (in million US$)		748.6	909.7	1,187.1	1,662.4	2,337.5	3,321.9	4,378.3
Option 2: Proportion of government expenditure allocated to basic social protection (alternative scenario)	17.4%	16.2%	14.5%	13.0%	12.3%	11.8%	11.5%	11.3%
Government financing in % of GDP		1.8%	1.7%	1.7%	1.7%	1.7%	1.8%	1.8%
Government financing (in million US$)		1,240.1	1,635.9	2,351.4	3,482.4	5,133.7	7,546.0	10,192.3
External financing required (in million US$)		-	-	-	-	-	-	-
Share of domestic financing under Option 1		40%	44%	50%	52%	54%	56%	57%
Share of domestic financing under Option 2		100%	100%	100%	100%	100%	100%	100%

Results		2006	2010	2015	2020	2025	2030	2034
Total expenditure on social protection in million US$	####	1,511.6	2,014.2	2,921.1	4,393.5	6,575.3	9,807.1	13,387.5
Basic social protection		1,240.1	1,635.9	2,351.4	3,482.4	5,133.7	7,546.0	10,192.3
Other social protection		271.5	378.4	569.8	911.1	1,441.6	2,261.1	3,195.2
Total expenditure on social protection in percent of GDP		2.2%	2.1%	2.1%	2.1%	2.2%	2.3%	2.4%
Basic social protection		1.8%	1.7%	1.7%	1.7%	1.7%	1.8%	1.8%
Other social protection		0.4%	0.4%	0.4%	0.4%	0.5%	0.5%	0.6%

Table B3. Scenario II assumptions: India

Main assumptions	2006	2010	2015	2020	2025	2030	2034
Pensions	Pension amount is PPP$	Pension amount is calculated as a % of GDP per capita					
Ratio of universal pensions to GDP per capita	0.11	0.10	0.08	0.07	0.06	0.05	0.05
Maximum universal pension per day (in US$ or PPP$)	1.08	1.26	1.55	1.89	2.31	2.83	3.32
Health care	Expenditure calculated using option based on staff ratio, staff wages, exp. Ratio						
Ratio of health care staff wages to GDP per capita	2.0	1.8	1.6	1.4	1.3	1.2	1.1
Staff/population ratio in health care (per 100,000 pop)	300	300	300	300	300	300	300
Health expenditure factor	1.7	1.7	1.7	1.7	1.7	1.7	1.7
Child benefit	Child benefit is calculated as a proportion of GDP per capita			Beneficiaries: all orphans in age 0-14			
Child benefit as a proportion of GDP per capita	0.15	0.15	0.15	0.15	0.15	0.15	0.15
Proportion of children between 0 and 14 years of age receiving a child benefit	9%	8%	8%	8%	8%	8%	8%
Administrative expenditure in % of cash benefit expenditure	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%
Option							
Proportion of government expenditure allocated to basic social protection	8%	8%	7%	6%	6%	5%	5%

Table B4. Scenario II results: India

Results		2006	2010	2015	2020	2025	2030	2034
Total expenditure on basic benefit package in million US$	13,317.4	18,117.0	23,453.0	32,843.0	46,001.2	64,169.5	88,544.4	113,678.6
Universal pensions		5,442.8	7,135.4	10,087.7	14,545.5	21,164.1	30,443.1	40,294.5
Basic health care		8,024.8	10,442.7	14,365.4	19,496.7	26,137.8	34,657.0	43,137.0
Child benefit		3,333.0	4,177.9	5,979.7	8,501.9	11,907.0	16,415.6	21,046.1
Administrative expenditure		1,316.4	1,697.0	2,410.1	3,457.1	4,960.7	7,028.8	9,201.1
Total expenditure on basic benefit package in % of GDP	2.3%	2.2%	2.0%	1.8%	1.7%	1.6%	1.5%	1.4%
Universal pensions		0.7%	0.6%	0.6%	0.5%	0.5%	0.5%	0.5%
Basic health care		1.0%	0.9%	0.8%	0.7%	0.6%	0.6%	0.5%
Child benefit		0.4%	0.4%	0.3%	0.3%	0.3%	0.3%	0.3%
Administrative expenditure		0.2%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
Total expenditure on basic benefit package in % of government expenditure	9.1%	8.5%	7.5%	6.7%	6.1%	5.5%	5.1%	4.7%
Universal pensions		2.5%	2.3%	2.1%	1.9%	1.8%	1.7%	1.7%
Basic health care		3.8%	3.4%	2.9%	2.6%	2.3%	2.0%	1.8%
Child benefit		1.6%	1.3%	1.2%	1.1%	1.0%	0.9%	0.9%
Administrative expenditure		0.6%	0.5%	0.5%	0.5%	0.4%	0.4%	0.4%
Total expenditure on basic benefit package in % of government revenue	13.4%	11.5%	8.8%	6.7%	6.1%	5.5%	5.1%	4.7%
Universal pensions		3.4%	2.7%	2.1%	1.9%	1.8%	1.7%	1.7%
Basic health care		5.1%	3.9%	2.9%	2.6%	2.3%	2.0%	1.8%
Child benefit		2.1%	1.6%	1.2%	1.1%	1.0%	0.9%	0.9%
Administrative expenditure		0.8%	0.6%	0.5%	0.5%	0.4%	0.4%	0.4%
Option 1: Proportion of government expenditure allocated to basic social protection (2003 level)	3.1%	3.1%	3.1%	3.1%	3.1%	3.1%	3.1%	3.1%
Government financing in % of GDP		0.8%	0.8%	0.8%	0.9%	0.9%	0.9%	0.9%
Government financing (in million US$)		6,586.8	9,583.1	15,111.8	23,354.8	35,602.3	53,735.1	74,191.5
External financing required (in million US$)		11,530.2	13,869.9	17,731.2	22,646.4	28,567.2	34,809.3	39,487.2
Option 2: Proportion of government expenditure allocated to basic social protection (alternative scenario)	9.1%	8.5%	7.5%	6.7%	6.1%	5.5%	5.1%	4.7%
Government financing in % of GDP		2.2%	2.0%	1.8%	1.7%	1.6%	1.5%	1.4%
Government financing (in million US$)		18,117.0	23,453.0	32,843.0	46,001.2	64,169.5	88,544.4	113,678.6
External financing required (in million US$)		-	-	-	-	-	-	-
Share of domestic financing under Option 1		36%	41%	46%	51%	55%	61%	65%
Share of domestic financing under Option 2		100%	100%	100%	100%	100%	100%	100%

