



Social protection in Latin America

Document Version

Accepted author manuscript

[Link to publication record in Manchester Research Explorer](#)

Citation for published version (APA):

Barrientos, A. (2019). Social protection in Latin America: one region two systems. In G. Cruz-Martínez (Ed.), *Welfare and social protection in contemporary Latin America* (pp. 59-71). Routledge.

Published in:

Welfare and social protection in contemporary Latin America

Citing this paper

Please note that where the full-text provided on Manchester Research Explorer is the Author Accepted Manuscript or Proof version this may differ from the final Published version. If citing, it is advised that you check and use the publisher's definitive version.

General rights

Copyright and moral rights for the publications made accessible in the Research Explorer are retained by the authors and/or other copyright owners and it is a condition of accessing publications that users recognise and abide by the legal requirements associated with these rights.

Takedown policy

If you believe that this document breaches copyright please refer to the University of Manchester's Takedown Procedures [<http://man.ac.uk/04Y6Bo>] or contact uml.scholarlycommunications@manchester.ac.uk providing relevant details, so we can investigate your claim.



Chapter in Welfare and Social Protection in Contemporary Latin America, Ed, Gibrán Cruz Martínez. London: Routledge Studies in Latin American Development. Forthcoming 2018.

Social protection in Latin America: One region two systems

Armando Barrientos, Global Development Institute, University of Manchester
a.barrientos@manchester.ac.uk

Social protection systems in Latin America have experienced deep structural change in the last two decades. Policies, programmes and institutions have emerged in all countries in the region directed at population groups characterised by low incomes and informal employment. Social assistance – budget-financed and rules based programmes providing transfers and services to disadvantaged groups – reaches around one third of the population in the region. It plugs a longstanding gap in the region's social protection institutions, historically rooted in Bismarckian social insurance. Structural change, the chapter argues, has resulted in dual social protection institutions: social insurance covering workers in formal employment and social assistance supporting low-income groups in informal employment. The chapter tracks the expansion of social assistance, documents this dualism, assesses explanations for how we got here, and speculates on the future of social protection institutions in the region.

Since the return to democracy in the 1990s, Latin American countries have embraced remarkable policy activism in social policy (Levitsky and Roberts 2012) associated with a newly acquired responsibility of governments to secure social rights. The most visible change is associated with the emergence of large-scale social

assistance programmes and policies targeting low income and informal employment groups. They include an expansion of budget-financed transfers to older people (Rofman, Apella, and Vezza 2013; Bosch, Melguizo, and Pages 2013). And the implementation, in all countries in the region, of large-scale conditional income transfer programmes providing regular and reliable transfers to families in poverty conditional on children attending school and accessing primary health care (Cecchini and Madariaga 2011). In addition most countries have strengthened the provision of social services to disadvantaged families (Rossel 2013).

The emergence of social assistance runs counter the historically dominant role of social insurance institutions in the region. It has resulted in a growing dualism in social protection institutions in the region reflected in the type and generosity of support as well as in dedicated institutions. Today, most governments in the region have a Ministry of Labour and Social Security alongside a Ministry/Agency charged with Social Development (Cecchini and Martínez 2011). The expansion of social protection in the region since the return to democracy can best be described as vertical rather than horizontal. Low income and informal groups have not been incorporated into existing social insurance institutions, but into parallel social assistance institutions.

Growing dualism in social protection raises important questions about the future of welfare institutions in the region. The structural limitations of social insurance institutions are well understood (Mesa-Lago 2007). And the emergence of social assistance has received a great deal of attention (Barrientos and Santibañez 2009). Yet, research on the implications of dual institutions is scarce.¹ Levy (2008; 2013) has raised strong concerns on the likely impact of social protection dualism on economic incentives and productivity, especially in the context of Mexico. He has advocated a radical path to eradicating dualism (Anton, Hernandez, and Levy 2012). At a more programmatic and institutional level, Ferreira and Robalino (2010) argue for the need to consolidate dual institutions through social protection reforms. The ambitious and influential 'Cepalista' approach has been modified to account for the expansion of social assistance and the stagnations of social insurance. Filguera et al.

(2005) advocate for a 'basic universalism' with a focus on scaled down protection for all. Huber and Stephens (2012) support this 'basic universalism'. Martínez-Franzoni and Sánchez-Ancochea (2017) advocate for a form of universalism with differentiated protection thus retaining dualism. Teichman (2007) and many others see social assistance as a 'low cost' version of social insurance and argue for a return to the former.

With few exceptions, this literature is primarily normative. It tells us what 'ought' to happen without fully engaging with what explains the current dualism. Huber and Stephens (2012) go furthest in this direction. They provide a detailed analysis of the political and economic factors explaining the stagnation of social insurance, but their support for 'basic universalism' is not grounded on equivalent causal processes.

