

Social policy differences in the less developed countries

by

Manuel Sánchez de Dios

Universidad Complutense de Madrid- SPAIN

Email: manuesan@ucm.es

Paper to be presented at Section 63: *Social policy in emerging welfare states* of the General Conference of the ECPR in University of Hamburg, 22-25 August 2018.

Abstract:

The study of the Emergent Welfare States (EWS) is becoming more and more relevant in the field of comparative politics. Some questions are necessary to answered about the EWS: why some countries managed to develop a social policy while others have big problems to do it? What type of social policy are developing the EWS? What level of universalism of social welfare can reach countries of the Third World? The hypothesis of the paper is that in the XXI century there is an incremental process of WS building at a global scale and some countries have reached an institutional structure similar the one of the mature WS. However it is clear that there are big differences among countries when we compare them in a regional basis. So the aim of the paper is to participate in the debate about characteristics and degree of development of social policy in the EWS of Asia, Africa, Latin America and the post-communist countries trying to understand the main challenges they face.

1.- Introduction

Increasingly governments of developing countries are concerned about the protection of pensioners and the weaker social groups, the fight against poverty, the reduction of inequalities, the generation of collective resources in education, health, housing, etc. and the organization of labor relations in a formalized manner. That is why the study of welfare states (WS) in emerging countries is today a subject of growing interest, particularly in comparative politics (Carnes and Mares, 2007:868).

There are many questions that can be asked in this regard: what social policy can the most economically backward countries carry out? What level of universalization can they achieve? In what programs? Why have some countries achieved greater development of social policy? Here one starts from the fact that in the 21st century an incremental process is taking place on a global scale of construction of welfare structures in each country, that is a consequence of the modernization of Third World societies. In fact, some countries with emerging economies have already developed their own WS models, with a high degree of economic redistribution.

2.- The study of the Emergent Welfare States (EWS)

The EWSs appeared in economies that are in a process of economic development, the so-called emerging economies, and are basically defined by contrast to mature WSs. Its logic is that the availability of economic resources leads to the State intervention by means of a social policy that carries out a process of institutionalized economic redistribution, from which social citizenship is configured. Therefore, we focus our attention mainly on the way each State intervenes by means of a social policy.

A central aspect to understand the formation of the EWS is how to deal with their analysis. The way of approaching their study cannot be different from the one that has already been developed for the study of mature WS, but one can not think that the building of WS in emerging countries will be similar to that of European ones. This is due, among other things, to the fact that neither the communities, the families, nor the organization of the markets are similar to those of the developed countries (Filgueira

2007:14). In addition, developing countries have two differential factors: the predominance of an informal labor market and a high level of poverty in the population (Huber and Stephens, 2012:67).

In spite of that, the methodology of the analysis of the formation and reform of the mature WS can serve us to explain and try to interpret what happens in the emergent ones and the changes that take place in them. There are two general explanatory frameworks about the origins of WS. One is the well-known "logic of industrialization". The other is based on the idea that social policy is a "power resource" of workers to transform society.

The first theory responds to the idea that economic growth is the basis of formation of the WS. This approach is very well suited to explain, for example, the Korea and Taiwan cases in East Asia. However, it presents some problems because it links the growth of public expenditure with the development of the WS and it is not in itself a sufficient indicator of such development, since it does not take into account the nature and quality of the social expense. At a comparative level, however, the relationship between social spending and per capita income can be used to contrast cases as we do in table 1. Nevertheless, the theory of the modernization of societies is really useful to account for the development of social policy in underdeveloped countries, because it takes into account relevant social and economic changes. Thus it is easily observed that demography of the Third World has been changing in the last decades. There has been a fall in fertility (from 5.1 in 1970 to 2.4 in 2010), an increase in the number of people over 60 years of age (dependent elders), important migrations from rural to urban areas and between countries, the modification of nuptial patterns that changes the role of women and the increase of single-parent families. Other changes are the progressive implementation of the market in economic relations, the weakening of religious values in solidarity, the increase in levels of unemployment and poverty, etc. All this has meant a transformation of traditional societies, specifically since the 1990s. In these societies, governments have necessarily put in place a social policy replacing the protection that extended family had traditionally exercised, particularly in the fight against poverty (Mokame, 2013; Akan, 2011; Mahamuidi, 2013, Aser et alt, 2015).

