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**PROSPECTS FOR BASIC INCOME
IN DEVELOPING COUNTRIES:
A COMPARATIVE ANALYSIS OF
WELFARE REGIMES IN THE SOUTH**

Jeremy Seekings

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The Administrative Officer
Centre for Social Science Research
University of Cape Town
Private Bag
Rondebosch, 7701
Tel: (021) 650 4656
Fax: (021) 650 4657
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Jeremy Seekings is Professor of Political Studies and Sociology at the University of Cape Town, and Director of the Social Surveys Unit within the Centre for Social Science Research.

Prospects for Basic Income in Developing Countries: A Comparative Analysis of Welfare Regimes in the South

Abstract

This paper explores the prospects for future pro-poor reforms to welfare regimes in the 'South' through an analysis of the development of Southern welfare regimes in the past. Esping-Andersen's approach to the analysis of distribution is inadequate in Southern conditions primarily due to its neglect of the ways in which states influence distribution through shaping the development or economic growth path. Even if we narrow our analysis to the provision of income security, Esping-Andersen's 'three worlds' typology is less useful in the South than an alternative typology that distinguishes between 'agrarian', 'inegalitarian corporatist' and 'redistributive' welfare regimes. The 'redistributive' regimes are those that entail significant social assistance, i.e. provision for a minimum cash income, at least for specified categories of 'deserving' poor, that is not dependent on past contributions. These (rare) regimes have their origins in both reform from above (pre-emptive action by elites concerned with the social, economic and political problems posed by poverty) or below, following democratisation. In most cases, the prerequisites for reform are deagrarianisation (and the collapse of kin-based poverty alleviation) and the limited development of formal contributory welfare systems in the formal sector of the economy. Well-developed insurance systems can easily impede the development of social assistance. The electoral strength of poor citizens not covered by social insurance is a crucial factor in most cases, especially recent ones.

1. Introduction

The word ‘crisis’ has been widely used in discussions of welfare states and regimes in the late twentieth century. ‘Almost all advanced industrial democracies cut entitlements in some programs in this period’, summarise Huber and Stephens in their book *Development and Crisis of the Welfare State* (2001: 1). In the developing world, also, a key World Bank study (1994) was entitled *Averting the Old-Age Crisis*, and commentators widely charged that the World Bank was imposing cuts in the form of the Chilean ‘neo-liberal’ model on countries across the South. But it is now clear that in the North, it is politically difficult to roll back substantially the public provision of welfare (Pierson, 1994, 2000; Huber and Stephens, 2001) whilst across much of the South, pressures to expand welfare provision have grown. It is true that the Chilean/World Bank model of privatising the contributory pension system has been extended to other parts of Latin America (including, between 1993 and 1997 alone, Peru, Argentina, Colombia, Uruguay, Bolivia and Mexico) and post-Communist Eastern Europe and central Asia (including Hungary, Poland and Kazakhstan). At the same time, however, welfare provision in some other parts of the South (including Brazil and Mexico; South Africa, Namibia and Botswana; India and Nepal; Hong Kong, Taiwan and South Korea) has been extended to the poor, especially through social assistance schemes or other moves in the direction of a guaranteed or ‘basic’ income. In some settings, even the Chilean/World Bank model might entail an extension of welfare coverage to a larger proportion of the poor. Whatever the validity of criticisms of the Chilean/World Bank model, the end of the twentieth century was probably a period of unprecedented expansion in public cash transfers to the very poor in the South as a whole.

Is it possible to discern clear patterns in the ways in which states have responded at the end of the twentieth century and start of the twenty-first to the evolving social and political pressures of poverty, inequality and risk? Why do some states adopt expansionary reforms whilst others retrench? Answers to these kinds of questions applied to the countries of the North typically employ a variant of Esping-Andersen’s typology of different ‘worlds of welfare capitalism’ (for the original typology, see Esping-Andersen, 1990). Esping-Andersen identified three distinct patterns of state intervention in the advanced capitalist countries of the North (including Australia and New Zealand). In each case, the state intervened through social and (to a lesser extent) labour-market policies to reduce inequality (both between individuals and across the life-cycle), but the form of that intervention differed in terms of the scale of public expenditure and the extent to which the

state displaced the market and family in determining the incomes and welfare of its citizens. At the end of the twentieth century, these different clusters of states responded differently to fiscal, demographic and political pressures (Esping-Andersen, 1999, 2002). Path dependence was not rigid and immutable, but the conditions that produced distinctive welfare regimes and the effects of the different regimes themselves certainly influenced the ways in which they later evolved.

Can a comparative, historical analysis of the development of ‘welfare’ systems in the South also inform an analysis of contemporary reforms and even the prospects for further reform in this poorer and less studied part of the world? Unfortunately, typologies of ‘welfare capitalism’ are largely limited to the countries of the North, and the constituent elements of ‘welfare capitalism’ in the South are somewhat different to those of the North (at least as analysed by Esping-Andersen).

In this paper I review, firstly, the existing literature on states and distribution in the North and South. I then analyse four different approaches to the provision of welfare in the South in the twentieth century. Two of these share sufficient key features that we can combine them and identify three different ‘worlds’ of welfare capitalism in the South: an *agrarian* world, one that I clumsily term ‘*inegalitarian corporatist*’, and a *redistributive* one. In practice, elements of two or even all three of these are combined in the real worlds of welfare capitalism in the South, but in greatly differing proportions. I pay special attention to the third, or ‘redistributive’ world, that is defined by the provision of social assistance to citizens, at least when they fall into ‘deserving’ categories of the poor. The final part of the paper examines some of the social – and political – origins of these redistributive regimes, i.e. of social assistance in the South, paying particular attention to the moments and conditions in which regimes chose redistributive rather than agrarian or corporatist options. The paper ends with some speculation as to how these different approaches might evolve in the near future, paying particular attention to the prospects for radical pro-poor reform, towards a basic income.

This paper entails work-in-progress, primarily because a wider range of data needs to be collated and analysed. Ideally, an enquiry of this sort would combine the historical approach of (say) Barrington Moore, analysing telling case-studies, with more quantitative analysis of cross-national data. The combination would be comparable to, say, projects such as Rueschemeyer *et al.*'s study of democratisation or Esping-Andersen's own *Three Worlds of Welfare Capitalism*. Collating historical statistics on the South is no easy task, however, and much

more work is required. The evidence in this data therefore involves primarily the preliminary analysis of case-studies, and presents little quantitative cross-national data.

2. States, Markets and Distribution in North and South

Esping-Andersen identifies different forms (or 'worlds') of 'welfare capitalism' in the advanced capitalist countries according to the ways in which the state affects distribution through a combination of social policies (including especially the public provision of welfare through social insurance or social assistance) and labour-market policies. His 1990 study was organised around the concept of 'welfare-state regimes'. Use of the term 'regime' was intended to emphasise the relationships between social policies, employment and the social structure in general (Esping-Andersen, 1990: 2). In later work, he prefers the simpler term 'welfare regime', which reduces the emphasis on the state: 'A welfare regime can be defined as the combined, interdependent way in which welfare is produced and allocated between state, market and family' (Esping-Andersen, 1999: 34-5). Esping-Andersen considers also labour-market policies, primarily with respect to the maintenance of full employment. Full employment (during the Golden Age of post-war capitalism) meant that the public provision of welfare could be largely confined to the young (through schooling), the elderly (through old-age pensions) and the sick (through the public health system). Unemployment was contained through Keynesian macro-economic policies and public sector employment policies (which increased the demand for labour) and through social and tax policies that affected labour supply. Such policies constituted different kinds of 'labour market regime', each corresponding to a different kind of 'welfare-state regime' (Esping-Andersen, 1990).

The three 'worlds' of welfare capitalism are characterised by their 'welfare-state' and 'labour market' regimes. 'Liberal' welfare regimes entail modest financial provision to targeted (generally means-tested) individuals in a limited array of situations. Public provision is residual in that the state only fills gaps left by the market, but its targeting means that it is nonetheless redistributive. The modal liberal welfare regime is the USA. By contrast, the social democratic welfare regime is much more generous, universal and aspires to cover (i.e. socialise) all

risks, with the result that it is much more redistributive and egalitarian. The state actively assumes roles – such as child care – played hitherto by the family, and seeks to minimise the role played by the market. Full employment in these social democratic regimes entails very high participation rates, not just low unemployment rates.

The social democratic regimes are mostly in Scandinavia, with Sweden treated as the modal regimes (although Goodin *et al.* (1999) use the Netherlands as the modal social democratic regime). The conservative welfare regimes of continental Europe (Austria, France, Germany and Italy) share some features with each of the other two kinds of welfare regime. Like the social democratic regimes, they are generous. But they are unequally generous, with differentiated benefits; support is ‘mutualist’ rather than redistributive. The basis is insurance, not assistance. These regimes emphasise the roles played by families: public policies buttress rather than undermine familial roles. Women are discouraged from working, so that full employment entails a low participation rate. Each of these regimes has its origins in different political and ideological contexts: liberal regimes where liberal traditions were strong, and liberty was the fundamental value; social democratic regimes where politics revolved around class and social equality was the fundamental value; and conservative regimes where strong corporatist or Catholic traditions were strong (and liberal and socialist traditions weak), and the fundamental value was social cohesion (Goodin *et al.*, 1999).

Table 1 shows the key characteristics of each of Esping-Andersen’s regimes. The degree of ‘decommodification’ refers to the extent to which the state provides income to citizens as a right independently of the market value of their labour as a commodity. Esping-Andersen also refers to ‘defamilialisation’, i.e. the extent to which the state assumes roles played by close kin (such as care for children and the elderly).

The final row of Table 1 reflects the extent of direct redistribution through taxes and transfers. Esping-Andersen himself is less concerned with this, but other scholars have paid it careful attention, using cross-national data from the Luxemburg Income Study. Korpi and Palme (1998) showed that there was a close relationship between the size of the budget for redistribution (i.e. the public welfare budget) and the extent of income redistribution through transfers and direct taxation (measured through the reduction in the Gini coefficient). The social democratic welfare regimes tended to spend more and redistribute more than the

conservative welfare regimes of continental Europe, which in turn tended to spend and redistribute more than the liberal welfare regimes (see also Huber and Stephens, 2001; Milanovic, 1999; Przeworski and Gandhi, 1999; Bradley *et al.*, 2003). The differences between the three kinds of welfare state regime are evident also in the analysis of longitudinal data by Goodin *et al.* (1999).

Table 1. Esping-Andersen's typology of welfare regimes

	<i>Liberal</i>	<i>Social democratic</i>	<i>Conservative</i>
Role of:			
Family	Marginal	Marginal	Central
Market	Central	Marginal	Marginal
State	Marginal	Central	Subsidiary
Welfare state:			
Dominant mode of solidarity	Individual	Universal	Kinship; Corporatism; Etatism
Dominant locus of solidarity	Market	State	Family
Degree of de commodification	Minimal	Maximum	High (for breadwinner)
Degree of defamilialisation	Medium	High	Low
Extent of redistribution	Low	High	Medium

Source: Esping-Andersen, 1999: 85, and supplementary data.