The main objective of this chapter is to highlight the urgent need for research on the causal processes that led to the growing dualism in social protection institutions in the region. It adopts a regional perspective to address this question. Inevitably, there is significant variation across countries in the region in terms of the reach and scope of social insurance and social assistance. However, there is sufficient similarity to support a regional perspective. It focuses on the two main components of social protection: social insurance understood as programmes addressing work and life course contingencies normally financed through payroll contributions by workers and employers; and social assistance understood as budget-financed rules-based programmes providing regular and reliable transfers to low income households.

The chapter is organised around four main sections. The next section offers a region-wide perspective on the growth of social assistance. The following section characterises the emerging dualism in social protection institutions. The section after that identifies potential explanations for the emergence of dualism. A final section speculates on the future of dualism in the region.

The emergence of social assistance

Historically, Latin American countries have prioritised social insurance institutions as the foundation of social protection. In fact, in the first quarter of the 20th century countries like Uruguay and Argentina had social insurance institutions equivalent, if not stronger, than Southern Mediterranean Europe or the USA. They shared a strong Bismarckian orientation in the stratification of social insurance provision. Dominant import-substitution industrialisation (ISI) policies in the middle of the last century encouraged the expansion and consolidation of social insurance. Government-sponsored social insurance schemes provided a means by which to cement the urban political coalitions supporting ISI strategies and a source of revenue for large government projects (Mesa-Lago 1991).

The replacement of ISI by export-led growth policies brought to an end the expansion of social insurance coverage and eventually led to a retrenchment. Towards the end of the XX century this retrenchment accelerated as a consequence of the shift from defined benefit to defined contribution pension schemes (Mesa-Lago 2007). The acute economic crises in the 1980s leading to structural adjustment and liberalisation undermined the political coalitions underpinning the social insurance model (Huber and Stephens 2012) and facilitated the reform of pension schemes and their replacement by individual retirement accounts in the 1990s. Twelve countries in the region initiated pension reforms of this type. Some countries like Chile and Mexico replaced pay-as-you-go pension schemes with individual retirement account whereas Argentina and Uruguay introduced the latter as a second pillar. The reforms failed to expand coverage. Towards the end of a century, and despite considerable public subsidies, only one in every two workers in the region actively contributed to a pension scheme (ILO 2003).

Latin American countries paid very little attention to social assistance as part of social protection policies, perhaps encouraged by the relatively healthy coverage achieved by social insurance schemes in the more advanced countries in the region by the 1970s, and by the ILO advocacy of European social protection models (Seekings 2008).

This changed in the 1990s. The restoration of democratic governments magnified social demands. Brazil is a paradigmatic case. The return to democracy led to consensus over a new Constitution, promulgated in 1988, enshrining social rights. Initially, the focus of policy was to integrate excluded groups within social insurance institutions by lowering the barriers to entry for informal workers in rural areas (Barrientos 2013b), that is expanding social insurance. Soon after, the policy focus turned to a social assistance pension scheme and, in what proved to be a significant innovation, child and family transfers through Bolsa Escola and Peti.² This involved several related shifts in policy orientation: from social insurance to social assistance; from a contributory principle to a citizenship principle; from a focus on old age to a focus on children and families; from compensation to social investment. The shift in policy orientation took different routes in different countries, but by the end of the first decade of the new century social assistance policies, programmes and institutions were firmly established (Barrientos and Santibañez 2009). Conditional income transfers reached around a quarter of the population and budget financed old age transfers reached a further 7 percent of the population - around a third of the population in all. Figures 1 and 2 show respectively the reach of conditional income transfers and the expansion of old age transfers.

[Figure 1 about here]

[Figure 2 about here]

From truncation to dualism

Researchers examining social protection systems in the region prior to the recent expansion of social assistance described them as truncated (Fiszbein 2005), because the provision of social insurance was, and is, restricted to workers in formal employment. After the expansion of social assistance, it is more accurate to describe social protection in the region as dual: social insurance provision for workers in formal employment and social assistance provision for informal and low income groups.

The distinguishing features of the dual social protection institutions in Latin America can best be understood by comparison to the characterisation of welfare regimes in high income countries developed by Esping-Andersen (1990, 1999). From his perspective, the configuration of particular welfare institutions, the welfare mix, is a product of the political coalitions that emerged in these countries in the post-WWII period. Particular configurations of welfare institutions led to lesser or greater outcomes in terms of decommodification and defamilialism. This is well known territory and will not be explored further here (Barrientos 2009), but two important dimensions of the welfare regime approach merit further discussion in preparation of the argument below. Welfare regimes are the outcome of political coalitions, but the institutional configurations they generate in turn help to stratify the population and strengthen support coalitions. As a consequence, welfare regimes show strong path dependence (Powell and Barrientos 2004). They are also unitary in the sense that there is a single overall institutional umbrella for the population. In the European context, social insurance is the dominant institution (Baldwin 1990).