Results		2006	2010	2015	2020	2025	2030	2034
Total expenditure on social protection in million US$	13,365.2	23,365.7	30,488.1	43,070.6	61,116.0	86,618.0	121,436.9	157,826.0
Basic social protection		18,117.0	23,453.0	32,843.0	46,001.2	64,169.5	88,544.4	113,678.6
Other social protection		5,248.7	7,035.1	10,227.6	15,114.8	22,448.5	32,892.5	44,147.4
Total expenditure on social protection in percent of GDP		2.8%	2.6%	2.4%	2.3%	2.1%	2.0%	2.0%
Basic social protection		2.2%	2.0%	1.8%	1.7%	1.6%	1.5%	1.4%
Other social protection		0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.5%

Table B5. Scenario II assumptions: Nepal

Main assumptions	2006	2010	2015	2020	2025	2030	2034
Pensions	Pension amount is PPP$	Pension amount is calculated as a % of GDP per capita					
Ratio of universal pensions to GDP per capita	0.25	0.23	0.21	0.20	0.18	0.17	0.16
Maximum universal pension per day (in US$ or PPP$)	1.08	1.26	1.52	1.84	2.23	2.70	3.14
Health care	Expenditure calculated using option based on staff ratio, staff wages, exp. Ratio						
Ratio of health care staff wages to GDP per capita	2.2	2.2	2.1	2.0	1.9	1.9	1.8
Staff/population ratio in health care (per 100,000 pop)	300	300	300	300	300	300	300
Health expenditure factor	1.7	1.7	1.7	1.7	1.7	1.7	1.7
Child benefit	Child benefit is calculated as a proportion of GDP per capita			Beneficiaries: all orphans in age 0-14			
Child benefit as a proportion of GDP per capita	0.15	0.15	0.15	0.15	0.15	0.15	0.15
Proportion of children between 0 and 14 years of age receiving a child benefit	9%	8%	8%	8%	8%	8%	8%
Administrative expenditure in % of cash benefit expenditure	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%
Option							
Proportion of government expenditure allocated to basic social protection	17%	15%	14%	13%	11%	11%	10%

Table B6. Scenario II results: Nepal

Results		2006	2010	2015	2020	2025	2030	2034
Total expenditure on basic benefit package in million US$	191.5	213.9	276.0	383.7	529.7	728.8	1,010.4	1,306.6
Universal pensions		77.7	101.8	143.0	200.3	281.4	406.4	543.5
Basic health care		81.9	107.4	149.2	205.5	280.6	379.0	478.5
Child benefit		37.1	44.8	60.9	81.6	108.4	142.7	176.6
Administrative expenditure		17.2	22.0	30.6	42.3	58.5	82.4	108.0
Total expenditure on basic benefit package in % of GDP	3.0%	2.9%	2.8%	2.7%	2.6%	2.5%	2.5%	2.5%
Universal pensions		1.1%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Basic health care		1.1%	1.1%	1.0%	1.0%	1.0%	0.9%	0.9%
Child benefit		0.5%	0.5%	0.4%	0.4%	0.4%	0.4%	0.3%
Administrative expenditure		0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%
Total expenditure on basic benefit package in % of government expenditure	18.2%	17.0%	15.4%	13.9%	12.5%	11.5%	10.8%	10.3%
Universal pensions		6.2%	5.7%	5.2%	4.7%	4.4%	4.3%	4.3%
Basic health care		6.5%	6.0%	5.4%	4.9%	4.4%	4.0%	3.8%
Child benefit		3.0%	2.5%	2.2%	1.9%	1.7%	1.5%	1.4%
Administrative expenditure		1.4%	1.2%	1.1%	1.0%	0.9%	0.9%	0.9%
Total expenditure on basic benefit package in % of government revenue	24.2%	21.1%	17.0%	13.9%	12.5%	11.5%	10.8%	10.3%
Universal pensions		7.7%	6.3%	5.2%	4.7%	4.4%	4.3%	4.3%
Basic health care		8.1%	6.6%	5.4%	4.9%	4.4%	4.0%	3.8%
Child benefit		3.7%	2.8%	2.2%	1.9%	1.7%	1.5%	1.4%
Administrative expenditure		1.7%	1.4%	1.1%	1.0%	0.9%	0.9%	0.9%
Option 1: Proportion of government expenditure allocated to basic social protection (2003 level)	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Government financing in % of GDP		0.8%	0.9%	1.0%	1.0%	1.1%	1.2%	1.2%
Government financing (in million US$)		62.1	88.6	137.0	209.5	315.2	465.4	629.2
External financing required (in million US$)		151.7	187.4	246.6	320.3	413.6	545.0	677.4
Option 2: Proportion of government expenditure allocated to basic social protection (alternative scenario)	18.2%	17.0%	15.4%	13.9%	12.5%	11.5%	10.8%	10.3%
Government financing in % of GDP		2.9%	2.8%	2.7%	2.6%	2.5%	2.5%	2.5%
Government financing (in million US$)		213.9	276.0	383.7	529.7	728.8	1,010.4	1,306.6
External financing required (in million US$)		-	-	-	-	-	-	-
Share of domestic financing under Option 1		29%	32%	36%	40%	43%	46%	48%
Share of domestic financing under Option 2		100%	100%	100%	100%	100%	100%	100%