The 'three worlds' typology has, however, been criticised on a number of grounds. Many criticisms concern the categorisation of non-modal cases, including Australia and New Zealand, Japan, the Mediterranean cases (Italy, Spain and Portugal), the Netherlands, Britain, and even France and Belgium (Esping-Andersen, 1999: 86-94). The precise categorisation of individual cases is of little concern to us here. More pertinent are criticisms that the typology fails to address other determinants of inequality, such as gender differences and household/family dynamics. Some welfare regimes reduce individuals' dependence on kin as much as (or more than) on the market; in others, families continue to play a leading role in caring for children and the elderly, and male bread-winners are assumed to support dependent women. Welfare regimes in Southern Europe (Italy, Spain and Portugal) and in Japan are said to be 'familialistic': they offer strikingly fewer public services that substitute for the family; many more elderly people live with their children, and many more unemployed people live with their parents; in

Southern Europe, although not in Japan, women work more unpaid hours (Esping-Andersen, 1999: 63).

While Esping-Andersen (1999) recognises some of these weaknesses in his earlier work, he defends his typology. He rejects the ‘familialistic’ criticism on empirical grounds. Overall, he claims, the regimes of Southern Europe do not provide markedly less support to families than other conservative regimes in continental Europe (*ibid*: 93-4). He is less willing to concede the criticism made by Castles that his typology underestimates the importance of labour-market policies designed to influence wages (and thereby earnings) – but he presents curiously little evidence for his rejection. He thus mis-categorises some countries that achieved distributional goals through regulating labour-market earnings rather than supporting incomes through state welfare transfers. Castles has shown that in Australia, the material well-being of the citizenry was secured primarily through the regulation of earnings through, especially, the wage arbitration system (Castles, 1985, 1996; Castles and Mitchell, 1993; see also Esping-Andersen, 1999: 89). Indeed, perhaps the most important of the state’s social policies was assistance with housing for working people. The result was, in Castles’ phrase, a ‘wage earners’ welfare state’, i.e. a welfare state that sought to ensure a certain standard of living for Australians as (male) wage-earners (and their dependants) rather than as citizens.¹ Esping-Andersen (1999: 90) concedes that the Australian (and New Zealand) cases differed from other liberal welfare regimes, although they differ less so now, in the aftermath of market-oriented reforms. But he is unwilling to recognise these as a distinct ‘world’ of welfare capitalism, arguing instead that they still form, in essence, a variant of the liberal welfare regime. Other comparative scholars (e.g. Huber and Stephens, 2001) are, however, persuaded by Castles’ arguments, and use his ‘four worlds’ typology.

The ‘three worlds’ typology was developed for, and continues to fit reasonably well, the advanced industrialised countries of Europe and North America. It fits less easily the later industrialising countries of Southern Europe, Japan, Australia and New Zealand (see Esping-Andersen, 1999: chapter 5). It fits even less easily the countries of Latin America and East Asia that industrialised still later, or the

¹ Castles and Mitchell (1990) point out that Esping-Andersen is more concerned with equality of status than income equality, i.e. with the status-conferring aspects of public policy rather than the distributional effects in terms of income. Esping-Andersen focuses on ‘decommodification’, which renders citizens equal in terms of status but has more ambiguous effects on the distribution of income. As he himself writes: ‘We should not confuse the welfare state with equality’ (1996: 261).

post-Communist countries of central and Eastern Europe. In an edited collection including chapters on each of these three groups, Esping-Andersen and his contributors avoid developing his typology (Esping-Andersen, 1996). There is, indeed, no mention of welfare *regimes*. Instead, he discusses the *trajectories* that these cases are following. Most (including Chile) are following a liberal, market-oriented strategy. Others (e.g. Brazil), have taken tentative steps towards universalism (along what he later calls a ‘proto-social-democratic path’ – *ibid*: 267). A third group (in East Asia) have followed the Japanese lead in combining great emphasis on both the family and employment-related welfare; public provision is residual, although the model relies on a *de facto* job guarantee. In his 1999 book, Esping-Andersen briefly examines Korea and Taiwan along with Japan, but does not even mention Brazil, Chile or Poland.

A typology in which welfare capitalism is categorised into ‘regimes’ in the countries of the North but into ‘trajectories’ in those of the South, is clearly incomplete. Firstly, Northern ‘regimes’ are themselves in flux (as Esping-Andersen himself shows). Secondly, there is no reason to believe that the paths being followed by southern economies will lead them to the same regimes as did the paths already followed by northern economies. (The comparable assumption that Southern economies had to replicate the growth experiences of Northern economies was roundly criticised in development studies). Late industrialising countries such as South Africa, Brazil, India and Korea are clearly capitalist. They might not spend anywhere near as much on public welfare as even the liberal welfare regimes of the North, but their spending is not insignificant, and they generally invest heavily in other areas of social expenditure, especially public education. In a few cases, including South Africa, the state’s social policies are, by some measures, highly redistributive. Southern states may have made clear decisions to rely more heavily on market or family, and may have directed state policies in these directions.

Unfortunately, there is little research on the experiences of ‘welfare capitalism’ in Southern societies. The one set of cases that have attracted most research in this vein comprises the East Asian ‘tigers’. Many of the scholars concerned have emphasised how they don’t fit the Esping-Andersen typology (which, Jones remarks, is ‘very much a *Western* welfare capitalist typology’). Jones (1993) and others have argued that the East Asian cases comprise distinctively ‘Confucian’ welfare regimes. Esping-Andersen’s response is that the Japanese case, and presumably the Korean and Taiwanese ones too, falls into the conservative category (1999: 91-2). Latin American welfare systems have attracted

considerable attention, although not so much within Esping-Andersen's framework. In much of Latin America, government spending on the welfare system is high, in relation to either total government spending or GDP, but it is rarely redistributive.

Elsewhere, perhaps, levels of capitalist development and state intervention have been considered too low to warrant analysis in terms of 'welfare' capitalism. Certainly, most studies of the incidence of taxation and public expenditure in the South reveal a picture of very limited – even zero – redistribution from rich to poor. Because public expenditure is often captured by non-poor groups, Gini coefficients for the distribution of income are not reduced by anywhere near as much as in the industrialised democracies of the North. Even taking into account the benefits 'in kind' from social spending (especially public education and health), Gini coefficients are rarely reduced by more than 5 to 7 percentage points, which is substantially less than in the North.

Pro-poor forms of capitalism in the South have generally not emphasised social or labour market policies as much as a broader set of developmental policies. These forms of capitalism might be described as 'developmental' more than 'welfare', and the states as 'developmental states' rather than 'welfare states'. Policies shaping the economic 'growth path' – and thus the overall level and pattern of income – through broader economic policies have not been entirely neglected in the literature on distribution in the North (see especially Huber and Stephens, 2002, for an analysis of how different welfare state regimes are 'embedded' in different production regimes), but they have never been accorded an importance comparable to their importance in the 'development' literature on the South.

Since the 1970s, development economists have conducted many cross-national studies that show that growth strategies had profound effects on 'who gets what' in these societies. The pioneers in this (e.g. Adelman and Morris, 1973; Chenery *et al.*, 1974; Lewis, 1976) were followed by multi-volume projects. These included: the ILO's "Income Distribution and Employment Programme" (with studies of, *inter alia*, Hong Kong [Hsia and Chow, 1978] and Mexico [Van Ginneken, 1980]); Princeton's series on the "Political Economy of Income Distribution in Developing Countries" (with studies of, *inter alia*, Turkey [Ozbudun and Uluhan, 1980], Nigeria [Bienen and Diejomaoh, 1981], Egypt [Abdel-Khalek and Tignor, 1982] and Mexico [Aspe and Sigmund, 1984]); and, most recently, the World Bank's series on the "Political Economy of Poverty, Equity and Growth" (edited

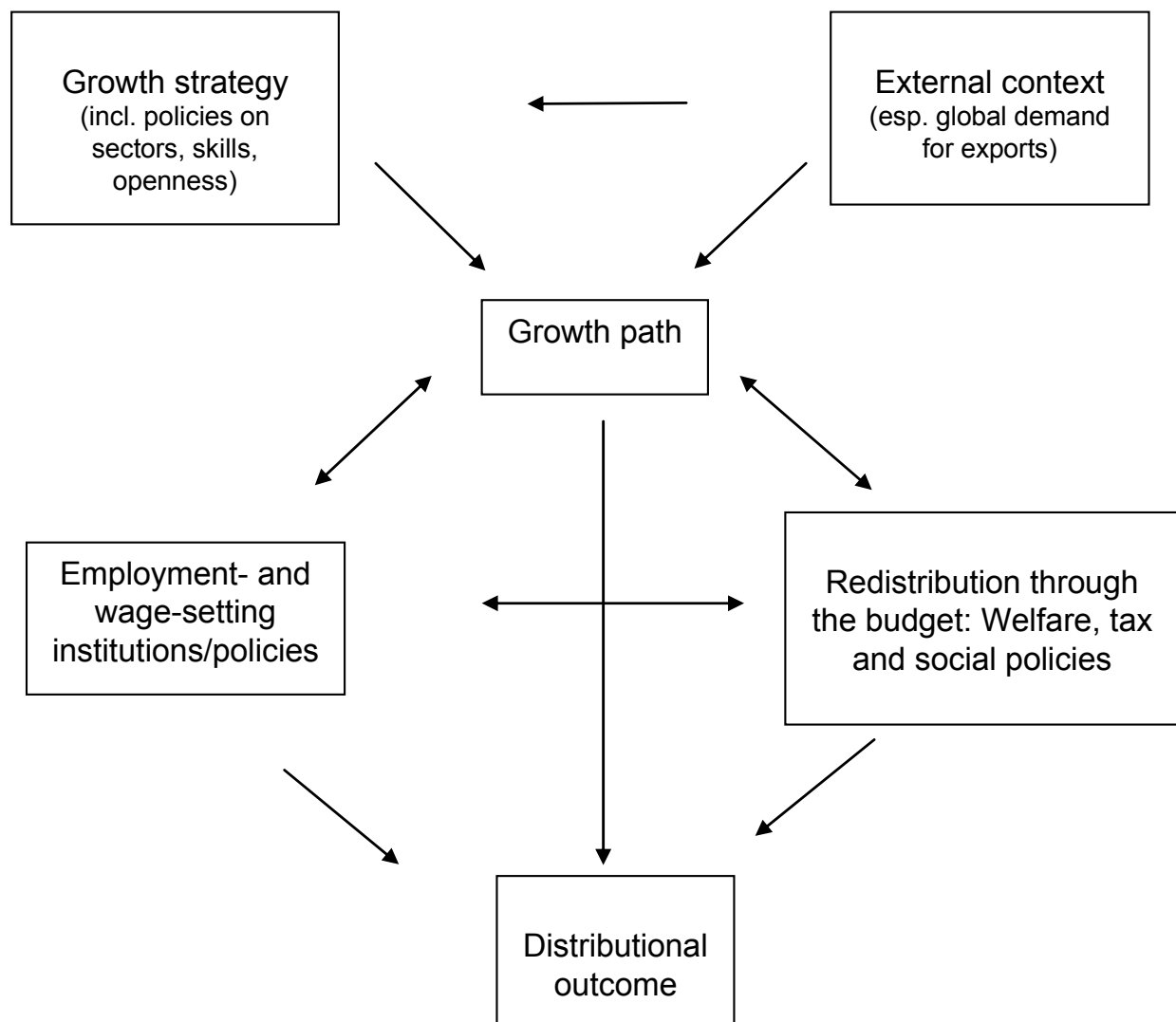
by Lal and Myint, and including studies of Brazil and Mexico [Maddison *et al.*, 1992] and Costa Rica and Uruguay [Rottenberg, 1993]. Whereas Esping-Andersen takes the market-generated distribution of income largely as given and concentrates instead on how welfare states redistribute that income, development economists emphasised the relationship between growth and distribution. Put another way, analysis of the South must encompass both the direct and indirect ways in which the state shapes distribution.