Latin American social protection components of their welfare regime shared with European counterparts the feature that social insurance is the dominant institutions. But in contrast with them, social protection in Latin America has never been unitary and has shown only weak path dependence. In contrast to welfare states in European countries in the post-WWII period, Latin American countries failed to create unitary social protection systems. As noted above, social protection in Latin America initially developed along Bismarckian lines, with stratified provision for different groups of - formal - workers. A process of consolidation of multiple social insurance funds began in the 1960s and 1970s as governments began to take over semi-autonomous funds (Mesa-Lago 1991). The structural reforms of pensions starting in Chile in 1981 further consolidated multiple pension schemes and moved to replace them with individual retirement accounts. Structural pension reforms demonstrated the weakness of path dependence in welfare institutions in the region.

The expansion of social assistance provision starting in mid-1990s provides further evidence of limited path dependence and of the failure to secure unitary institutions. It resulted in dual social protection systems in the region, with social insurance provision for better off formal workers and their families and social assistance for low income and informal groups. It is worth considering in more detail the differences across the two systems. Chart 1 provides a summary.

[Chart 1 about here]

Social insurance is based on a contribution principle in so far as entitlements are linked to employment status and payroll contributions. In contrast, social assistance is grounded on a citizenship principle where entitlements are based of socio-economic status. In principle, social assistance is not dependent on labour market status. Social assistance old age transfers, for example, are targeted on older people who have insufficient and an expectation of deteriorating living standards. Social insurance pensions often require withdrawal from the labour market, but social assistance transfers lack any work tests. In selective old age transfers, eligibility depends on an assessment of the income/consumption of older people and their households.

Social insurance targets workers in formal employment, regulated employment, and their families. Own account and unregulated employment is often explicitly excluded from social insurance schemes. Social assistance on the other hand targets citizens with incomes below a minimum income/consumption threshold. Social insurance targets 'insiders' whilst social assistance targets 'outsiders' to use a term coined to characterise dual labour markets (Rueda, Wibbels, and Altamirano 2015).

On paper, social insurance is financed from payroll contributions, but in practice, Latin American pension schemes are partially budget financed.³ Social assistance is fully budget financed.⁴

Social insurance is intended to cover members from life course and work related 'risks'.⁵ The canonical literature on the development of social insurance in European countries argues that the fact that certain types of workers face a relatively

homogeneous set of social risks generates the conditions for collective action and demand for welfare institutions (Baldwin 1990). Social assistance, on the other hand, addresses poverty, vulnerability, and disadvantage. All known societies have norms and institutions to address misfortune and in modern societies social assistance partly addresses it. In the context of Latin America, the role of emerging social assistance is significantly broader than addressing misfortune. It in fact addresses the adverse consequences of capitalism: the binary nature of employment; low paid and precarious employment; inequality in opportunity; and income poverty and inequality (Barrientos 2013a).

In the context of Latin America, social insurance entitlements have as their main objective to ensure adequate income in the event participant workers face any of the covered contingencies. Social insurance entitlements compensate the insured against income shortfalls. In practice, old age and retirement pensions account for the majority of social insurance expenditure. Social assistance is also directed at ensuring a minimum level of consumption, but some types of social assistance also include an explicit social investment component. Conditional income transfers in particular have a social investment objective.⁶

The discussion in this section traced the change in the institutions of social protection in the region from the early development of stratified social insurance schemes, to their consolidation and structural reform. The emergence of social assistance from the middle of the 1990s signalled a shift from truncated to dual social protection. Dualism reflects the presence of two separate components of social protection which distinguishing features were examined.⁷ Comparison with European welfare regimes underlines the fact that social protection institutions in Latin America are not unitary but dual.

Explaining dualism

What explains dualism in Latin American social protection institutions? It will be helpful to separate out two sets of explanations. The first group relates to the absence of a unitary social protection system in the region. The main question here

is why did the expansion of social insurance up until the 1970s stagnated thereafter. The second group of explanations relates to the expansion of social assistance as a separate component from the 1990s onwards. Drawing on existing theories of the development of welfare, the emphasis of this section will be on unveiling the political economy conditions capable of supporting plausible causal explanations for these developments.⁸

Explanations for the growth of social insurance in Latin America during the middle third of the last century point the type of political coalitions emerging from processes of industrialisation and the expansion of the public sector associated with developmental states (Huber and Stephens 2012). This is in line with theories of welfare state development in European countries emphasising coalitions between the industrial working class and sections of the middle class. Classes are defined here in terms of commonality of social risks, and coalitions as the means to secure the state action to ensure basic income protection. In the context of Latin American countries, import-substitution industrialisation strategies required extracting surpluses from agriculture to finance nascent industry. To an important extent, these strategies defined the boundaries between 'insiders' (industrial and public sector workers, urban middle classes, and domestic capital) and 'outsiders' (rural workers and farmers, informal workers and unregulated enterprises).