Results		2006	2010	2015	2020	2025	2030	2034
Total expenditure on social protection in million US$	244.8	274.2	356.1	498.1	692.9	962.2	1,352.4	1,768.8
Basic social protection		213.9	276.0	383.7	529.7	728.8	1,010.4	1,306.6
Other social protection		60.3	80.1	114.4	163.2	233.4	342.0	462.2
Total expenditure on social protection in percent of GDP		3.7%	3.6%	3.5%	3.4%	3.3%	3.4%	3.4%
Basic social protection		2.9%	2.8%	2.7%	2.6%	2.5%	2.5%	2.5%
Other social protection		0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.9%

Table B7. Scenario II assumptions: Pakistan

Main assumptions	2006	2010	2015	2020	2025	2030	2034
Pensions	Pension amount is PPP$	Pension amount is calculated as a % of GDP per capita					
Ratio of universal pensions to GDP per capita	0.15	0.14	0.13	0.12	0.11	0.10	0.10
Maximum universal pension per day (in US$ or PPP$)	1.11	1.40	1.88	2.51	3.36	4.50	5.68
Health care	Expenditure calculated using option based on staff ratio, staff wages, exp. Ratio						
Ratio of health care staff wages to GDP per capita	1.3	1.3	1.3	1.2	1.2	1.1	1.1
Staff/population ratio in health care (per 100,000 pop)	300	300	300	300	300	300	300
Health expenditure factor	1.7	1.7	1.7	1.7	1.7	1.7	1.7
Child benefit	Child benefit is calculated as a proportion of GDP per capita			Beneficiaries: all orphans in age 0-14			
Child benefit as a proportion of GDP per capita	0.15	0.15	0.15	0.15	0.15	0.15	0.15
Proportion of children between 0 and 14 years of age receiving a child benefit	6%	5%	5%	5%	5%	5%	5%
Administrative expenditure in % of cash benefit expenditure	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%
Option							
Proportion of government expenditure allocated to basic social protection	10%	9%	8%	7%	7%	6%	6%

Table B8. Scenario II results: Pakistan

Results		2006	2010	2015	2020	2025	2030	2034
Total expenditure on basic benefit package in million US$	1,946.6	2,470.2	3,457.2	5,411.3	8,514.5	13,297.4	20,503.3	28,691.3
Universal pensions		884.4	1,251.5	1,953.7	3,146.5	5,073.5	8,064.4	11,532.7
Basic health care		924.6	1,335.3	2,107.4	3,282.3	5,041.9	7,650.6	10,589.1
Child benefit		459.6	593.7	919.3	1,403.3	2,105.2	3,111.8	4,208.4
Administrative expenditure		201.6	276.8	431.0	682.5	1,076.8	1,676.4	2,361.2
Total expenditure on basic benefit package in % of GDP	1.9%	1.8%	1.7%	1.6%	1.6%	1.6%	1.5%	1.5%
Universal pensions		0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%
Basic health care		0.7%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%
Child benefit		0.3%	0.3%	0.3%	0.3%	0.2%	0.2%	0.2%
Administrative expenditure		0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
Total expenditure on basic benefit package in % of government expenditure	10.7%	9.7%	8.7%	7.9%	7.2%	6.7%	6.1%	5.8%
Universal pensions		3.5%	3.1%	2.8%	2.7%	2.5%	2.4%	2.3%
Basic health care		3.6%	3.4%	3.1%	2.8%	2.5%	2.3%	2.1%
Child benefit		1.8%	1.5%	1.3%	1.2%	1.1%	0.9%	0.8%
Administrative expenditure		0.8%	0.7%	0.6%	0.6%	0.5%	0.5%	0.5%
Total expenditure on basic benefit package in % of government revenue	13.3%	11.4%	9.4%	7.9%	7.2%	6.7%	6.1%	5.8%
Universal pensions		4.1%	3.4%	2.8%	2.7%	2.5%	2.4%	2.3%
Basic health care		4.3%	3.6%	3.1%	2.8%	2.5%	2.3%	2.1%
Child benefit		2.1%	1.6%	1.3%	1.2%	1.1%	0.9%	0.8%
Administrative expenditure		0.9%	0.8%	0.6%	0.6%	0.5%	0.5%	0.5%
Option 1: Proportion of government expenditure allocated to basic social protection (2003 level)	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%
Government financing in % of GDP		0.1%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%
Government financing (in million US$)		199.6	311.2	538.3	920.7	1,559.8	2,610.8	3,896.8
External financing required (in million US$)		2,270.6	3,146.0	4,873.0	7,593.8	11,737.6	17,892.5	24,794.4
Option 2: Proportion of government expenditure allocated to basic social protection (alternative scenario)	10.7%	9.7%	8.7%	7.9%	7.2%	6.7%	6.1%	5.8%
Government financing in % of GDP		1.8%	1.7%	1.6%	1.6%	1.6%	1.5%	1.5%
Government financing (in million US$)		2,470.2	3,457.2	5,411.3	8,514.5	13,297.4	20,503.3	28,691.3
External financing required (in million US$)		-	-	-	-	-	-	-
Share of domestic financing under Option 1		8%	9%	10%	11%	12%	13%	14%
Share of domestic financing under Option 2		100%	100%	100%	100%	100%	100%	100%