Income inequality might be expected to change as the economy ‘develops’, independently of the particular policies of the relevant government. This was the argument put forward by Kuznets (1955, 1963), and typically explained in terms of the Lewis model of development (Lewis, 1954). As Lewis himself later and others argued, however, different growth paths have different implications for inequality and its trajectory over time (Adelman and Morris, 1973; Lewis, 1976). It is the distinctiveness of their growth paths, and of the policies that made these paths relatively egalitarian, that is the key characteristic of the East Asian welfare systems, according to White and Goodman (1998).

Extending Esping-Andersen’s analysis to South Africa or other Southern societies suggests that different worlds of welfare capitalism are characterised by packages of welfare, labour market *and* ‘growth path’ policies. These may be functionally interlocking, as are (in general) welfare and labour market policies in the North. Elsewhere, in a case-study of South Africa, Nattrass and I use the concept of a ‘distributional regime’, combining (often uneasily) welfare, labour market and growth path policies (Seekings and Nattrass, forthcoming). In the South African case, diverse policies promoted a growth path that increased inequality, by rewarding people with skills whilst reducing opportunities for the unskilled. Figure 1 sets out the main components of a distributional regime.

Analysis of an entire distributional regime requires a large canvas. It would need to cover not only social policies, but also the impact of industrial and agricultural policies (including policies that shaped prices such as tariff policies and policies affecting the marketing of agricultural produce), the ways in which earnings were shaped by public policy (including through the design of wage-bargaining institutions), policies on land ownership and alienation, and policies affecting access to housing. This paper does not attempt to consider ‘distributional regimes’ in their entirety, but rather focuses very specifically on the state’s efforts to maintain income security. In short, it focuses on welfare regimes.

Figure 1: Key Elements of a Distributional Regime



3. Developing a Typology of Welfare Regimes in the South

Early cross-national work on welfare systems in the world examined the relationship between the level of economic development (measured in terms of GDP per capita) and public expenditure on welfare. Cutright (1965) and Wilensky (1975) showed that there was a correlation between these variables (see Figure 2).

But there are a number of problems with this approach. First, when we examine different welfare regimes in the middle-income Southern countries, we see a more

deviant pattern (see Figure 3): Latin American cases have much higher levels of spending in relation to GDP than do East Asian cases. The relationship between economic development and welfare provision is much less clear when we consider the most interesting Southern cases, and the choices that Southern countries have made. Secondly, the level of spending tells us nothing about the distribution of benefits within the population. High spending might not be pro-poor (as is in fact the case in much of Latin America), whilst low spending might be very well targeted on the poor (as might be the case in Hong Kong, perhaps). It seems that there is, in the South, little relationship between either overall spending and income security or development and spending (or income security).

One of Esping-Andersen's key insights was that levels of spending alone provide an inadequate basis for categorising welfare systems in the North. His central argument was that it is not so much the level of spending that is important as the extent to which the welfare system 'decommodifies' the citizenry, treating them as bearers of shared rights rather than owners of individual (or perhaps corporate) assets. Esping-Andersen developed an analysis in terms of the respective roles of state, market and family.

This approach has some appeal in the South. For one thing, given the relative youth and weakness of both the (modern) state and the market in much of the South, the family has historically played a very important role. The family is the provider of default: the World Bank estimated in the early 1990s that only 30 percent of the world's elderly are covered by formal arrangements, and only 40 percent of the world's working population participate in any formal arrangements for their future old age (World Bank, 1994). Moreover, many Southern countries stipulate in statute or constitution that the family must provide for its members. The 1987 constitution of the Philippines declares that 'the family has a duty to care for its elderly members' (Section 4, Article XV (15) cited in Ofstedal *et al.* (2002): 66). The 1995 Singapore Maintenance of Parents Act requires children to support their parents (*ibid*: 67). Similar statutory obligations exist in, *inter alia*, India and Botswana.

Figure 2: The relationship between economic development and welfare public expenditure

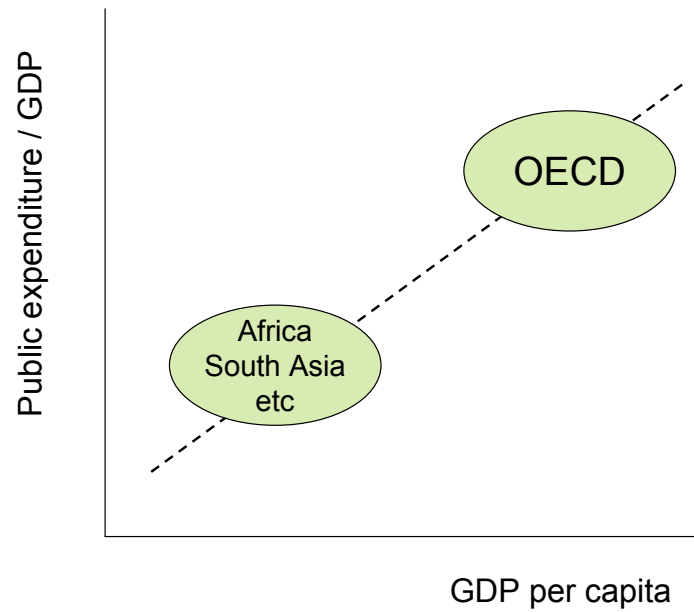
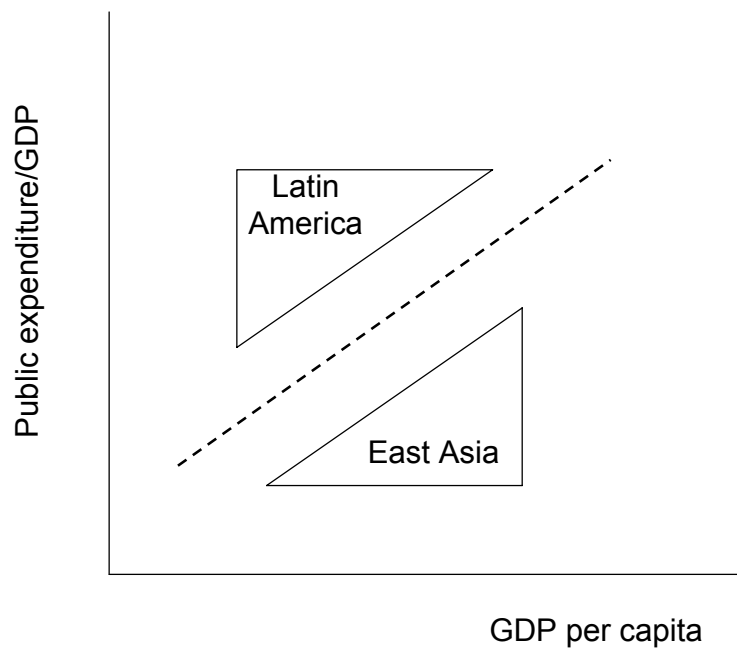


Figure 3: Economic development and welfare public expenditure, middle-income Southern countries



Secondly, the family/market/state separation allows us to distinguish between the classic Latin American and East Asian welfare models. The Latin American cases typically involved a massive state role, including heavy subsidisation out of general revenues. The East Asian cases historically entailed a larger emphasis on the market (supplementing the family); the Latin American cases are more inegalitarian in that they entail more state subsidisation of the already privileged formal sector employees (see Figure 4). But this orthodox distinction blurs some basic similarities between the Latin American and East Asian models. In both settings, the rights or claims that people can make are dependent on their prior employment status (see Figure 5). In other words, rights are dependent on prior commodification. This is the case regardless of whether the claims are exercised through social insurance or through state-regulated market systems of risk-pooling or saving.² White and Goodman (1998: 14) describe the East Asian cases as ‘similar to what Esping-Andersen (1990) calls “Bismarckian” welfare systems’: state-sponsored, but occupationally-fragmented schemes that reflect and reinforce differences in status and power. This is a description that readily fits most Latin American cases. In contrast, Southern welfare regimes can entail decommodification, through the recognition of rights, i.e. through social assistance rather than social insurance. A typology of Southern welfare regimes needs to distinguish between those entailing claims based on employment and those entailing rights of citizenship. This is especially important in the South because the population in formal employment is generally relatively privileged, i.e. has incomes close to or above the median income. A welfare system that ties benefits to formal employment is likely to exclude most of the poor.

² A broader analysis of the distributional regimes would need to pay attention to the pro-poor policies pursued by East Asian states through other mechanisms than welfare policy.

Figure 4: The role of the state, market and family in welfare systems, based on Esping-Andersen