The stagnation and decline of social insurance scheme coverage can be explained in terms of the breakdown of this coalition in the face of structural adjustment and economic crisis. Rodrik (2016) argues that low and middle income countries suffered from premature industrialisation. Industrialisation can be measured in terms of the share of the labour force working in industry and in terms of the value added contributed by industry. Industrialisation is associated with a rise in the share of the labour force working in the sector, but at some point improvements in productivity are associated with stagnation in industrial employment and an eventual reversal. This is described as deindustrialisation.⁹ The interesting point for our purposes is the timing of the peak of the share of employment in industry. Industrial employment peaked very early in Latin America: Chile (1954), Argentina

(1958), Colombia (1970), Peru (1971), Mexico (1980) and Brazil (1986) (Rodrik 2016). Rodrik's thesis suggests that the stagnation of social insurance coverage might well have its roots in deindustrialisation.¹⁰

Rueda et al. (2015) argue that inward industrialisation as in the ISI strategy dominant in Latin America creates a strong set of insiders able to enforce strict labour market regulations. They also explain dualism in labour markets in conditions where insiders are able to defend these regulations in the context of a shift to export-led-growth. "As a result, labour regulations that date to protectionist processes of industrialization have contributed to the growth of informal sectors, weak labor productivity, and income inequality." (Rueda, Wibbels, and Altamirano 2015, 108). Although their focus is on labour markets, the implications for social protection are straightforward. However, this explanation would predict truncated, as opposed to dual social protection systems.¹¹

Causal explanations for the growth of social assistance are harder to find. The literature links the growth of social assistance to favourable environmental conditions, including democratisation processes strengthening demand for social protection policies; the rise to power of left coalitions championing inclusive policies (Levitsky and Roberts 2012); economic growth and enhanced fiscal space (Cornia 2014). They are contributory factors to the expansion of social policies in general, but they are insufficient in themselves to explain the growth in social assistance. There is a fast growing literature examining the significance of possible electoral gains associated with social assistance programmes. The main research question shared by this literature is whether participation in human development transfers influences electoral support. Politicians have incentives to use transfer programmes to garner political support among disadvantaged groups. It can be hypothesised that the growth of social assistance reflects these incentives.

However, considerable care should be taken with this interpretation. The evidence available does not confirm strategic allocation of social assistance transfers. Matching electoral and Bolsa Família administrative data, Fried (2012) fails to find a correlation between the distribution of Bolsa Família budget and population

coverage on the one hand and indicators of potential core voter or swing voter strategies. The absence of strategic allocation of human development transfer programmes is confirmed for Colombia's Familias en Acción by Nupia (2011).

Nowhere are the estimated electoral effects sufficient to turn national elections in favour of particular parties or candidates. Assessing the contribution of Bolsa Família in the re-election of President Lula in Brazil, studies fail to confirm Bolsa Família had a deciding role against suggestions that public perceptions of the strength of the economy was perhaps the primary factor (Bohn, 2011; Hunter & Power, 2007; Shikida, Monasterio, Araujo Jr., Carraro, & Damé, 2009; Zucco, 2013; Zucco & Power, 2013). Electoral effects might be more powerful at the local level (Linos, 2013), but that might simply reflect the competence of local officials in contexts where programme implementation is decentralised as opposed to electoral effects from the programme itself (De Janvry, Finan, & Sadoulet, 2010). This literature casts doubt on the significance of potential electoral gains as the explanation for the emergence of social assistance in the 1990s. Politicians searching for electoral support are more likely to rely on public goods or on discretionary transfers, as opposed to medium term rules-based institutionalised transfers.

In order to understand why existing theories on the development of welfare institutions find it hard to explain the emergence of social assistance as a separate component of dual institutions, it is essential to draw a distinction between the type of redistribution involved in social insurance and social assistance. Social insurance requires horizontal redistribution, that is, redistribution between groups at different points in their life course. Workers contribute to social insurance funds and draw pensions on retirement. Their support for social insurance schemes can be grounded on their self-interest and on the advantages of risk pooling. Instead, social assistance requires vertical distribution, that is, redistribution from better off groups to disadvantaged groups. Support for this form of redistribution is unlikely to be grounded solely on self-interest. It requires solidarity in some shape or form. The growth of social assistance in Latin America could be better explained in the

context of social contract renewal, binding society to stronger demands for inclusion forcing governments to take responsibility for addressing poverty and disadvantage.

Relying on LAPOP data covering several Latin American countries, Sanches Correa (2010) finds that participation in conditional income transfers is correlated with a strong incumbent effect. Social assistance beneficiaries show strong support for incumbents. Interestingly, the incumbent effect persists in the longer term for longstanding programmes. It is more likely to be a feedback effect supporting pro-poor or pro-distribution commitments from governments (Baez et al., 2012) and as such it may help shore up long-term partisan allegiance (Zucco, 2008). The conclusion is that explanations for the growth and institutionalisation of social assistance in Latin America are more likely to be found in renewed social contracts than in short-term electoral gains and losses.

The future?