Results		2006	2010	2015	2020	2025	2030	2034
Total expenditure on social protection in million US$	2,101.3	2,663.6	3,734.3	5,851.4	9,236.2	14,481.0	22,414.9	31,458.6
Basic social protection		2,470.2	3,457.2	5,411.3	8,514.5	13,297.4	20,503.3	28,691.3
Other social protection		193.4	277.0	440.1	721.7	1,183.6	1,911.6	2,767.3
Total expenditure on social protection in percent of GDP		1.9%	1.8%	1.8%	1.7%	1.7%	1.7%	1.6%
Basic social protection		1.8%	1.7%	1.6%	1.6%	1.6%	1.5%	1.5%
Other social protection		0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%

Table B9. Scenario II assumptions: Vietnam

Main assumptions	2006	2010	2015	2020	2025	2030	2034
Pensions	Pension amount is PPP$	Pension amount is calculated as a % of GDP per capita					
Ratio of universal pensions to GDP per capita	0.14	0.12	0.11	0.10	0.09	0.08	0.07
Maximum universal pension per day (in US$ or PPP$)	1.11	1.33	1.66	2.08	2.61	3.27	3.92
Health care	Expenditure calculated using option based on staff ratio, staff wages, exp. Ratio						
Ratio of health care staff wages to GDP per capita	1.5	1.5	1.5	1.5	1.5	1.5	0.0
Staff/population ratio in health care (per 100,000 pop)	300	300	300	300	300	300	300
Health expenditure factor	1.7	1.7	1.7	1.7	1.7	1.7	1.7
Child benefit	Child benefit is calculated as a proportion of GDP per capita			Beneficiaries: all orphans in age 0-14			
Child benefit as a proportion of GDP per capita	0.15	0.15	0.15	0.15	0.15	0.15	0.15
Proportion of children between 0 and 14 years of age receiving a child benefit	6.6%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%
Administrative expenditure in % of cash benefit expenditure	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%
Option							
Proportion of government expenditure allocated to basic social protection	7%	6%	6%	6%	6%	7%	7%

Table B10. Scenario II results: Vietnam

Results		2006	2010	2015	2020	2025	2030	2034
Total expenditure on basic benefit package in million US$	925.8	1,047.7	1,366.7	1,947.7	2,904.4	4,361.6	6,512.5	8,837.6
Universal pensions		420.8	529.7	723.6	1,124.2	1,800.2	2,870.1	4,044.3
Basic health care		395.2	558.0	829.9	1,211.4	1,748.5	2,499.2	3,304.0
Child benefit		146.5	173.5	248.5	348.0	472.0	619.7	767.5
Administrative expenditure		85.1	105.5	145.8	220.8	340.8	523.5	721.8
Total expenditure on basic benefit package in % of GDP	2.1%	2.0%	1.9%	1.8%	1.8%	1.9%	2.0%	2.0%
Universal pensions		0.8%	0.7%	0.7%	0.7%	0.8%	0.9%	0.9%
Basic health care		0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%
Child benefit		0.3%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%
Administrative expenditure		0.2%	0.1%	0.1%	0.1%	0.1%	0.2%	0.2%
Total expenditure on basic benefit package in % of government expenditure	7.2%	6.9%	6.4%	6.1%	6.2%	6.4%	6.6%	6.8%
Universal pensions		2.8%	2.5%	2.3%	2.4%	2.6%	2.9%	3.1%
Basic health care		2.6%	2.6%	2.6%	2.6%	2.6%	2.5%	2.5%
Child benefit		1.0%	0.8%	0.8%	0.7%	0.7%	0.6%	0.6%
Administrative expenditure		0.6%	0.5%	0.5%	0.5%	0.5%	0.5%	0.6%
Total expenditure on basic benefit package in % of government revenue	8.7%	8.0%	6.8%	6.1%	6.2%	6.4%	6.6%	6.8%
Universal pensions		3.2%	2.6%	2.3%	2.4%	2.6%	2.9%	3.1%
Basic health care		3.0%	2.8%	2.6%	2.6%	2.6%	2.5%	2.5%
Child benefit		1.1%	0.9%	0.8%	0.7%	0.7%	0.6%	0.6%
Administrative expenditure		0.7%	0.5%	0.5%	0.5%	0.5%	0.5%	0.6%
Option 1: Proportion of government expenditure allocated to basic social protection (2003 level)	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%
Government financing in % of GDP		1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Government financing (in million US$)		505.9	717.1	1,071.7	1,572.1	2,280.2	3,275.1	4,346.4
External financing required (in million US$)		541.8	649.5	876.0	1,332.3	2,081.3	3,237.4	4,491.1
Option 2: Proportion of government expenditure allocated to basic social protection (alternative scenario)	7.2%	6.9%	6.4%	6.1%	6.2%	6.4%	6.6%	6.8%
Government financing in % of GDP		2.0%	1.9%	1.8%	1.8%	1.9%	2.0%	2.0%
Government financing (in million US$)		1,047.7	1,366.7	1,947.7	2,904.4	4,361.6	6,512.5	8,837.6
External financing required (in million US$)		-	-	-	-	-	-	-
Share of domestic financing under Option 1		48%	52%	55%	54%	52%	50%	49%
Share of domestic financing under Option 2		100%	100%	100%	100%	100%	100%	100%