From the perspective of the power resources theory it is understood that social policy is an instrument of social stratification and can serve the purpose of "de-commodification" of labor relations facilitating social equality. From this perspective, the differences

among distinct WSs are due to the way in which the capital / labor cleavage is faced in each society and the distribution of social product is agreed among social and political agents. In this sense, the electoral support of socialist parties and unions serves as an indicator of such differences and, when they are really strong, there is great redistribution through social policy. This theory serves very well to account for the corporate origin of the WS in Latin America, but is less suitable for cases in Asia where socialist parties and unions have been weak (Carnes and Mares, 2007:875). On the one hand, however, this theory presents the problem of a simplification of the economic and labor relations, turning the development of the WS into a kind of zero-sum game between workers and firm owners. On the other hand, trade unions act in many cases seeking the exclusive benefit of their affiliates, and not with a general vision.

There are, in addition, other complementary analytical approaches. From an institutional perspective, to have a EWS it is very important to create a modern State apparatus with a bureaucratic structure that works reasonably well and can put social policy into practice. Obviously it is not possible to establish a WS if there is no power with government capacity and organized in a centralized manner that can impose and implement public policies (Gough and Thernborn, 2010:708). Another institutionalist approach explains that the development of the WS is linked to the establishment of a democracy. Thus, the partisan competition for the vote of the citizens has been fundamental for the expansion of the social policy. An example of this is that the universalism of social policy in the 21st century in favor of sectors traditionally excluded in Latin America has been a consequence of the democratic expansion and the consequent mobilization by the vote of the left wing parties (Garay, 2016).

Another perspective of analysis is that of the “path dependence” of the so-called historical institutionalism. It considers that all WSs are the result of historical process that have certain determining original moments and follows a trajectory that is self-reproducing due, among other things, to the high costs involved in abandoning it. This analysis can explain very well the colonial influence in the origin of the EWS, for example, the great importance that had the creation of “provident funds” in countries colonized by the United Kingdom. It also allows to point out the importance that the groups of officials and organized workers of the formal sector had in the initial configuration of a corporate model of the EWS and their present fragmented structure, also as a colonial legacy

Rational choice have also provided different analysis to explain the nature of WS. One of them takes into consideration organized groups that compete in the field of distributive policies as “rent seekers”. They explain the creation of discriminatory and fragmentary social policies that favor certain social sectors in the EWS. Another approach to the issue is based on the idea that social spending in democratic countries is determined by the level of income of the "median voter". The rationale is that median voter's income (which quantitatively divides the population into two) should be similar or higher than the average income of the country (per capita income), otherwise (if it is lower) it generates an incentive for the citizens to vote redistributive policies. Consequently, it is easy to explain that, after the electoral processes due to the "third wave" of democratization, it has been possible the development of social policy with a redistributive goal.

3.- The origin and typology of the EWS

The first welfare programs were introduced in the Third World in the colonial era and were aimed at protecting certain groups as officials and workers of the strategic sectors of the economy. After independence the new governments tried to expand the inherited programs but they did not do it adequately, that is, with a universalist orientation. As a result, fragmented protection systems appeared with confusing social policies that have never been effective in meeting the real needs of the population (Safadi and Easton, 2014:52). After the debt crisis of the 80s many countries were trapped by poverty and with great difficulties for the creation of wealth and economic development, especially in Africa. The lack of sufficient resources in the field of social policy led to the generalization of residual means tested programs, such as conditional cash transfers for workers in the informal economy, for example in Brazil, Mexico or India.

In the 1990 decade the process of globalization was reinforced, producing an increase in the power of international financial organizations such as the World Bank and the IMF that promoted neoliberal policies of "State reform" (Pérez, 2004:56). Such organizations relied on the so-called "Washington Consensus" to force a reduction of State intervention in order to improve the competitiveness of the economies that needed their help. However, things change with the arrival of the 21st century due to the expansion of democracy and an improvement in the economic situation. Great mobilizations of

social groups and voters were produced in many countries of Latin America (LA), Africa and Asia. They help the extension of social protection to workers in the informal sector such as the self-employed, street vendors, unlisted employees, rural workers and the unemployed, who reached between 40 and 60% of the population in the Third World at the end of the 20th century (Garay, 2016). Specifically, non contributory pensions, monetary transfers, and subsidies were expanded and health expenditure increased.