There are conflicting views on the future shape of social protection institutions in Latin America. As noted in the introduction, the bulk of available research on this issue takes an explicit normative standpoint. This literature outlines the kind of social protection institutions Latin American countries should adopt. Ideal social protection institutions should provide income security and access to quality basic services for all (Filgueira et al. 2005; Martínez-Franzoni and Sánchez-Ancochea 2017; Huber and Stephens 2012). Here I am more concerned with outlining a positive perspective. Is the present dualism in social protection institutions likely to persist? What are the tendencies pushing towards a resolution of this dualism? What are the obstacles preventing the emergence of unitary social protection institutions?

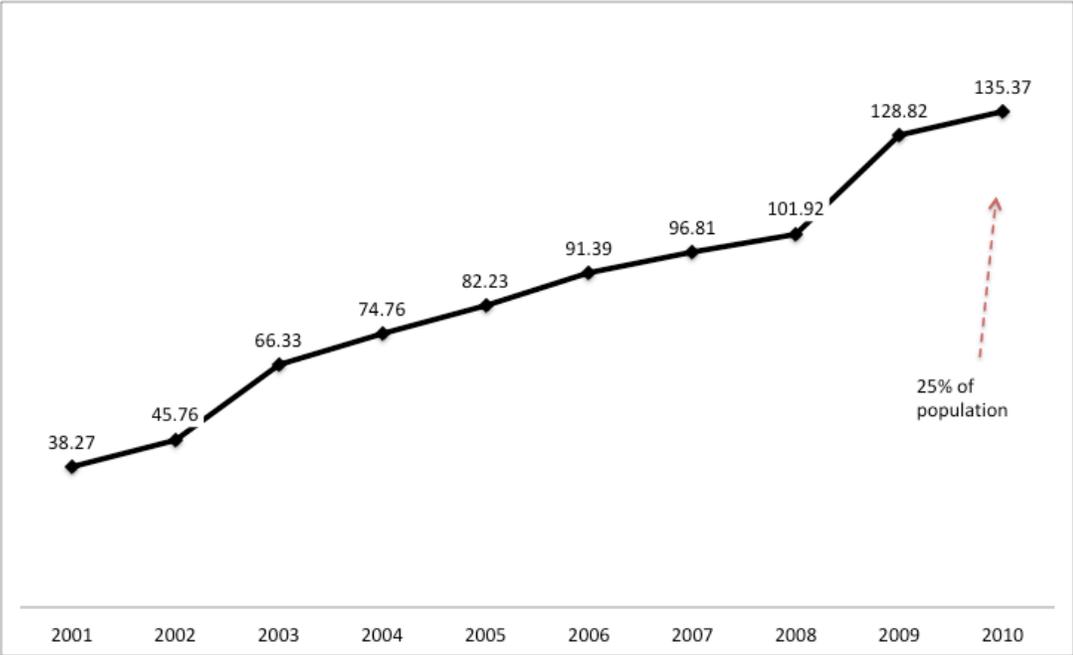
The analysis in the chapter suggests that the current dualism is a more or less stable outcome of current political economy conditions. The argument that emerging forms of social assistance are a short-term policy response to the effects of structural adjustment has lost traction over time. It is true that conditional income transfers have been, and will continue to be, reformed. But their growing

institutionalisation (Székely 2015) suggest that reforms will if anything strengthen them over time. Old age and disability transfers will continue to expand as the population outside formal pension schemes reaches old age. Commentators often point to the relatively low generosity of transfers and the modest programme budgets as a weakness of social assistance, but these features could be a source of resilience, as large increases in the generosity of transfers are more likely to attract opposition.

There are significant obstacles to a downward integration of social insurance and assistance. In countries where individual retirement accounts replaced social insurance schemes, as in Chile, broad and vocal opposition to the former has not secured structural reforms. In countries that retained social insurance pension schemes, marked inequality in the generosity of old age pensions they provide will strengthen opposition to integration, a small and vocal minority face large losses in the event of integration. Brazil offers a telling example. Public subsidies to the civil service social insurance fund amount to between 2 and 2.5% of GDP annually to finance one million pensions (Barrientos 2014). Extending the same deal to the rest of the labour force and population is unfeasible. Downward integration will require lowering the generosity of social insurance transfers, directly affecting the interests of powerful insiders.