Results		2006	2010	2015	2020	2025	2030	2034
Total expenditure on social protection in million US$	1,954.3	2,192.3	2,810.5	3,936.4	6,048.0	9,473.9	14,760.2	20,540.5
Basic social protection		1,047.7	1,366.7	1,947.7	2,904.4	4,361.6	6,512.5	8,837.6
Other social protection		1,144.6	1,443.8	1,988.7	3,143.5	5,112.3	8,247.7	11,703.0
Total expenditure on social protection in percent of GDP		4.2%	3.8%	3.6%	3.8%	4.1%	4.5%	4.7%
Basic social protection		2.0%	1.9%	1.8%	1.8%	1.9%	2.0%	2.0%
Other social protection		2.2%	2.0%	1.8%	2.0%	2.2%	2.5%	2.7%

Annex C. Scenario III

Table C1. Scenario III assumption of Bangladesh

Main assumptions	2006	2010	2015	2020	2025	2030	2034
Targeted cash transfer	Beneficiaries: Poorest 10% of all households			Administration cost: 33% of benefit expenditure			
Targeted cash transfer in US$ (PPP) (monthly)	15.41	18.58	23.47	29.65	37.46	47.32	57.05
Targeted cash transfer in US$ (monthly)	3.09	3.73	4.71	5.95	7.52	9.50	11.45
Targeted cash transfer in percent of GDP per capita (monthly)	8.5%	7.9%	7.3%	6.8%	6.3%	6.0%	5.7%

Table C2. Scenario III results: Bangladesh

Results	2006	2010	2015	2020	2025	2030	2034
Total expenditure on basic benefit package in million US$	4,737.4	8,638.2	13,142.6	17,865.2	24,078.9	32,180.2	40,334.6
Targeted cash transfer	153.6	199.0	272.9	370.9	500.0	668.2	837.5
Basic health care	4,583.8	8,439.2	12,869.7	17,494.3	23,578.9	31,512.1	39,497.1
Total expenditure on basic benefit package in % of GDP	7.0%	9.1%	9.3%	8.7%	8.1%	7.6%	7.3%
Targeted cash transfer	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%
Basic health care	6.7%	8.9%	9.1%	8.5%	8.0%	7.5%	7.1%
Total expenditure on basic benefit package in % of government expenditure	61.9%	76.5%	72.8%	63.5%	55.8%	49.5%	45.2%
Targeted cash transfer	2.0%	1.8%	1.5%	1.3%	1.2%	1.0%	0.9%
Basic health care	59.9%	74.8%	71.3%	62.1%	54.7%	48.5%	44.2%
Total expenditure on basic benefit package in % of government revenue	66.9%	79.3%	72.8%	63.5%	55.8%	49.5%	45.2%
Targeted cash transfer	2.2%	1.8%	1.5%	1.3%	1.2%	1.0%	0.9%
Basic health care	64.7%	77.5%	71.3%	62.1%	54.7%	48.5%	44.2%
Option 1: Proportion of government expenditure allocated to basic social protection (2003 level)	6.4%	6.4%	6.4%	6.4%	6.4%	6.4%	6.4%
Government financing in % of GDP	0.7%	0.8%	0.8%	0.9%	0.9%	1.0%	1.0%
Government financing (in million US$)	491.4	724.8	1,159.1	1,807.3	2,769.9	4,173.8	5,733.4
External financing required (in million US$)	4,246.0	7,913.4	11,983.5	16,057.9	21,309.0	28,006.5	34,601.2
Option 2: Proportion of government expenditure allocated to basic social protection (alternative scenario)	33.3%	33.3%	33.3%	33.3%	33.3%	33.3%	33.3%
Government financing in % of GDP	3.8%	4.0%	4.3%	4.6%	4.8%	5.1%	5.4%
Government financing (in million US$)	2,548.9	3,759.2	6,011.7	9,373.9	14,366.3	21,647.9	29,737.1
External financing required (in million US$)	2,188.5	4,879.1	7,130.8	8,491.3	9,712.5	10,532.4	10,597.6
Share of domestic financing under Option 1	10%	8%	9%	10%	12%	13%	14%
Share of domestic financing under Option 2	54%	44%	46%	52%	60%	67%	74%

Results	2006	2010	2015	2020	2025	2030	2034
Total expenditure on social protection in million US$	5,008.3	9,015.0	13,708.6	18,768.0	25,503.7	34,409.4	43,478.4
Basic social protection	4,737.4	8,638.2	13,142.6	17,865.2	24,078.9	32,180.2	40,334.6
Other social protection	270.9	376.8	566.0	902.7	1,424.8	2,229.2	3,143.7
Total expenditure on social protection in percent of GDP	7.4%	9.5%	9.7%	9.1%	8.6%	8.2%	7.8%
Basic social protection	7.0%	9.1%	9.3%	8.7%	8.1%	7.6%	7.3%
Other social protection	0.4%	0.4%	0.4%	0.4%	0.5%	0.5%	0.6%