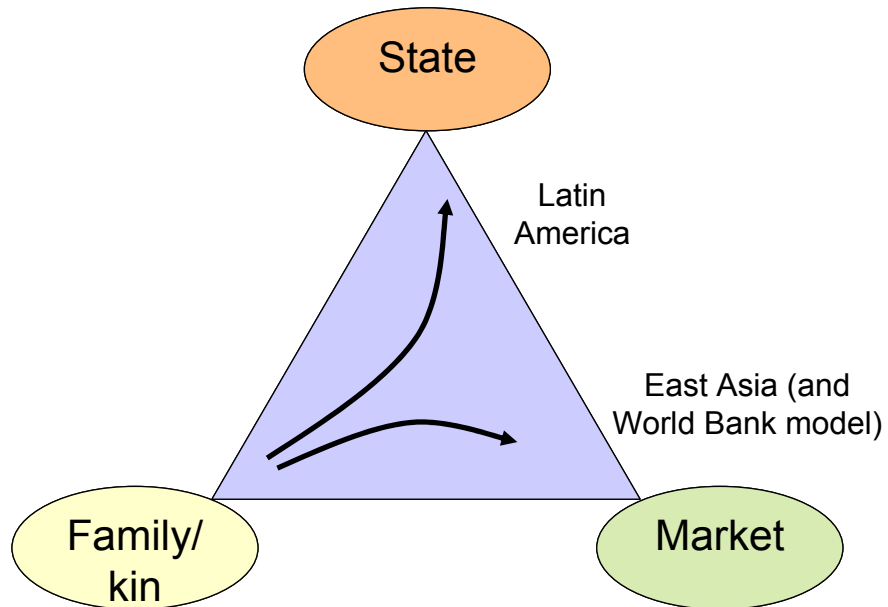
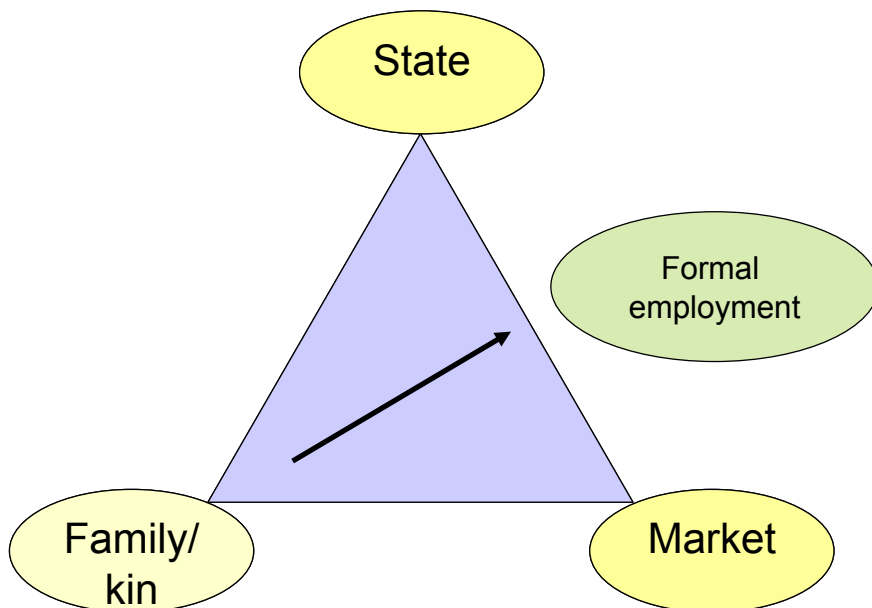


Figure 5: The role of the state, market and family in welfare systems, Esping-Andersen reinterpreted



There is, in the South, a third alternative to employment-based and rights-based welfare. In many settings, Southern states have sought to promote income security through access to land. Land reform programmes, and ensuing government support for small farmers, can provide poor families with the opportunity to produce for either their own consumption or for the market. It does not seem appropriate to consider such agrarian policies as entailing either commodification or decommodification.

Figure 6: Typology of Southern welfare regimes

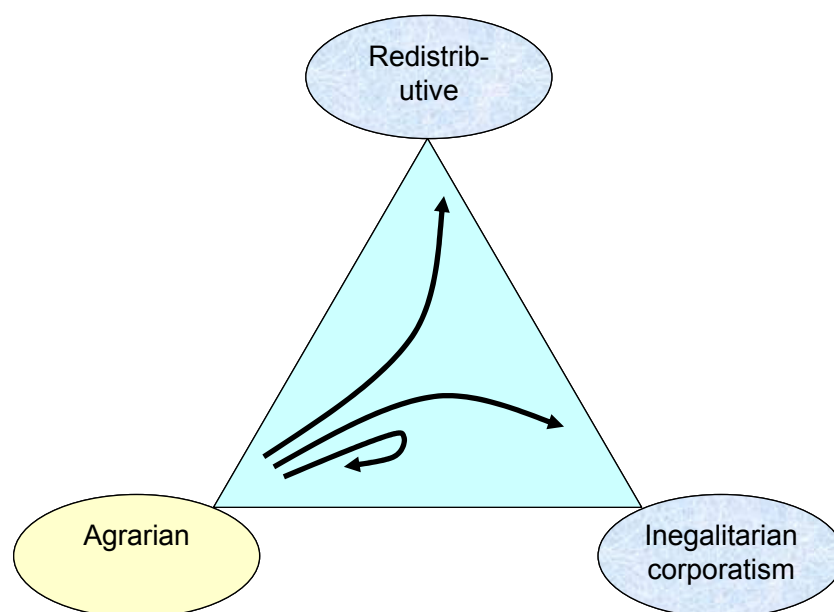


Figure 6 shows a three-fold typology of Southern welfare regimes that is consistent with the spirit of Esping-Andersen's project. It distinguishes between *agrarian*, *inegalitarian corporatist* and *redistributive* regimes. Agrarian regimes are defined by the private provision of welfare, dependent on access to land and/or kin; such access to land and/or kin is itself dependent on a set of supportive state policies. Inegalitarian corporatist regimes are defined by achieving income security through forms of risk-pooling and/or saving that are dependent on employment. The label 'inegalitarian corporatist' is clumsy, but is intended to draw attention to both the corporatist element (with claims dependent on membership of occupationally-defined corporate groups, as in the European conservative or corporatist welfare regimes) and the fundamentally inegalitarian character given the exclusion of the poor from formal employment and hence

membership of these corporate groups. Given the role of formal employment in this regime-type, an alternative label would simply be ‘employment-based’. These regimes come in two versions: the more market version (either provident funds as in Singapore etc, or employer-based schemes as in much of East Asia until recently) and the more statist one (formal social insurance). Finally, the redistributive regimes are defined by their recognition of citizens’ rights to income security through, especially, non-contributory social assistance. These three kinds of Southern welfare regime can be considered in the same framework (see Table 2) as Esping-Andersen’s three Northern regimes (see Table 1 above).

Table 2. Typology of Southern Welfare Regimes

	<i>Agrarian</i>	<i>Inegalitarian corporatist (or employment-based)</i>	<i>Redistributive</i>
Role of:			
Family	Central	Marginal	Marginal
Employment	Marginal	Central	Marginal
State	Varied	Varied	Central
Welfare state:			
Dominant mode of solidarity	Kinship	Individual or corporate (occupational)	Universal
Dominant locus of solidarity	Family	Market or state	State
Degree of decommodification	Varied	Minimum	Maximum
Degree of defamilialisation	Low	Varied	Medium to high
Extent of redistribution	Varied	Low	Medium to high

There are grounds for considering a fourth kind of welfare regime. In Islamic societies, especially, charity is a mechanism for maintaining minimum incomes separate from the market, the state or kin. Pending further research on the scale of income support through non-kin charitable activities, however, I will stay with a three-fold typology.

In practice, the welfare systems in countries combine elements of two if not all three of these kinds of regime. In South Africa, for example, there is a large employment-based social insurance system, including both risk-pooling and individual savings, providing for the employed elite; there is an impressive set of non-contributory social assistance programmes, including especially old-age pensions; and there have been some (very inadequate) attempts to revive smallholder production and an agrarian society. Most countries therefore fall in the space within the triangle in Figure 6. But where they fall within this triangle varies. Some cases, including South Africa, are closer towards the redistributive corner; others, such as Kenya, are firmly in the agrarian corner; the Latin American cases are mostly in the inegalitarian corporatist corner. Over the past twenty years, however, more and more countries have been moving in the direction of the redistributive corner, even if they are not yet close to the corner itself.

It is important to re-emphasise that all three of these regime types entail active state interventions of one sort or another. Agrarian welfare regimes cease to be 'welfare' regimes in any meaningful sense if the state does not provide support with infrastructure, marketing, tax and tariff policy, and even land reform. Figure 6 might be better understood with an additional dimension, representing the 'traditional' family-based economy and society, prior to the great expansion of both states and markets in the twentieth century. Societies shift from this historical, family-based origin to some position on the triangle in Figure 6 as states and markets develop and transform the social and economic world.

A number of factors appear to be especially important in the pace and direction of this process of change.

1. Is there an *immigrant working-class* (as in Australia, South Africa, Brazil, Argentina, Chile)? If so, there is more likely to be a rapid move towards non-universal corporatism (i.e. mix of state plus market), whether because of direct pressures from below or pro-active reforms from above. The importance of the *immigrant* working-class is that it lacks links to a productive peasantry (and might also bring socialist or trade unionist ideologies and traditions).

2. Is there an agrarian crisis, i.e. *deagrarianisation*? And if so, is this considered irreversible, or might it be thought possible to revive an agrarian society and economy?
3. Is the *economy open or closed*? An open economy precludes employers passing on the costs of social insurance onto consumers, and encourages state and employers to consider seriously social assistance programmes funded out of central government revenues. (For this reason, powerful employer-worker coalitions might push for tariffs, ISI etc).
4. What is the relative salience of universal rather than employment-based *norms of welfare provision*? Is the country more exposed to the influence of the ILO or the British liberal welfare tradition?
5. Is there *electoral competition* for votes of non-unionised poor? This requires a degree of democratisation. Competition for the votes of the non-unionised poor provide an important stimulus to the promise of non-contributory social assistance, because the non-unionised poor are unlikely to be able or willing to be covered by a contributory system.

Underlying this analysis is a key difference between societies in the South and those in the North (at least in the early twentieth century). In the North, the establishment of social democratic welfare regimes followed in part the formation of a ‘red-green’ alliance, i.e. between urban, industrial workers and small farmers. In the South, there are much deeper differences between these classes, and there is a third constituency – of landless, jobless poor – to consider. Small farmers want land not welfare (resisting some intrusions by the state whilst welcoming others); the urban industrial working class want welfare but do not want to share it; and the non-unionised poor historically lack power (and often lacked even the vote).

Four key stages can be identified in the development of Southern welfare regimes. First, in the early twentieth century, industrial and public sector workers struggled for or were given insurance-based welfare. Unionised immigrants were especially prominent in this struggle for state-subsidised risk-pooling. Outside of these specific occupations, poverty was the concern of kin; only in exceptional circumstances did the state accept the need for state-funded social assistance to ‘deserving’ poor (often through discretionary poor relief). Here lay the origins of *inegalitarian corporatist* or employment-based welfare regimes. Secondly, in the

mid-twentieth century, concerns with agrarian crisis and ensuing urban poverty led to reform in one of two directions: the predominant response was the ‘developmental’ one (with an uneasy combination of economic modernisation and social traditionalism, such that poverty is more effectively addressed by kin or through the extension of risk-pooling among wage-earners), leading to the formation of *agrarian* welfare regimes; a less common response was the extension and institutionalisation of social assistance, leading to *redistributive* regimes. In the second half of the twentieth century there was a widespread broadening of inegalitarian corporatism, with insurance systems extended to cover a broader (but still very incomplete) section of the population. Finally, at the end of the century, a combination of demographic change, massive deagrarianisation and (especially) democratisation increased pressures for welfare reform and the extension of income security to the poor through non-contributory social assistance.

4. Immigrant Workers and the Politics of Industrialisation in the Early Twentieth Century

In urban and industrial areas across much of what was later to become known as the ‘South’, as in what was to become the ‘North’, welfare systems were born and grew primarily through the establishment of contributory insurance schemes for particular groups of workers. The groups with most power and influence were the same in most settings: soldiers, civil servants, and workers in key sectors such as railways, ports and utilities. In some cases, these groups of workers secured protection through direct action. In others, elites provided protection to pre-empt such action. Insurance schemes developed more in those settings where the workers were immigrants, sometimes drawing on socialist or other ideologies from their countries or origin, and always with weak or no links to the agrarian economy outside of the towns and industrial areas. Typically, these occupational groups obtained favourable welfare provision at the same time as favourable economic policies (such as ISI).