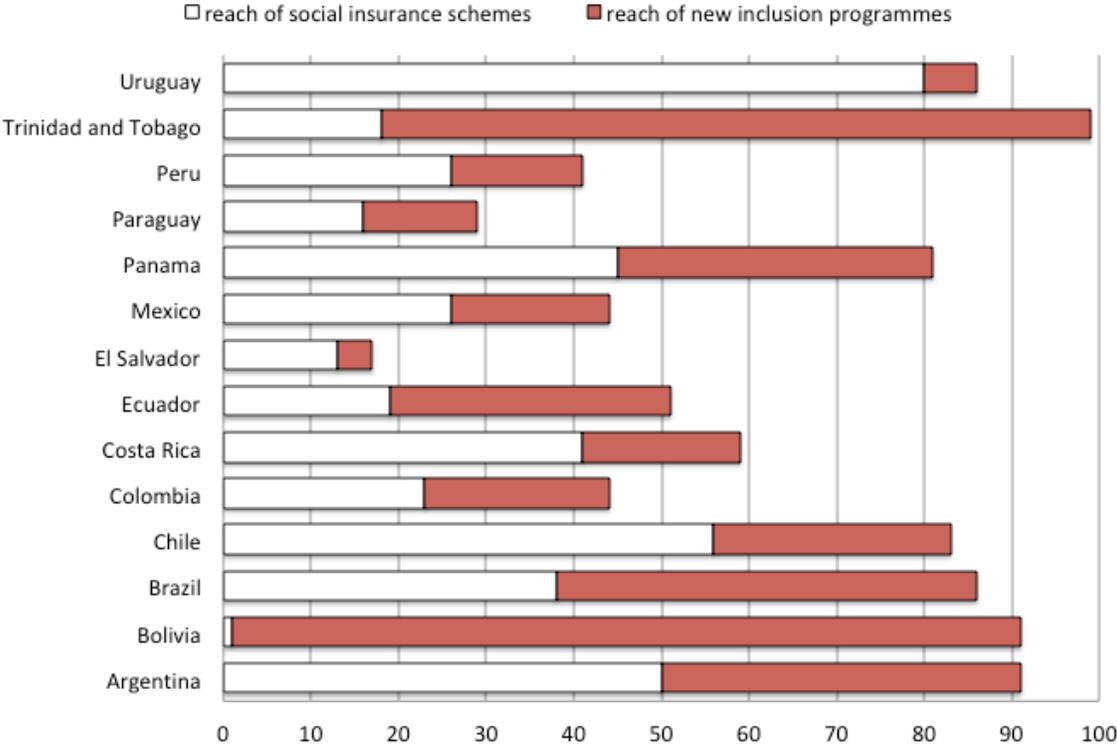
Eroding dualism will depend on piecemeal reforms and untypically favourable political conditions.

Figure 1. Reach of Conditional Income transfers in LAC (millions)



Data Source: (Stampini and Tornarolli 2012)

Figure 2. Reach of old age transfers among 65 and over and budget-financed policies



Data Source: (Rofman, Apella, and Veza 2013)

Chart 1. Characteristics of the dual social protection systems in Latin America

Characteristic	Social insurance	Social assistance
<i>Targeting</i>	Targets workers in unionised employment	Targets citizens with incomes below a minimum income threshold or belonging to vulnerable categories
<i>Revenue source</i>	On paper, financed from payroll contributions, but in practice partially budget financed	Budget/tax financed
<i>Guiding principle</i>	Contributory principle: entitlements linked to employment status and contributions	Citizenship principle: entitlements based on socio-economic status
<i>Aim of coverage</i>	Covers employment and life course 'social' risks	Addresses poverty and vulnerability
<i>Institution</i>	Ministries of Labour and Social Security and private providers	Ministries of Social Development
<i>Dominant</i>	Pension schemes	Old age transfers (budgets)/ cits

Source: Author

<i>instrument</i>		(participants)
Aim of cash transfer	Compensatory; consumption focused	Consumption and social investment

References

- Anton, Arturo, Fausto Hernandez, and Santiago Levy. 2012. "The End of Informality in Mexico. Fiscal Reform for Universal Social Insurance." Mimeo.
- Baez, Javier E., Adriana Camacho, Emily Conover, and Román A. Zárate. 2012. "Conditional Cash Transfers, Political Participation, and Voting Behavior." Policy Research Working Paper. The World Bank.
- Baldwin, Peter. 1990. *The Politics of Social Solidarity. Class Bases of the European Welfare State 1875-1975*. New York: Cambridge University Press.
- Barrientos, Armando. 2009. "Labour Markets and the (Hyphenated) Welfare Regime in Latin America." *Economy and Society* 38 (1): 87–108.
- . 2013a. *Social Assistance in Developing Countries*. Cambridge: Cambridge University Press.
- . 2013b. "The Rise of Social Assistance in Brazil." *Development and Change* 44 (4): 887–910.
- . 2014. "On the Distributional Implications of Social Protection Reforms in Latin America." In *Falling Inequality in Latin America: Policy Changes and Lessons*, edited by Giovanni Andrea Cornia. Oxford: Oxford University Press.
- Barrientos, Armando, and Claudio Santibañez. 2009. "New Forms of Social Assistance and the Evolution of Social Protection in Latin America." *Journal of Latin American Studies* 41 (1): 1–26.
- Béland, Daniel. 2016. "Ideas and Institutions in Social Policy Research." *Social Policy and Administration* 50 (6): 734–730.
- Bohn, Simone. 2011. "Social Policy and Vote in Brazil: Bolsa Família and the Shifts in Lula's Electoral Base." *Latin American Research Review* 46 (1): 54–79.
- Bosch, Mariano, Angel Melguizo, and Carmen Pages. 2013. "Mejores Pensiones, Mejores Trabajos." Washington D.C: Inter-American Development Bank.
- Cecchini, Simone, and Aldo Madariaga. 2011. "Conditional Cash Transfer Programmes. The Recent Experience in Latin America and the Caribbean." Report LC/G.2497-P. ECLAC.