Table C3. Scenario III assumptions: India

Main assumptions	2006	2010	2015	2020	2025	2030	2034
Targeted cash transfer	Beneficiaries: Poorest 10% of all households			Administration cost: 33% of benefit expenditure			
Targeted cash transfer in US$ (PPP) (monthly)	14.95	17.56	21.47	26.25	32.10	39.24	46.09
Targeted cash transfer in US$ (monthly)	3.10	3.64	4.45	5.44	6.65	8.13	9.54
Targeted cash transfer in percent of GDP per capita (monthly)	5.0%	4.4%	3.7%	3.2%	2.7%	2.3%	2.1%

Table C4. Scenario III results: India

Results	2006	2010	2015	2020	2025	2030	2034
Total expenditure on basic benefit package in million US$	32,970.3	54,660.0	75,809.0	97,586.3	124,503.6	157,482.6	189,068.5
Targeted cash transfer	1,018.1	1,261.6	1,637.9	2,108.4	2,690.0	3,402.5	4,084.9
Basic health care	31,952.2	53,398.4	74,171.1	95,477.9	121,813.6	154,080.1	184,983.6
Total expenditure on basic benefit package in % of GDP	4.0%	4.7%	4.2%	3.6%	3.1%	2.7%	2.4%
Targeted cash transfer	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
Basic health care	3.9%	4.6%	4.1%	3.5%	3.0%	2.6%	2.3%
Total expenditure on basic benefit package in % of government expenditure	15.4%	17.6%	15.4%	12.9%	10.8%	9.0%	7.8%
Targeted cash transfer	0.5%	0.4%	0.3%	0.3%	0.2%	0.2%	0.2%
Basic health care	14.9%	17.2%	15.1%	12.6%	10.5%	8.8%	7.7%
Total expenditure on basic benefit package in % of government revenue	20.9%	20.5%	15.4%	12.9%	10.8%	9.0%	7.8%
Targeted cash transfer	0.6%	0.5%	0.3%	0.3%	0.2%	0.2%	0.2%
Basic health care	20.2%	20.1%	15.1%	12.6%	10.5%	8.8%	7.7%
Option 1: Proportion of government expenditure allocated to basic social protection (2003 level)	3.1%	3.1%	3.1%	3.1%	3.1%	3.1%	3.1%
Government financing in % of GDP	0.8%	0.8%	0.8%	0.9%	0.9%	0.9%	0.9%
Government financing (in million US$)	6,586.8	9,583.1	15,111.8	23,354.8	35,602.3	53,735.1	74,191.5
External financing required (in million US$)	26,383.5	45,076.9	60,697.2	74,231.4	88,901.3	103,747.4	114,877.1
Option 2: Proportion of government expenditure allocated to basic social protection (alternative scenario)	15.4%	17.6%	15.4%	12.9%	10.8%	9.0%	7.8%
Government financing in % of GDP	4.0%	4.7%	4.2%	3.6%	3.1%	2.7%	2.4%
Government financing (in million US$)	32,970.3	54,660.0	75,809.0	97,586.3	124,503.6	157,482.6	189,068.5
External financing required (in million US$)	-	-	-	-	-	-	-
Share of domestic financing under Option 1	20%	18%	20%	24%	29%	34%	39%
Share of domestic financing under Option 2	100%	100%	100%	100%	100%	100%	100%

Results	2006	2010	2015	2020	2025	2030	2034
Total expenditure on social protection in million US$	38,219.0	61,695.1	86,036.5	112,701.0	146,952.1	190,375.0	233,215.9
Basic social protection	32,970.3	54,660.0	75,809.0	97,586.3	124,503.6	157,482.6	189,068.5
Other social protection	5,248.7	7,035.1	10,227.6	15,114.8	22,448.5	32,892.5	44,147.4
Total expenditure on social protection in percent of GDP	4.6%	5.3%	4.8%	4.2%	3.6%	3.2%	2.9%
Basic social protection	4.0%	4.7%	4.2%	3.6%	3.1%	2.7%	2.4%
Other social protection	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.5%

Table C5. Scenario III assumptions: Nepal

Main assumptions	2006	2010	2015	2020	2025	2030	2034
Targeted cash transfer	Beneficiaries: Poorest 10% of all households			Administration cost: 33% of benefit expenditure			
Targeted cash transfer in US$ (PPP) (monthly)	15.75	18.35	22.22	26.89	32.55	39.41	45.92
Targeted cash transfer in US$ (monthly)	2.65	3.09	3.74	4.52	5.48	6.63	7.73
Targeted cash transfer in percent of GDP per capita (monthly)	11.6%	10.9%	10.1%	9.3%	8.6%	8.0%	7.7%