The process of creation and development of social protection in the EWS has evidently not been homogenous. That is why one of the major issues in comparative analysis is the differentiation of cases and, beyond this, the formulation of a general typology that allows to identify the similarities and differences among them.

There is a variety of classifications of the WSs. The starting point is the distinctions elaborated by Titmuss (1958) and Esping –Andersen (1990). The first, which follows the theory of modernization and convergence of societies, makes a dichotomous difference between residual and institutional models. According to this theory all EWS tend to develop an institutional model. The second, which follows the theory of power resources, differentiates among the liberal, conservative-corporative and social-democratic models. From these classifications, new types have been defined to qualify existing cases. Thus, where the intervention of the State is more developed as in the countries of Eastern Europe or East Asia, reference is usually made to hybrid WS between the liberal and corporative formats (Esping-Andersen, 1997:23). Barrientos (2010) also formulates a dichotomous model of State intervention in these countries and differentiates between the WS of "social security" and that of "social assistance". The first is financed by contributions from workers and offers general, institutional protection. The other is based on non-contributory benefits in money, bonds and aids in kind (food) for people at risk of poverty, which requires the demonstration of poverty by recipients (means tests). The latter is the most widespread in underdeveloped countries.

Taking into account the weakness/strength of the State, Pérez Baltodano (2004:55) distinguishes two types of WS: "clientele" and "residual". Clientele WSs have been developed with corporatist regimes and respond to the demands of organized interest groups (rent seekers) as officials, workers in the formal sector, etc. The residuals WS appear where the State is organized in a neo-patrimonial way, civil society is

disorganized and the welfare system prevents the construction of social citizenship; these are, therefore, discriminatory. An example of this last type is found in Central America where non contributory programs benefit social segments that, at the same time, are systematically excluded from the social security system.

But not in all cases the State is a key piece that operates through social policy to combat the social risks, in many cases the market, social organizations, as well as the family and the community, are more relevant in the provision of the welfare to the individuals. For this reason many authors, taking Esping-Andersen (1990) as a reference, differentiate the "welfare regimes" from the WS. This is the point of view adopted by I. Gough (2004:245), which distinguishes between the regime of "informal security" and that of "insecurity". The difference between both is that the latter lacks a State structure and occurs in countries that are in permanent conflict. Consequently, most of the EWS have been shaped by a informal security regime and a good part (in Africa) are in the insecurity regime.

In a recent study Gough and Therborn (2010) distinguish up to six groups of countries according to the development of social policy and only the countries of the first category have proto-WS. These are the countries of Eastern Europe and those of the southern cone of Latin America (LA). The second group has developed an important level of State intervention and high levels of social spending, such as China and East Asian countries from South Korea to Malaysia. Other countries in this group are those in the South and Center of LA and some countries in Western Asia such as Iran, Turkey and Tajikistan. The third group is characterized by the fact that transfers from abroad, such as remittances from migrants, are more important for social welfare than public transfers. In this case there are the countries of the Caribbean and Central America, plus Ecuador, Morocco and Sri Lanka.

The countries of southern and eastern Africa such as South Africa, Namibia, Botswana, Zimbabwe and Kenya make up another group that has a relative but extensive public social policy although with major sanitary deficiencies. Another group consists of countries with very modest levels of social spending and very small intervention programs in which there are high levels of illiteracy. Among them are Cameroon, Ghana, Tanzania, Indonesia, India, Pakistan, Nepal, Guinea and, particularly, those of South Asia are characterized by poor education of women. The last group are countries of high insecurity, with very high levels of poverty and mortality. There are nine

countries mainly sub-Saharan, among them are Senegal, Zambia, Ethiopia, and Mozambique.

4.- The EWS in post- communist countries

The transition to the market economy in post-communist countries had far-reaching effects for the welfare protection since the social policy, which was the masterpiece of the communist system (Mishra, 2004:79), was completely altered. In communist economies, employment was guaranteed to workers, there was a system of subsidies for access to consumer goods and a wide range of universal public services was offered in education, health, pensions, family assistance, housing, etc. However the stagnation and subsequent decline of the planned economy progressively reduced the quantity and quality of social benefits and ended up showing that the paternalist socialist state was a myth (Rek-Wozniak y Wozniak, 2017:349).