- Cecchini, Simone, and Rodrigo Martínez. 2011. *Protección Social Inclusiva En América Latina: Una Mirada Integral, Un Enfoque de Derechos*. Libros de La CEPAL. Santiago: CEPAL.
- Cornia, Giovanni Andrea. 2014. *Falling Inequality in Latin America: Policy Changes and Lessons*. Oxford: Oxford University Press.
- De Janvry, Alain, Federico Finan, and Elisabeth Sadoulet. 2010. "Local Electoral Incentives and Decentralized Program Performance." NBER Working Paper 16635. NBER.
- ECLAC/ILO. 2014. "The Employment Situation in Latin America and the Caribbean. Conditional Cash Transfer Programmes and the Labour Market." 10. Santiago: ECLAC.
- Esping-Andersen, Gosta. 1990. *The Three Worlds of Welfare Capitalism*. Cambridge: Polity Press.
- . 1999. *Social Foundations of Postindustrial Economies*. Oxford: Oxford University Press.
- Ferreira, Francisco H.G., and David Robalino. 2010. "Social Protection in Latin America. Achievements and Limitations." Policy Research Working Paper 5305. The World Bank.
- Filgueira, Fernando, C.G. Molina, J. Papadopoulos, and F. Tobar. 2005. "Universalismo Básico: Una Alternativa Posible y Necesaria Para Mejorar Las Condiciones de Vida En América Latina." CIESU Documento de Trabajo. Montevideo: Centro de Informaciones y Estudios del Uruguay.
- Fiszbein, Ariel. 2005. "Beyond Truncated Welfare States: Quo Vadis Latin America?" The World Bank.
- Forteza, Alvaro, and Guzmán Ourens. 2012. "Redistribution, Insurance and Incentives to Work in Latin American Pension Programs." *Journal of Pensions Economics and Finance*.
- Fried, Brian J. 2012. "Distributive Politics and Conditional Cash Transfers: The Case of Brazil's Bolsa Família." *World Development* 40 (5): 1042–53.

- Huber, Evelyne, and John D. Stephens. 2012. *Democracy and the Left in Latin America. Social Policy and Inequality in Latin America*. Chicago: University of Chicago Press.
- Hunter, Wendy, and Timothy Power. 2007. "Rewarding Lula: Executive Power, Social Policy, and the Brazilian Elections of 2006." *Latin American Politics and Society* 49: 1–30.
- ILO. 2003. "Panorama Laboral 2003." International Labour Organisation.
- Levitsky, Steven, and Kenneth M. Roberts. 2012. *The Resurgence of the Latin American Left*. Baltimore: The John Hopkins University Press.
- Levy, Santiago. 2008. *Good Intentions, Bad Outcomes. Social Policy, Informality and Economic Growth in Mexico*. Washington DC: The Brookings Institution.
- Levy, Santiago, and Norbert Schady. 2013. "Latin America's Social Policy Challenge: Education, Social Insurance, Redistribution." *Journal of Economic Perspectives* 27 (2): 193–218.
- Linos, Elizabeth. 2013. "Do Conditional Cash Transfer Programmes Shift Votes? Evidence from the Honduran PRAF." *Electoral Studies* online.
- Mesa-Lago, Carmelo. 1991. "Social Security in Latin America and the Caribbean: A Comparative Assessment." In *Social Security in Developing Countries*, edited by E. Ahmad, J. Dreze, John Hills, and Amartya Sen, 357–94. Oxford: Clarendon Press.
- . 2007. *Reassembling Social Security. A Survey of Pensions and Healthcare Reforms in Latin America*. Oxford: Oxford University Press.
- Nupia, Oskar. 2011. "Anti-Poverty Programs and Presidential Election Outcomes: Familias En Acción in Colombia." Documentos CEDE. Universidad de los Andes Facultad de Economía.
- Powell, Martin, and Armando Barrientos. 2004. "Welfare Regimes and the Welfare Mix." *European Journal of Political Research* 43 (1): 83–105.
- Rodrik, Dani. 2016. "Premature Deindustrialization." *Journal of Economic Growth* 21: 1–33.