Table C6. Scenario III results: Nepal

Results	2006	2010	2015	2020	2025	2030	2034
Total expenditure on basic benefit package in million US$	828.2	1,411.7	2,007.1	2,649.0	3,476.0	4,531.3	5,572.1
Targeted cash transfer	21.4	27.1	36.0	47.6	62.4	81.3	100.0
Basic health care	806.8	1,384.6	1,971.1	2,601.5	3,413.6	4,450.0	5,472.1
Total expenditure on basic benefit package in % of GDP	11.2%	14.3%	14.1%	13.0%	12.0%	11.3%	10.7%
Targeted cash transfer	0.3%	0.3%	0.3%	0.2%	0.2%	0.2%	0.2%
Basic health care	11.0%	14.0%	13.8%	12.7%	11.8%	11.0%	10.5%
Total expenditure on basic benefit package in % of government expenditure	66.0%	78.9%	72.5%	62.6%	54.6%	48.2%	43.9%
Targeted cash transfer	1.7%	1.5%	1.3%	1.1%	1.0%	0.9%	0.8%
Basic health care	64.3%	77.4%	71.2%	61.5%	53.6%	47.4%	43.1%
Total expenditure on basic benefit package in % of government revenue	81.7%	86.7%	72.5%	62.6%	54.6%	48.2%	43.9%
Targeted cash transfer	2.1%	1.7%	1.3%	1.1%	1.0%	0.9%	0.8%
Basic health care	79.6%	85.1%	71.2%	61.5%	53.6%	47.4%	43.1%
Option 1: Proportion of government expenditure allocated to basic social protection (2003 level)	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Government financing in % of GDP	0.8%	0.9%	1.0%	1.0%	1.1%	1.2%	1.2%
Government financing (in million US$)	62.1	88.6	137.0	209.5	315.2	465.4	629.2
External financing required (in million US$)	766.1	1,323.1	1,870.1	2,439.6	3,160.7	4,065.9	4,942.9
Option 2: Proportion of government expenditure allocated to basic social protection (alternative scenario)	33.3%	33.3%	33.3%	33.3%	33.3%	33.3%	33.3%
Government financing in % of GDP	5.7%	6.0%	6.5%	6.9%	7.3%	7.8%	8.1%
Government financing (in million US$)	417.7	595.8	921.3	1,408.1	2,119.4	3,128.9	4,230.1
External financing required (in million US$)	410.5	815.9	1,085.8	1,240.9	1,356.6	1,402.4	1,342.1
Share of domestic financing under Option 1	8%	6%	7%	8%	9%	10%	11%
Share of domestic financing under Option 2	50%	42%	46%	53%	61%	69%	76%

Results	2006	2010	2015	2020	2025	2030	2034
Total expenditure on social protection in million US$	891.1	1,495.2	2,126.3	2,819.0	3,718.9	4,887.2	6,053.1
Basic social protection	828.2	1,411.7	2,007.1	2,649.0	3,476.0	4,531.3	5,572.1
Other social protection	62.9	83.5	119.2	170.0	242.9	355.9	481.0
Total expenditure on social protection in percent of GDP	12.1%	15.1%	14.9%	13.8%	12.9%	12.1%	11.6%
Basic social protection	11.2%	14.3%	14.1%	13.0%	12.0%	11.3%	10.7%
Other social protection	0.9%	0.8%	0.8%	0.8%	0.8%	0.9%	0.9%

Table C7. Scenario III assumptions: Pakistan

Main assumptions	2006	2010	2015	2020	2025	2030	2034
Targeted cash transfer	Beneficiaries: Poorest 10% of all households			Administration cost: 33% of benefit expenditure			
Targeted cash transfer in US$ (PPP) (monthly)	16.54	20.88	27.94	37.39	50.02	66.93	84.48
Targeted cash transfer in US$ (monthly)	5.04	6.37	8.52	11.40	15.25	20.41	25.76
Targeted cash transfer in percent of GDP per capita (monthly)	7.1%	6.8%	6.3%	5.9%	5.4%	5.0%	4.7%

Table C8. Scenario III results: Pakistan

Results	2006	2010	2015	2020	2025	2030	2034
Total expenditure on basic benefit package in million US$	5,374.4	10,215.3	16,250.7	24,181.4	35,536.9	51,704.0	69,359.4
Targeted cash transfer	198.4	275.7	414.9	617.4	907.4	1,320.2	1,771.0
Basic health care	5,176.0	9,939.6	15,835.7	23,563.9	34,629.5	50,383.8	67,588.4
Total expenditure on basic benefit package in % of GDP	3.8%	5.0%	4.9%	4.6%	4.2%	3.9%	3.6%
Targeted cash transfer	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
Basic health care	3.7%	4.8%	4.8%	4.4%	4.1%	3.8%	3.5%
Total expenditure on basic benefit package in % of government expenditure	21.1%	25.7%	23.6%	20.6%	17.8%	15.5%	13.9%
Targeted cash transfer	0.8%	0.7%	0.6%	0.5%	0.5%	0.4%	0.4%
Basic health care	20.3%	25.0%	23.0%	20.0%	17.4%	15.1%	13.6%
Total expenditure on basic benefit package in % of government revenue	24.9%	27.7%	23.6%	20.6%	17.8%	15.5%	13.9%
Targeted cash transfer	0.9%	0.7%	0.6%	0.5%	0.5%	0.4%	0.4%
Basic health care	24.0%	26.9%	23.0%	20.0%	17.4%	15.1%	13.6%
Option 1: Proportion of government expenditure allocated to basic social protection (2003 level)	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%
Government financing in % of GDP	0.1%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%
Government financing (in million US$)	199.6	311.2	538.3	920.7	1,559.8	2,610.8	3,896.8
External financing required (in million US$)	5,174.8	9,904.1	15,712.4	23,260.7	33,977.1	49,093.3	65,462.5
Option 2: Proportion of government expenditure allocated to basic social protection (alternative scenario)	21.1%	25.7%	23.6%	20.6%	17.8%	15.5%	13.9%
Government financing in % of GDP	3.8%	5.0%	4.9%	4.6%	4.2%	3.9%	3.6%
Government financing (in million US$)	5,374.4	10,215.3	16,250.7	24,181.4	35,536.9	51,704.0	69,359.4
External financing required (in million US$)	-	-	-	-	-	-	-
Share of domestic financing under Option 1	4%	3%	3%	4%	4%	5%	6%
Share of domestic financing under Option 2	100%	100%	100%	100%	100%	100%	100%