Brazil is a classic example of this (see Malloy, 1979). Brazil’s welfare system had emerged in the 1920s in response to the industrial (but not electoral) strength of sections of the working class, in formal employment in key sectors. Prior to 1923 public sector workers secured some social insurance. In 1923, state-enforced, compulsory social insurance (covering retirement, sickness and invalidity) was

introduced for private sector railway workers, later extended also to dock and maritime workers. The scheme was funded through contributions from employees, employers and the state. Unlike in South Africa, there was no supplementary social assistance covering those who had not contributed to the social insurance schemes. After 1930, under Vargas, an elaborate system of social insurance was extended to cover most of the urban, formal sector – i.e. approximately 2 million workers by the late 1930s. A substantial number of working people was thus covered by a state-subsidised welfare system.

Chile is a broadly similar case (see Borzutzky, 2002). In Chile, the military and civil servants secured pension systems in the nineteenth century, and railway workers in 1911 (expanded in 1918). After some debate, and under pressure from the military (who were wielding *de facto* power), the Chilean Congress established in the 1920s a compulsory pension system for blue-collar workers, covering retirement, disability and sickness, together with separate new funds for civil servants, the army, the police and white-collar workers. Welfare provision was contributory, and was organised along occupational lines. Employers and employees paid contributions. These initiatives were largely pre-emptive on the part of the elite. Copper workers, for example, only formed their first trade union in 1925, using labour legislation introduced under military pressure at the same time as the social security legislation the previous year.

Over the following years, the Chilean welfare system became even more fragmented along occupational lines, as smaller groups secured their own, separate funds or secured special privileges in larger ones. There were eventually about 160 separate funds, and a much larger number of relevant agreements, statutes and regulations (Borzutzky, 2002: 49-50). The better-paid workers secured better welfare provision; poorly-paid workers inferior benefits; and workers outside of the formal sector not at all.

The result in Chile, as Borzutzky argues forcefully, was structured inequality. Indeed, as Huber (1996: 143-4) notes for Latin America in general (citing earlier work by Mesa-Largo), ‘these schemes did more than reproduce the inequality in the labour market; they aggravated inequality by imposing some of the burden of financing on groups not covered, mainly through indirect taxes and through the passing on of employer contributions to prices in protected markets.’ Formal sector workers and existing employers were protected by tariff barriers erected to support strategies of industrialisation through import substitution (ISI). ISI meant

that employers could pass onto domestic consumers both higher wages and the cost of employer contributions to social security. Workers in the protected, formal sector benefited, workers in the informal and rural sectors paid higher prices (Huber, 1996: 146). In terms of both their political origins (reform from above) and their occupationally-structured inequalities, these Latin American welfare regimes were similar to the conservative or corporatist regimes of continental Europe (Huber, 1996: 148). Unlike the European cases, however, these regimes excluded the poor. Whilst corporatist, these regimes were therefore doubly inegalitarian. The most fragmented and inegalitarian cases were those that had established their programmes early in the century (Huber, 1996: 143).

Amidst this picture of inegalitarian social insurance, there are two deviant (and generally neglected) cases: Uruguay and South Africa. In Uruguay, the core of the welfare system was corporatist, with social security for army, civil servants and other labour aristocracies. But, from the 1910s, social insurance was supplemented by social assistance. I am unclear as to precisely why, but one factor was electoral competition between the Blanco and Colorado parties. In South Africa, also, the core of the welfare system was corporatist, with a variety of contributory schemes for white and 'coloured' workers in formal employment. But, in 1928, the South African state introduced non-contributory old-age pensions for white and coloured people, and later extended this social assistance to include grants for the disabled and for single mothers.

Prior to the 1920s, in South Africa, there were pensions for special groups such as war veterans (and their dependents after their death). Otherwise, the burden of support was on kin (with a common law requirement that children support parents) and poor relief on the British model. In the 1920s, immigrant white workers flexed their political muscles, through both direct action (including the 'Rand Revolt' of 1922) and the ballot box, with the (socialist) Labour Party and (Afrikaner nationalist) National Party forming the 'Pact' government in 1924. Demands for unemployment insurance and old-age pensions led to a series of official initiatives. The thinking of the time was set out in a 1924 Memorandum on the Subject of an Old Age Pension Scheme for the Union of South Africa. The memorandum reviewed the options, distinguishing between voluntary schemes (as in France and Belgium), compulsory insurance (as in Germany) and (limited) non-contributory schemes (as in New Zealand and Britain). The arguments for non-contributory schemes were '(a) the increasing stress of modern industrialism and the competitive system throwing, as it does, men out of employment at an ever earlier age; (b) the lowness of wages leaving no margin for making adequate

provision for declining years.’ These were issues related to urban poverty, and the concern was for poverty among a racialised and privileged group. White workers may have espoused some aspects of socialist ideology, but their solidarity rarely crossed racial lines. When MPs spoke of rights, of ‘moral obligation’ to provide for the poor, and for South Africa to do what many other countries had done, they were thinking of white (and coloured) men and women. The general assumption was that the state might have an obligation to ensure that white (and coloured) workers enjoyed a civilised standard of living, but African people were to rely on their own, kin-based resources.

In 1926, the South African government appointed the Pienaar Commission on Old Age Pensions and National Insurance, ‘to examine and report upon: (a) The payment of pensions by the State to necessitous aged and permanently incapacitated persons who are unable to maintain themselves and for whom no provision at present exists, (b) a system of National Insurance as a means of making provision for the risks of sickness, accident, premature death, invalidity, old age, unemployment and maternity.’ The commission’s three reports (1927-29) provided the foundations for South Africa’s welfare regime. The First Report, on old-age pensions, noted that ‘many aged and infirm people are living under conditions which are unworthy of a civilised community’. Children were often unable to care for their kin, driving too many poor to become ‘callous and hardened professional beggars’. The report recommended a non-contributory, means-tested old-age pension and disability grant. Non-contributory old-age pensions were introduced the following year. Introducing the legislation, the Minister of Finance noted that ‘thirty years ago old age pensions were a novelty. ...[But] today there are about forty such schemes in operation in various parts of the world’. He continued to argue that ‘it is the duty of the state to come to the assistance of our aged poor’. A contributory system would be of no use to those who are already old or who would reach pensionable age before making sufficient contributions, so a non-contributory system was required. MPs generally agreed that ‘natives’ (i.e. African people) should be excluded.

The second and third reports of the Pienaar Commission covered contributory systems to address old age, sickness and unemployment. The ensuing contributory systems were similar to their Latin American counterparts except that they covered unemployment (for contributors). As in most of Latin America, ISI meant that employers could pass on costs to consumers. But, unlike Latin America, this social insurance system existed alongside the social assistance one. In 1936 as many as 56 000 elderly white and coloured men and women were receiving the

non-contributory pensions. Whilst the South African system shared with its Latin American counterparts the exclusion of the poor majority, it needed to include some groups who were unable to provide for themselves on a contributory basis, i.e. poor white and coloured people. They needed to be included because of the prevailing racist and Afrikaner nationalist ideologies, and because deagrarianisation among these groups meant that they could not be provided for through agricultural production. Indeed, many of the 'poor whites' were immigrants into towns from farms, former sharecroppers and tenants squeezed off the land by the spreading commercialisation of agriculture.

In sum, these exceptional cases appear to be ones where the electoral strength of non-unionised poor pushed governments to extend the welfare system beyond better-paid workers. In South Africa, competition between the South African (later United) Party, the Labour Party and the Afrikaner nationalist parties had the same effect as competition between the Branco and Colorado parties in Uruguay: social assistance for some poor people, who were detached from the land and vulnerable to unemployment, sickness or old age.

5. War, Rural Crisis and the Developmental Moment

The welfare systems of the 1920s and 1930s were to be overtaken by events, especially war, in the 1940s. The 1940s were a period of extraordinary intellectual ferment: in Cape Town, Nairobi and Mexico City, just as in London, Paris and Stockholm, politicians and administrators and intellectuals alike were infused with new confidence in the capacity of the state to promote the welfare of its citizens and subjects.

The most radical innovation was the idea that a minimum income was a right of citizenship, alongside guaranteed health care and education. In New Zealand, the election in 1935 of a Labour Party government led to the provision of a universal old-age pension under the 1938 Social Security Act, as well as subsequent reforms. In Britain, the 1942 Beveridge Report formulated the doctrine of addressing the 'five great evils' (poverty, poor health, 'ignorance', inadequate shelter and unemployment) through a combination of welfare reforms, the

establishment of a national health service, improved public education and the maintenance of full employment. The Beveridge Report has a worldwide impact, prompting official commissions of inquiry into welfare reform across the British Empire, in Southern Rhodesia (Zimbabwe), South Africa, India, Ceylon (Sri Lanka), the West Indies (Jamaica etc) and Canada. The International Labour Organisation (ILO), also, influenced by Beveridge, redoubled its efforts to promote the public provision of welfare. The ILO adopted Recommendations on Income Security and Medical Care at its 1944 conference in Philadelphia. The ILO had a big impact in Latin America, where it held a series of regional conferences (in Chile in 1936, Cuba in 1939, Chile again in 1942, Mexico in 1945 and Brazil in 1947). Whereas Beveridge and the Anglo liberal tradition emphasised the rights of citizens (most famously expressed by T.H. Marshall), the ILO promoted the rights of workers. This was to have an effect on the shape of welfare reform.

The New Zealand Social Security Act, Beveridge Report and ILO efforts had great influence in part because of the impact of the Second World War. Article 5 of the 1941 Atlantic Charter committed Allied governments to the objective of ‘securing for all, improved labour standards, economic advancement, and social security’. Other ‘allied’ governments of the world promised a future free of insecurity and poverty through post-war ‘reconstruction’. Even in racially-segregated South Africa: the wartime government declared that ‘there will be no forgotten men’: the spectres of ‘want, poverty and unemployment’ would be ‘combated to the best of our ability’; ‘the restoration after the war of the *status quo ante* is neither possible nor desirable... everything practicable must be done to ensure a better life for all sections of the population’; ‘the native population also, both rural and urban, [would] participate in the enhanced well-being which it is desired to secure for the community as a whole’ (see Seekings, forthcoming).

Such was the extent of popular enthusiasm around the prospect of welfare reform that the South African Prime Minister, General Smuts, expressed concern in his private correspondence. ‘I don’t like all this preoccupation with the post-war paradise on earth which makes us all concentrate less on the war and more on schemes which confuse and divide us’, he wrote to a friend in London; ‘It is here [in South Africa] very much as with you [in Britain], where people talk Beveridge instead of war and Hitler’. There was, he worried, a ‘real danger of people pushing the idea of the war and its early conclusion into the background, and of escaping into dreams of the better world to come – so much pleasanter a vision than this terrible task of fighting the war to a finish’.