- Rofman, Rafael, Ignacio Apella, and Evelyn Vezza. 2013. "Mas Alla de Las Pensiones Contributivas. Catorce Experiencias En America Latina." Report. Buenos Aires: The World Bank.
- Rossel, Cecilia. 2013. "Políticas Para Las Familias En America Latina: Panorama de Políticas de Reduccion de Pobreza y Reconciliacion Entre Trabajo-Familia." Mimeo. Montevideo: Universidad Catolica del Uruguay.
- Rueda, David, Erik Wibbels, and Melina Altamirano. 2015. "The Origins of Dualism." In *The Politics of Advanced Capitalism*, edited by Pablo Beramendi, Silja Hausermann, Herbert Kitschelt, and Hanspeter Kriesi, 89–111. Cambridge: Cambridge University Press.
- Sanches Corrêa, Diego. 2010. "Conditional Cash Transfer Programmes and Their Electoral Effects." Mimeo. University of Illinois.
- Martínez-Franzoni, Juliana, and Diego Sánchez-Ancochea, 2017. *The Quest for Universal Social Policies in the South*. Cambridge: Cambridge University Press.
- Seekings, Jeremy. 2008. "The ILO and Social Protection in the Global South, 1919-2005." Report. ILO Century Project.
- Shikida, Claudio Djissey, Leonardo Monteiro Monasterio, Ari Francisco de Araujo Jr., Andre Carraro, and Otávio Menezes Damé. 2009. "It Is the Economy Companheiro!': An Empirical Analysis of Lula's Re-Lecture Based on Municipal Data." *Economics Bulletin* 29 (2): 976–91.
- Stampini, Marco, and Leopoldo Tornarolli. 2012. "The Growth of Conditional Cash Transfers in Latin America and the Caribbean Did They Go Too Far?" IZA Policy Paper 49. Bonn: IZA.
- Székely, Miguel. 2015. "Cambios En La Institucionalidad de La Política de Protección Social En América Latina y El Caribe: Avances y Nuevos Desafíos." Nota Técnica 810. Washington D.C: Inter-American Development Bank.
- Teichman, Judith. 2007. "Redistributive Conflict and Social Policy in Latin America." *World Development* 36 (3): 446–60.
- Zucco, Cesar. 2008. "The President's 'New' Constituency: Lula and the Pragmatic Vote in Brazil's 2006 Presidential Elections." *Journal of Latin American Studies* 40: 29–49.

———. 2013. "When Payouts Pay off: Conditional Transfers and Voting Behavior in Brazil 2002-10." *American Journal of Political Science*.

Zucco, Cesar, and Timothy Power. 2013. "Bolsa Família and the Shift in Lula's Electoral Base, 2002-2006: A Reply to Bohn." *Latin American Research Review* 48 (2): 3-24.

Endnotes

¹ "While much has been achieved, the very fact that social assistance programs in LAC have grown 'organically', without much planning or thought given to how the various pieces of the puzzle fit together, has given rise to considerable inefficiency, and to a whole new generation of challenges" (Ferreira and Robalino 2010, 2)

² Bolsa Escola evolved from municipal programmes starting in 1995 aiming to ensure children from vulnerable families remained in school, especially during economic crises. PETI also combined income transfers and school conditions to prevent child labour in regions with hazardous agricultural work.

³ This is highly significant in the context of assessing the distributional effects of social insurance and social assistance (Barrientos 2014). Forteza and Ourens (2012) demonstrates that well designed and well implemented social insurance schemes, and assuming population average life expectancy, can be expected to have progressive outcomes.

⁴ The common use of the term 'non-contributory' to apply to social assistance entitlements in Latin America lacks precision because (i) low income and informal groups pay taxes, in fact they probably pay a higher proportion of their income in tax than better off groups; and (ii) social insurance schemes are partially budget financed, in fact fully budget financed for public sector workers. Applying the term non-contributory to social assistance is just propaganda.

⁵ 'Risks' is in inverted commas because in this case the hazards covered are not risk in the technical sense that there is probability of an adverse event happening. Old age is, hopefully, a certainty.

⁶ Active labour market policies, an example of interventions with an explicit social investment orientation, can be included in social insurance or social assistance schemes. In the context of Latin America, active labour market policies are scarce and often associated with social assistance (ECLAC/ILO 2014).

⁷ Most social protection systems include both social insurance and social assistance, but vary with regard to their interaction. In Europe, social assistance and social insurance are complementary with social insurance dominant and social assistance residual. In Australia, New Zealand and South Africa, social assistance is dominant and social insurance complementary.

⁸ This is in contrast to ideational approaches explaining the presence of welfare institutions in terms of the diffusion of ideas across networks of actors (Béland 2016).

⁹ Rodrik argues that in high income countries industrial value added continues to rise after industrial employment peaks, but in low and middle income countries the rise of industrial value added is undermined by the difficulties in competing with high income countries who are the international price-setters. In this sense, deindustrialisation in low and middle income countries is premature (Rodrik 2016).

¹⁰ Rodrik draws attention to the implication of deindustrialisation for state institutions. "Mass political parties have traditionally been a product of industrialization. Without the discipline that an organized labor force provides, the bargaining between the elite and non-elite needed for democratic transitions and consolidation are less likely to take place"(Rodrik 2016, 32)

¹¹ "While labor market insiders benefit from concentrated interests and impressive powers of collective action, outsiders have heterogeneous preferences and face severe limitation on collective mobilization. This outsiders tend not to share a programmatic orientation that would enable them to serve as a key constituency for political parties" (Rueda, Wibbels, and Altamirano 2015, 98)