Results	2006	2010	2015	2020	2025	2030	2034
Total expenditure on social protection in million US$	5,567.8	10,492.4	16,690.7	24,903.1	36,720.5	53,615.6	72,126.7
Basic social protection	5,374.4	10,215.3	16,250.7	24,181.4	35,536.9	51,704.0	69,359.4
Other social protection	193.4	277.0	440.1	721.7	1,183.6	1,911.6	2,767.3
Total expenditure on social protection in percent of GDP	4.0%	5.1%	5.0%	4.7%	4.3%	4.0%	3.8%
Basic social protection	3.8%	5.0%	4.9%	4.6%	4.2%	3.9%	3.6%
Other social protection	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%

Table C9. Scenario III assumptions: Vietnam

Main assumptions	2006	2010	2015	2020	2025	2030	2034
Targeted cash transfer	Beneficiaries: Poorest 10% of all households			Administration cost: 33% of benefit expenditure			
Targeted cash transfer in US$ (PPP) (monthly)	16.54	20.88	27.94	37.39	50.02	66.93	84.48
Targeted cash transfer in US$ (monthly)	5.04	6.37	8.52	11.40	15.25	20.41	25.76
Targeted cash transfer in percent of GDP per capita (monthly)	7.1%	6.8%	6.3%	5.9%	5.4%	5.0%	4.7%

Table C10. Scenario III results: Vietnam

Results	2006	2010	2015	2020	2025	2030	2034
Total expenditure on basic benefit package in million US$	2,623.7	4,455.6	6,327.5	8,380.1	10,986.5	14,264.8	17,502.7
Targeted cash transfer	97.9	123.4	164.5	217.9	285.7	370.9	455.1
Basic health care	2,525.9	4,332.1	6,163.0	8,162.2	10,700.8	13,893.9	17,047.6
Total expenditure on basic benefit package in % of GDP	5.1%	6.1%	5.8%	5.3%	4.8%	4.3%	4.0%
Targeted cash transfer	0.2%	0.2%	0.2%	0.1%	0.1%	0.1%	0.1%
Basic health care	4.9%	5.9%	5.7%	5.1%	4.7%	4.2%	3.9%
Total expenditure on basic benefit package in % of government expenditure	17.3%	20.7%	19.7%	17.8%	16.1%	14.5%	13.4%
Targeted cash transfer	0.6%	0.6%	0.5%	0.5%	0.4%	0.4%	0.3%
Basic health care	16.7%	20.2%	19.2%	17.3%	15.7%	14.2%	13.1%
Total expenditure on basic benefit package in % of government revenue	20.1%	22.3%	19.7%	17.8%	16.1%	14.5%	13.4%
Targeted cash transfer	0.7%	0.6%	0.5%	0.5%	0.4%	0.4%	0.3%
Basic health care	19.3%	21.6%	19.2%	17.3%	15.7%	14.2%	13.1%
Option 1: Proportion of government expenditure allocated to basic social protection (2003 level)	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%
Government financing in % of GDP	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Government financing (in million US$)	505.9	717.1	1,071.7	1,572.1	2,280.2	3,275.1	4,346.4
External financing required (in million US$)	2,117.9	3,738.4	5,255.8	6,808.0	8,706.2	10,989.7	13,156.2
Option 2: Proportion of government expenditure allocated to basic social protection (alternative scenario)	17.3%	20.7%	19.7%	17.8%	16.1%	14.5%	13.4%
Government financing in % of GDP	5.1%	6.1%	5.8%	5.3%	4.8%	4.3%	4.0%
Government financing (in million US$)	2,623.7	4,455.6	6,327.5	8,380.1	10,986.5	14,264.8	17,502.7
External financing required (in million US$)	-	-	-	-	-	-	-
Share of domestic financing under Option 1	19%	16%	17%	19%	21%	23%	25%
Share of domestic financing under Option 2	100%	100%	100%	100%	100%	100%	100%

Results	2006	2010	2015	2020	2025	2030	2034
Total expenditure on social protection in million US$	3,768.3	5,899.4	8,316.2	11,523.7	16,098.8	22,512.5	29,205.7
Basic social protection	2,623.7	4,455.6	6,327.5	8,380.1	10,986.5	14,264.8	17,502.7
Other social protection	1,144.6	1,443.8	1,988.7	3,143.5	5,112.3	8,247.7	11,703.0
Total expenditure on social protection in percent of GDP	7.3%	8.1%	7.6%	7.2%	7.0%	6.9%	6.7%
Basic social protection	5.1%	6.1%	5.8%	5.3%	4.8%	4.3%	4.0%
Other social protection	2.2%	2.0%	1.8%	2.0%	2.2%	2.5%	2.7%