In the less industrialised parts of the British Empire (and the Colonial Office in London), the Beveridge Report encouraged changes in policy that were already underway. The 'welfare' of colonial subjects began to be taken seriously, in light of evidence on malnutrition and poverty (e.g. Hailey's 1938 *African Survey* and the 1939 Report of the Committee on Nutrition in the Colonial Empire), unrest (as in the Caribbean and Mauritius in 1937-8) and the value of good wartime propaganda. The 1940 Colonial Development and Welfare Act made more funding available, as well as marking an important discursive shift in colonial policy. In 1942, the influential Hailey used his Report on *Native Administration and Political Development in British Tropical Africa* to endorse emphatically the colonial state's role as 'an agency for the active promotion of social welfare', and the following year he wrote that 'Our modern appreciation of the need for supplementing private initiative by state action has been reinforced by the fuller recognition of the function of the state as an organisation for promoting the economic welfare or safeguarding the standards of living of the population. That is a doctrine which has now been projected from domestic into colonial policy.' The shifting policy reflected the heightened influence in Britain of the Fabian Society, unconventional academics (such as Margary Perham and Audrey Richards) and the Labour Party. Across British colonies, 'social welfare officers' were appointed. War thus served as 'midwife' to what Low and Lonsdale (1976) called a 'second colonial occupation'

Welfarist discourse was incorporated into the constitutions as well as legislation of many of the new states being established in the post-war world. The Chinese 1947 constitution, for example, committed the state to the maintenance of full employment, a social insurance system, social relief for the elderly and other groups, a national health service and free primary education (Ku, 1997: 32-3). The Korean constitution of 1948 proclaimed that 'those individuals incapable of working due to the old age, illness or other reasons shall be protected under law by the state' (Article 19, quoted in Kim, 2004).

This concern for 'welfare' could be realised in very different ways, however. This was the moment of emergence of both 'agrarian' and 'redistributive' welfare regimes in different Southern settings, whilst 'inegalitarian corporatist' regimes also grew and developed under the impetus of the new concern with 'development' and 'welfare'. All three are kinds of Southern welfare regime. To begin, let us contrast the emergence of an *agrarian welfare regime* in Kenya with a *redistributive welfare regime* in South Africa.

South Africa (as we saw above) established parallel systems of social insurance and assistance for white and coloured workers in the 1920s and 1930s. In the early 1940s, a series of inquiries culminated in proposals for an expanded and transformed but still dual system: a non-racial system of social insurance for 'civilised' African, as well as coloured and Indian people, alongside white people, and a residual system of social assistance for poor African men and women, in rural as well as urban areas. What was revolutionary about this proposal was the inclusion of the rural poor. Whilst it was argued that 'Natives in the Reserves have shelter and can eke out an existence so that they do not need the *elaborate* cash benefits indispensable for a civilised community' and 'native custom provides for the maintenance of those who are old, ill, or orphans', it was also recognised that 'overcrowding of the Reserves, primitive farming methods and low unskilled wages make this increasingly difficult'. The total cost of the new scheme was put at about 7 percent of the GDP. The proposals enjoyed support from industrial employers, including the politically powerful mine-owners, although they were opposed by the National Party (then in opposition).

The proposals were implemented partially and unevenly, but in 1944 the old-age pension and disability grant were extended to African people in rural and urban areas. Benefits were lower in rural than urban areas, and were lower for African than for coloured or white pensioners. But the principle and practice of public provision of welfare for the deserving poor of all races had been established. By 1958, there were more than 270 000 African pensioners, as well as about 160 000 white, coloured and Indian pensioners (out of a total population of about fifteen million people). Discriminatory benefits meant that African pensioners received less than one-quarter of the total benefits paid out. But, with the total social assistance package costing about 1 percent of GDP, this was not an insignificant allocation to the poor.

The settler colony of Kenya entered the 1940s without any real welfare system for white settlers, presumably because there had never been a strong white working-class or a white urban poor demanding public welfare schemes. In Kenya, officials took it as self-evident that Beveridge's proposals were inapplicable in the colonial context. A different, paternalist form of 'social welfare' should be implemented in their place: welfare officers would rebuild family life among 'detrribalised', urban African people and promote 'community development'. These welfare officers later became 'development' officers. Initially, colonial officials saw themselves as the defenders of the egalitarian values of a (mythical)

pre-colonial “Merrie Africa”; later, they embraced economic change, encouraging African peasant production of cash and especially export crops (Lewis, 2000).

Why did South Africa go down a different path to Kenya? The crucial difference was the depth of rural poverty in South Africa and the apparent improbability of addressing this through rural development policies; production was well below subsistence levels even in good years. In Kenya, officials could look to family and communal ties to ensure that the rural poor were supported out of agricultural production, whether for subsistence or the market. Such ties also meant that social insurance was unnecessary. Insofar as there was a growing problem of landless poor without kinship support, the solution was deemed to be economic growth, including especially secondary industry. South Africa, on the other hand, was plagued by labour shortages, and officials and employers did not want to draw labour back from the ‘modern’ sector into peasant agriculture, even if the latter was viable. Social assistance meant that living standards could be maintained without upward pressure on wages, so reforms even enjoyed the support (or at least quiescence) of the more politically influential employers (or ‘fractions’ of capital).

South Africa was not the only case of a (nascent) redistributive welfare regime at this time. Two other examples were Mauritius and some of the British colonies in the Caribbean (or ‘West Indies’). Most of the islands concerned were dominated by large agricultural estates, especially sugar cane estates, with a large and mostly landless rural proletariat. In Mauritius and Trinidad, the rural poor were Indian workers, brought to work in the sugar industry decades earlier. In both cases, the pressure for old-age pensions arose from rising poverty in contexts where shortages of land (due to land ownership patterns and population growth) precluded an agrarian solution. Domestic political pressures, through riots (in the West Indies) or electoral pressures (in Mauritius) combined with the progressive intellectual environment globally and deagrarianisation locally.

In much of the Caribbean, the prospects for re-agrarianisation were limited by the power of landowners, precluding land reform. Many poor households supplemented wages from what they grew on small plots, but there was little scope for building a genuine peasantry because of the constraints on land reform (Macmillan, 1938). In July 1937, ‘disturbances’ began in Trinidad and Barbados, followed by Jamaica and the smaller islands. In 1938 the British government appointed a West Indies Royal Commission (the Moyne Commission) to examine

the causes of the riots and recommend appropriate policies. The Commission found that ‘the diets of the poorer people are often insufficient and usually ill-balanced, although nutritious foods of all kinds necessary for health can be produced without much difficulty in almost every West Indian Colony. ... The reason for this appears to lie fundamentally in the divorce of the people from the land without the provision of compensatory arrangements which would help to ensure adequate food supplies for the displaced population’ (quoted in Havinden and Meredith, 1993: 198). Wages were too low for one person to support a household. The Royal Commission, however, saw the problem as social as much as economic: ‘The bulk of the populations of the West Indies have lost their original cultures, and constructive efforts to provide a satisfactory alternative are long overdue’ (quoted in Smiley, 1946: 28).

In the aftermath of the riots, colonial officials had quickly introduced non-contributory old-age pensions in Trinidad and Barbados. The Royal Commission, however, preferred an approach that combined agricultural development with social services, rather than cash payments. Development and social services together would serve the modernist project of creating a new culture. Thus grew the concept of ‘development’ that informed much colonial thinking, including attempts to revive agrarian societies in Kenya and elsewhere, as well as social interventions in towns. The Royal Commission recommended the appointment of a Social Welfare Officer in each colony (this later becoming policy throughout Britain’s colonies, as we saw above). These officers developed schemes to instil ‘a spirit of self-help, self-respect, and self-determination. People were encouraged, under tactful leadership, to form themselves into associations, clubs, or committees, for the discussion of problems of mutual interest, and joint action to overcome them’ (*ibid*: 200). Where an agrarian society could be reconstructed along ‘modern’ lines – as, perhaps, in Jamaica – then the introduction of pensions might be avoided.

Mauritius was the third case of non-contributory social assistance being introduced. Old-age pensions were first introduced in 1950, with a means test that was later abolished. Like Trinidad, Mauritius was a small island dominated by the sugar industry, administered as a British colony. No less than 43% of the island was planted with sugar cane, and the industry accounted for between two-thirds and three-quarters of all employment, depending on the season. Poor Mauritians ‘ate or starved according to the price of sugar’ (Titmuss and Abel-Smith, 1961: 9). Low sugar prices in the 1930s resulted in unemployment and malnutrition, and hence growing demands for poor relief. In 1937, as in the West Indies, strikes and

demonstrations intensified into riots, with widespread sabotage of factories and arson in cane fields. The report of the ensuing Commission of Enquiry was very similar to the Moyne Commission Report on the West Indies, attributing the riots to the economic and social pressures on landless workers vulnerable to unemployment. It recommended, in general terms, old-age pensions and sickness insurance for all (Hooper Report p.168, quoted in Titmuss and Abel-Smith, 1961: 85). In 1940, the Governor appointed a Social Insurance Committee, which found that the 'old system' of welfare provision, based on the family, had broken down (unpublished report of the Social Insurance Committee, quoted in Titmuss and Abel-Smith, 1961:85). Unlike in South Africa and the West Indies, however, the colonial administration in Mauritius was slow to act.

The next spur to action was the prospect of funding under the Colonial Welfare and Development Act. In implicit acknowledgement of the widespread currency of new welfarist thinking, the Governor urged caution: Mauritius should not just adopt 'some one or other of the precise plans now being discussed elsewhere' without paying careful attention to the 'limiting factor' of finance, given the Mauritian stage of development. 'We should be deceiving ourselves if we thought that we could launch grandiose schemes of social security in this island before we had examined the implications of the problem ...' (quoted in Titmuss and Abel-Smith, 1961: 88). Whilst the administration prevaricated, and the effectiveness of kinship-based poverty alleviation declined in the face of unemployment, so ever larger numbers of poor applied for poor relief, i.e. discretionary expenditure for the sick and destitute disbursed under the island's poor laws.

The final factor tipping the balance to social assistance seems to have been political. After drawn-out deliberation, a new constitution was finally introduced in 1948. The new Legislative Council would have an elected majority, with a wide literacy-based franchise. In the 1948 election campaign, the Mauritian Labour Party campaigned on a platform inspired in large part by its British counterpart: social security and old-age pensions, compulsory education, housing and limited nationalisation (Simmons, 1982: 105). Although the Labour Party did not secure control of the Council, primarily because the Governor used his power to appoint a slew of conservative members, it seems that the party had sufficient strength enough to push through a series of pro-poor policies, including the old-age pensions in 1950; it is likely that the Governor acquiesced, not wanting to defy the progressive wave too far. Electoral pressures remained important after 1950. In July 1953, just weeks before the next elections, the qualifying age was reduced

and benefits increased, doubling total payments to pensioners (Colonial Office, 1954b: 84).

In Mauritius, the introduction of old-age pensions did not do away with the need for discretionary poor relief, mainly for the sick (and, it was argued, some not-so-sick unemployed poor); indeed, rising destitution resulted in larger sums being disbursed through poor relief than through the old-age pensions in the mid-1950s. In the face of rising unemployment and rapid population growth, two official commissions of inquiry in 1960 (one comprising Richard Titmuss and Brian Abel-Smith, the other chaired by James Meade) recommended further reforms of social policy. Titmuss and Abel-Smith recommended the introduction of a social insurance system (with wage-related contributions but fixed-rate benefits, a National Health Service and the extension of the non-contributory social assistance system to include family allowances). The logic of public welfare expenditure was made explicit by Meade *et al.*, 'To increase employment, and constrain poverty, what was needed was wage restraint with a social wage, so that improved living standards did not mean increased costs to the employer' (para 2.24; Meade *et al.*, 1961: 12). 'In the conditions of Mauritius low wages (to stimulate expanded employment) plus a moderate dose of social-security benefits or cost-of-living subsidies (to support the standard of living) together make up a very sensible policy' (para 2.26, *ibid.*: 13).

Social assistance was introduced in Mauritius in part because of the absence of any major social insurance system providing for employed people. This was in turn in part due to the fact that Mauritius, like Trinidad and Barbados, was a small, open economy, heavily dependent on the export of a commodity whose price was set externally. Employers were unwilling or unable to pay higher wages or contributions to insurance or pension funds (as the colonial administration and Meade *et al.* recognised). Where an economy could reasonably expect to grow behind tariff barriers, through ISI, the costs of a contributory scheme could be passed onto domestic consumers. This was not the case in an open economy. South Africa was also an open economy in one major respect, with direct consequences for the 1944 reform: the price of gold was set externally, making the gold industry sensitive to labour cost in ways that was not true of some other industrial sectors that grew behind tariff barriers.

6. 'Modernisation' and the Broadening of Inegalitarian Corporatism

Postwar development strategies in many countries revolved around 'modernising' the economy through expanding the modern, formal sector, especially through ISI. Contributory systems provided for formal sector workers, so the growth of the formal sector meant that the coverage of social insurance schemes expanded across a wider section of the population. At the same time, hitherto uncovered formal sector workers sometimes exerted pressure on the state to include them, whilst politicians sought new groups of clients. By the mid-1960s, over 60 percent of the economically active population in Chile was covered by social security (Borzutzky, 2002: 51), and the situation was similar in Argentina (Huber, 1996: 143). Packard (2001) shows that the growth of coverage was uneven across Latin America: in about 1980, it varied from a high of 50% or more in Argentina, Chile, Paraguay, Uruguay and Costa Rica, to 30% or less in Mexico, Colombia, Bolivia and most of Central America.

Broader coverage did not mean that systems became more pro-poor. Most poor persons remained excluded. Moreover, changes in the contribution and benefit arrangements may have meant that the systems exacerbated inequality even more than before. Most of these social insurance schemes were heavily subsidised by the state. In Chile, the state paid about one-third of all social security receipts in the 1960s; the proportion was lower in Brazil and Argentina (although it rose rapidly in the latter after 1980) (Huber, 1996: 153). The Chilean state assumed more and more responsibility for financing social security through the piecemeal but steady award of concessions and privileges to powerful occupational groups. Employees' own contributions declined, whilst benefits improved. Better-off occupations paid the lowest contributions, as a share of earnings, and secured the most special privileges in terms of benefits. The number of years of contributions required, the minimum retirement age, the ways in which benefits were determined, and accounting for inflation could all be manipulated. Overall, white-collar workers did better than blue-collar ones (Borzutzky, 2002: 55-60). They all benefited at the expense of the excluded or uninsured. A 1964 inquiry in Chile assessed that the uninsured paid 41 percent of the cost of social security through taxation and higher prices; a subsequent study in 1971 put the figure at 50 percent (Borzutzky, 2002: 56-7). Because coverage was linked to industrialisation, the more industrialised regions enjoyed much better coverage than the more rural

ones. ‘Thus, the social security system reproduced the existing distribution of wealth along socioeconomic as well as geographical lines’ (Borzutzky, 2002: 52).

Welfare systems developed in this way because of the clientelism that dominated politics in much of Latin America. Even in Chile, with its pluralist, multi-party system rather than an authoritarian leadership, the political parties competed in part on the basis of clientelism.

During this time there were some attempts to extend coverage much more widely. The experience of Brazil is documented by Malloy (1979). Here, as elsewhere in Latin America, reformers sought to unify the disparate existing social insurance schemes and, secondly, to extend coverage to unorganised and poorer sections of the population, either through social assistance or heavily state-subsidised social insurance. The difficulty was that a substantial number of working people were covered by a state-subsidised welfare system, and had good reason to oppose the extension of the welfare system to other, poorer groups. Their patrons in the political system had special reason to oppose reforms that removed their discretionary sources of patronage. In Brazil, from the 1940s to the 1960s, reforms were repeatedly initiated by technocrats but thwarted by coalitions of politicians, union leaders and privileged worker groups (especially bank, railway and maritime workers). This was the fate of, for example, the 1945 Vital Commission’s proposals for an integrated system of social insurance and social assistance, with standardised contributions and benefits, universal coverage and redistributive financing (based on the principle of ‘from each according to means, to each according to need’). In Malloy’s assessment: ‘The bargaining over social insurance reform demonstrated that when the chips were down the *trabalhistas* would seek first and foremost to expand their own institutional bases of power and to meet the specific demands of their own rank and file even at the price of ignoring the needs of unorganised urban marginals and rural workers’. Only in 1971 did the military government bring rural workers under a non-contributory scheme paying minimal flat-rate cash benefits and funded out of a mix of taxes on rural produce and urban payrolls. By 1974, 93 percent of the population were covered by one or other scheme. But coverage remained very unequal, in that formal-sector workers retained access to heavily-subsidised and very generous welfare schemes whilst low-paid rural workers were only eligible for the minimal flat-rate benefits.

This was the period also of emergence and growth of public welfare systems in East Asia. The East Asian systems are generally contrasted with the Latin American ones, and there are significant differences. Not the least of the differences is that East (and South-east) Asian schemes generally have defined benefits (Ofstedal *et al.*, 2002), making them less inegalitarian. But they shared a basic linkage of benefits to contributions whilst in formal employment, meaning that they do not reach the poor, and some of the Asian schemes are state-subsidised (e.g. Thailand), making them regressive. Indeed, the sequence of insurance system development in East and South-east Asia was often very similar to the Latin American precedent (but with a time lag, which was to be important later). In the Philippines, public sector workers were covered by insurance schemes from 1936, whilst private sector workers had to wait until 1954 (*ibid*). In Taiwan, social insurance was introduced for the military in 1951, was later extended to other civil servants, and only in 1980 was it extended to ‘labourers’. By 1980, coverage was only 14 percent; even in 1990, only 40% of the population were covered by schemes providing for old age and disability (Ku, 1997). In Korea, pensions were introduced first for veterans and public officials; the system was, in Kim’s words, ‘hierarchical and conservative’ (Kim, 2004: 151).

British colonies, in Africa as well as Asia, generally saw welfare systems develop around pension or provident funds; later, many of these were converted to social insurance (with strong support from the ILO). Singapore’s Central Provident Fund (CPF) was established in the 1950s, with individual savings accounts; a shift to social insurance was subsequently proposed but rejected. By 1990, two-thirds of the labour force was contributing. The ‘neo-liberal’ reform of the Chilean welfare system, under military government in the late 1970s and early 1980s, entailed a shift to a more individualised (and less state-subsidised) contributory system, not entirely unlike Singapore’s system.

Amidst this flurry of construction of contributory systems, there were a few deviant cases entailing the construction of *redistributive* welfare regimes, or at least of redistributive, non-contributory elements of welfare regimes. The British colony of Hong Kong introduced means-tested, low but non-contributory benefits to the poor and elderly in the early 1970s. These were residual, and are often described in terms of a ‘liberal’ welfare regime (as in the UK, USA or Australia), but this residual social assistance was accompanied by highly redistributive spending on public education, housing and health care. In Costa Rica, in central America, the welfare system expanded to the extent that Huber (1996: 159) describes it, perhaps rashly, as an ‘embryonic social democratic welfare state’.

Welfare in Costa Rica began as a classic case of inegalitarian corporatism, with pension funds for key groups of public sector workers, consolidated into a single social insurance fund in 1941 (under the influence of the ILO). But in the 1960s/70s coverage broadened considerably, and social assistance was introduced in the 1970s to cover those who were excluded from the contributory system. Non-contributory benefits remained very low, and contributory pensions remained earnings-related (with special deals for teachers, especially), so this was far from an egalitarian model. (Health care was more genuinely universal and egalitarian). Finally, in Brazil, the military regime finally succeeded in extending non-contributory old-age pensions to rural workers. Some studies point to mobilisation among rural workers, and demands for land reform (Barrientos, 2003: 5), but this reform was implemented whereas previous reforms were blocked because the military were able to over-ride opposition (Weyland, 1996). Overall, this was not an encouraging period for redistributive welfare reforms. In South Africa, whilst the apartheid state never abolished the non-contributory old-age pension for African people, it did limit severely expenditure by keeping benefits low (and increasing the ratio of benefits paid to white relative to black pensioners).

7. Demographics, Democracy and Social Citizenship at the End of the Twentieth Century

From the 1980s, in countries across the South, pressures for reform of the welfare system came from a range of factors. Population growth and deagrarianisation resulted in rapid increases in the numbers of poor people in towns or otherwise detached from the land. Globalisation might have accentuated the vulnerability of many groups to poverty. Trade liberalisation also eroded the ease with which employers could pass on the costs of their social security contributions to the consumers. At the same time, fiscal pressures compelled states to reassess their subsidisation of social insurance schemes, especially in Latin America. Most importantly of all, democratisation strengthened the non-unionised poor. Political parties began to use promises of pro-poor welfare reform as a platform to build electoral support. Elections politicised welfare provision. The collapse of ISI models of development and the shift to more open economies might, perversely, have made it easier to consider tax-funded welfare reforms rather than contribution-funded ones.

In Taiwan, only 40 percent of the population was covered by social insurance schemes in 1993. Social assistance was a municipal responsibility, and was therefore very limited. In 1993, when the opposition DPP promised a universal old-age pension, the ruling Kuomintang (KMT) copied or matched the promise. In the face of electoral competition, means-tested old-age pensions were introduced in 1993, with pensions of up to US\$120 per month. Universal health insurance was introduced in 1994; although contributory, the government pays the employer's contribution if there is no employer. In 1995, special pensions were introduced for small farmers. Many municipalities give additional grants to the elderly (see Ku, 1997, 1998; Aspalter 2002; Ofstedal *et al.*, 2002).

In South Korea, an old-age pension system was introduced in 1988 because of promises made in the elections the previous year; the system had in fact been legislated in 1973, but never implemented (Kwon, 1998, 2002). Prior to that, only workers in key economic sectors were covered by contributory pension schemes; otherwise, besides some paltry poor relief, the elderly had to rely on kin (and the state even funded relocation to rural areas). But the 1988 scheme provided for pensions to be paid out only after at least fifteen years of contributions, so no pension benefits would actually be paid out until the early 2000s. Of more immediate importance was the extension, in 1988 also, of national health insurance to cover everyone (with the same provision for the state paying the employers' contributions as in Taiwan). More reforms followed in the mid-1990s, with what Kim (2004) calls 'a major shift to a universal social security system'. In the face of (unprecedented) unemployment, an Employment Insurance Programme introduced in 1995, as well as workfare and public works programmes (Kwon, 1998, 2002). The 1995 Framework Act on Social Security and 1999 National Basic Livelihood Security Act further marked a shift in policy away from simply employment-based claims (Kim, 2004).

In Hong Kong, also, partial democratisation led to the extension of the existing, limited social assistance. The existing schemes were re-established in 1992 as the Comprehensive Social Security Assistance and Benefit schemes, paying generous benefits to over half a million elderly and a further 160 000 poor households by 1996.

South Africa's transition to democracy occurred at a time when, as we have already seen, a major set of social assistance programmes was already in place. Democratisation did lead, however, to further extensions in coverage and

generosity. The first effect was on the level at which the old-age pension was paid once racial discrimination was eliminated. In 1993, the National Party government, on the eve of South Africa's first democratic elections, set parity at a generous level. It is reported that the President, F.W. de Klerk, explicitly sought to be able to claim that he had set the pension at its most generous level, knowing that the incoming African National Congress (ANC) government would be under pressure to limit expenditures. This is precisely what happened, with the ANC government allowing the real value of the old-age pension to decline by almost 20 percent whilst it reduced the budget deficit (but the National Party's move failed to prevent its decline into insignificance after 1994). Secondly, the post-1994 government presided over the extension of non-contributory pension payments in two areas: child support grants, to children in low-income households, and disability grants, including to people living with AIDS. By early 2003, about six million people were receiving one or other non-contributory grants. This number corresponds to one in seven South Africans, or more than one in four adult South Africans (and a higher proportion of households). South Africa's neighbour, Botswana, also extended its non-contributory old-age pension system in the late 1990s.

In Brazil, as in South Africa, democratic competition and the increased currency of progressive social ideas following the transition to democracy in the 1980s resulted in major extensions in the coverage of the public welfare system. In 1991, a new non-contributory rural pension (the *Previdencia Rural*) was introduced. Successive reforms reduced the qualification age (60 for men, 55 for women) and increased benefits, did away with the restriction to particular sectors and to heads of households only. There was no means-test and no activity test. In urban areas, a new *Beneficio de Prestacao Continuada* (BPC) was introduced in 1993 to supplement the existing semi-contributory *Renda Mensual Vitalicia* (RMV); qualification for these urban schemes was more restricted than in rural areas, with strict means-tests and older qualification ages, whilst eligibility for the RMV required at least twelve months of contributions to social insurance. By the end of 2000, there were 4.6 million pensioners on the *Previdencia Rural* scheme and 0.7 million on the BPC and RMV; together, the three schemes therefore reached over 5 million pensioners, at a cost of about 1 percent of GDP (Barrientos, 2003: 5-6).

A second area of non-contributory welfare provision in Brazil was support for low-income children. In 1994, President Cardoso was elected on an explicitly progressive ticket. In his inaugural address he emphasised that social justice would be the 'number one objective of my administration'. He claimed a mandate

‘from those that have been excluded’ and warned that, if necessary, he would ‘do away with the privileges of the few to do justice to the vast majority of Brazilians’. The great challenge would be to decrease inequalities and do away with the ‘patronage, corporativism and corruption [that] drain away the taxpayer’s money before it reaches’ its rightful beneficiaries (Cardoso, 1999). The Cardoso governments (1994-2002) largely failed to reform the social insurance system, but the government did establish or expand several new federal welfare programmes. Most important was the *Bolsa-Escola* programme, which provided means-tested grants to poor families conditional on children attending school. Initiated in the Brasilia Federal District in 1995, by the newly-elected Worker’s Party (PT, in Portuguese) governor, decentralised *Bolsa-Escola* (school scholarship) programmes had been implemented in perhaps one hundred municipalities by the end of 2000, reaching about 100 000 families, one quarter of them in Brasilia (Lavinias, 2001: 6). Coverage was thus very limited, in terms of both municipalities and the poor in participating municipalities. In Belo Horizonte, the programme reached 8% of families (*ibid*: 12). Just prior to the 1998 presidential elections, the federal government launched a programme, meeting half of the cost of *Bolsa-Escola* programmes in poorer municipalities. The government claimed that 504 000 families benefited over the following year (*ibid*: 7-8). Assessments of *Bolsa-Escola* programmes indicate that they raise school attendance and reduce grade repetition, and are well targeted on the poor, but they barely scratch the surface of poverty (*ibid*; Lavinias *et al.*, 2001). In mid-2001, however, the Federal *Bolsa-Escola* programme was expanded, and by early 2002 reached nearly 5 million families, including over 8 million children (Silva e Silva, 2002: 10). In 2003, President Lula launched the *Bolsa Familia* programme, to integrate several hitherto fragmented social assistance programmes, including *Bolsa Escola*. In 2004 the average benefit was the equivalent of US\$25 per month per family; about 5 million families were forecast to receive the grant during the year (Lavinias, 2004: 9).

The 1990s were an unprecedented period of expansion of welfare provision to the poor in many Southern settings. Some of the reasons why are becoming clear. First and foremost must be the new electoral power of the non-unionised poor. With democratisation in Brazil, South Africa, Taiwan, Korea, Hong Kong and elsewhere, political parties began to compete earnestly for the support of these poor voters. But the ballot box seems to work more effectively for the poor if there is a poorly entrenched system of social insurance providing for workers in formal employment. Reform was easier in East Asia, where contributory schemes were very recent, and the contributory pension scheme was still not paying pensions to elderly people, than in Latin America, where organised (and politically

powerful) groups of workers had major vested interests in the status quo (that meant state subsidies of their welfare). Latin American states were not immune to pressures for reform: the collapse of ISI and the rise of globalisation increased poverty and removing the ease with which costs could be passed on, and at the same time states were under great pressure to pare back expenditure (and target social spending more effectively on the really needy).

8. The Prospects for Basic Income

There are grounds for optimism, even in surprising places. The World Bank ‘model’ is notorious for substituting publicly-managed social insurance with privately-managed individual savings and co-insurance schemes. But the other public ‘pillar’ in the World Bank ‘model’ is publicly-managed social assistance, albeit with means-test and minimum benefits. The implementation of this pillar would mark a major pro-poor reform in most Southern settings. In practice, recent Brazilian and South African reforms are not far from this model, with means-tested grants targeted on deserving categories of poor (poor families with children, the disabled, the elderly).

Other grounds for optimism are clearer. In South Africa, the Government-appointed ‘Taylor’ Committee of Inquiry into a Comprehensive System of Social Security for South Africa recommended, in its 2002 Report, the gradual introduction of a basic income grant, with low benefits but paid to all South Africans regardless of means. In Brazil, in January 2004, President Lula signed a law to introduce a basic income grant (*renda basica*), in stages. Whilst the South African government has opposed the introduction of a basic income grant, and in Brazil the passage of a law does not preclude a very drawn-out process of implementation, there appears to be some momentum behind radical reforms of public welfare.

But there are also grounds for pessimism. The factors that frustrated Brazilian reforms for so long are still present, and not only in Brazil. Writing about Costa Rica, Clark (2001: 9) contrasts the politics of ‘first-stage’ reforms (such as trade liberalisation and deregulation) with ‘second-stage’ reforms (including reforms of social security). The winners from first-stage reforms often organise quickly and effectively, out-muscling the losers. But, with second-stage reforms, ‘the political

fallout often outweighs potential gains. The losers are represented by large public sector unions and professional associations while the potential beneficiaries of state reform, that is taxpayers and clients dependent on public services, are typically poor, unorganised and dispersed. In this case, politicians and their reform teams might feel that there is little to gain by attempting second-stage reforms at all.’ In Costa Rica, teachers were a leading opponent of reform: their pensions were paid at 100 percent of their final salary, and they could retire at a low age if they so chose! Unfortunately for the poor, it seems to be difficult to create the fiscal space for pro-poor expenditure without reforming any existing contributory system.

Table 3: Welfare reform

<i>Case</i>	<i>Immigrant working-class</i>	<i>Deagrarianisation</i>	<i>Universal norms</i>	<i>Electoral competition</i>	<i>Entrenched employment-based provision</i>
Uruguay	+	+	+	+	
S/Africa '27	+	+	+	+	
S/Africa '44	+	+	+		+
S/Africa 80s		+	+	+	+
Caribbean		+	+	+	
Mauritius		+	+	+	
Hong Kong		+		+(1990s)	
Korea / Taiwan				+	+
Brazil 1970s	+	+			+
Brazil 1990s	(+)	+		+	+
Mexico City		+		+	+

This paper suggests that there are good reasons to expect welfare reform in a range of settings but not others (see Table 3 for a summary of some past experiences). Deagrarianisation and democratisation together result in powerful pressures for reform: competition for the votes of poor, landless citizens leads to promises of redistributive welfare. Employers are more likely to be sympathetic in an open economy. But reform is most likely in those settings where there are fewer obstacles, and that means settings where there is a weakly-entrenched system of social insurance with all of the vested interests that arise from it. Reform is more likely in the Koreas and Taiwans of the world than in Latin America.

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The CSSR is an umbrella organisation comprising five units:

The Aids and Society Research Unit (ASRU) supports quantitative and qualitative research into the social and economic impact of the HIV pandemic in Southern Africa. Focus areas include: the economics of reducing mother to child transmission of HIV, the impact of HIV on firms and households; and psychological aspects of HIV infection and prevention. ASRU operates an outreach programme in Khayelitsha (the Memory Box Project) which provides training and counselling for HIV positive people

The Data First Resource Unit ('Data First') provides training and resources for research. Its main functions are: 1) to provide access to digital data resources and specialised published material; 2) to facilitate the collection, exchange and use of data-sets on a collaborative basis; 3) to provide basic and advanced training in data analysis; 4) the ongoing development of a web site to disseminate data and research output.

The Democracy in Africa Research Unit (DARU) supports students and scholars who conduct systematic research in the following three areas: 1) public opinion and political culture in Africa and its role in democratisation and consolidation; 2) elections and voting in Africa; and 3) the impact of the HIV/AIDS pandemic on democratisation in Southern Africa. DARU has developed close working relationships with projects such as the Afrobarometer (a cross national survey of public opinion in fifteen African countries), the Comparative National Elections Project, and the Health Economics and AIDS Research Unit at the University of Natal.

The Social Surveys Unit (SSU) promotes critical analysis of the methodology, ethics and results of South African social science research. One core activity is the Cape Area Panel Study of young adults in Cape Town. This study follows 4800 young people as they move from school into the labour market and adulthood. The SSU is also planning a survey for 2004 on aspects of social capital, crime, and attitudes toward inequality.

The Southern Africa Labour and Development Research Unit (SALDRU) was established in 1975 as part of the School of Economics and joined the CSSR in 2002. SALDRU conducted the first national household survey in 1993 (the Project for Statistics on Living Standards and Development). More recently, SALDRU ran the Langeberg Integrated Family survey (1999) and the Khayelitsha/Mitchell's Plain Survey (2000). Current projects include research on public works programmes, poverty and inequality.