At the end of the 1980s the communist system collapsed and the countries evolved towards the market economy and integration in the world market, so they had to liberalize and deregulate the economic system, eliminate subsidies and reduce the State intervention. This new trajectory was driven by the international financial organizations (IMF and WB) that conditioned the credits that these countries needed for economic reform.

The implementation of the market economy led to the emergence of unemployment, poverty and insecurity that were also accentuated by the process of globalization. This did not determine a total break with the policies of solidarity and redistribution of the previous stage but, to face the new situation, the post-communist countries were forced to introduce unemployment subsidies and welfare assistance (Cook, 2010:671).

Countries of Central and Eastern Europe evolved differently from the rest of the former Soviet republics. In European countries, political and economic transitions made it possible to consolidate a contributory social security system, but the degree of economic liberalization and the decline in pre-existing social protection varied by country. The Czech Republic and Slovenia have maintained more supportive systems, with lower levels of poverty and unemployment; Hungary and Poland have intermediate positions in poverty and liberalization; On the other hand, the Baltic countries, together with

Bulgaria, Romania and Slovakia, have suffered the greatest setbacks in social protection.

The rest of the ex-Soviet countries had more conflictive transitions, with greater economic decline and evolved towards authoritarian models. In Russia, the economy was only liberalized after the turn of the century, deregulating the labor market and introducing private pension, education and health systems. Thanks to the financial resources generated by raw materials (gas, oil), the Russian state can now face the basic levels of protection within the framework of a nationalist policy. Also in Belarus the transition to the market was limited and social protection remained in the hands of the State, so that welfare was better guaranteed, with universal protection in health and a public share of 75% of health expenditure (Cook, 2010: 682).

In the republics of Central Asia the transition to capitalism has been more dramatic (Djalili and Kellner, 2003:68). These together with Azerbaijan were the poorest of the USSR and, moreover, they specialized in the provision of raw materials or agricultural products (cotton) for the European industrialized communist countries. They are still dependent on raw material exports to Russia and the population has suffered a drop in their standard of living, with high percentages below the poverty line (60% Azerbaijan, 83% Tajikistan, 48% Turkmenistan, 43% Kazakhstan 50% Kyrgyzstan, 23% Uzbekistan). The education system, the health system and pensions have deteriorated in relation to the Soviet period. In addition, the informal sector has appeared in the labor activity. In Kazakhstan and Kyrgyzstan, a liberal WS, very residual, has been established, where social assistance is very restricted, while Uzbekistan and Turkmenistan have continued with the Soviet centralized model.

5.- The EWS of ASIA

Traditionally, Asian countries have been oriented to promote economic expansion without giving much relevance to redistribution of wealth. Therefore, the fiscal resources of the States have not been allocated to social policy and, consequently, it has been a slow development of WS. Economic growth in recent decades has facilitated the reduction of poverty in Asia and also led many countries such as China, Korea, Taiwan, the Philippines and Nepal to doubled social spending, although 1.2 billion people still live below the poverty line, that is, they don't have at least 3.1 dollars per day in

purchasing parity (PPC) of 2011. After the economic crisis of 2008 governments of Asian countries have become aware of the vulnerability of the population and the social protection has become a priority in their agendas, and considered as one of the pillars for economic development. Particular attention is paid to the situation of workers in the informal sector and the aging of the population (ILO-2017:148).

In Asia there is a great asymmetry among countries in the development of the EWS. On the one hand there are those who have already established very extensive protection systems, on the other hand those who are in the initial phases of construction of the WS. Thus in Japan, Taiwan and South Korea there is an institutionalized WS based on a social security system that has reached a high degree of universalization and is redistributive in character (Kwon, 2009:S14). In Hong Kong and Singapore, a social policy has also been set up throughout provident funds. The case of China is interesting because it has initiated a process of economic development with a new social policy within the framework of a market economy (Shi, 2012:790).

The formation of the WS in East Asia has followed a corporatist pattern, in addition, social security and provident funds have served for the mobilization of capital to develop the economy, which is why the WS of Asia is often known as a "developmentalist" model (Kwon 2009). In Taiwan and Korea democratic transitions were decisive for the universalization of social policy. However, the improvement prospects are different for each case depending on their economic situation.

Japan has a society with a high level of economic equality, although anchored in traditional hierarchical values, and has not managed to develop a modern welfare system based on public services. Japan faces important challenges such as modernizing the tax system and the structure of small companies to gain competitiveness (Steinmo, 2010:88). It has to reform the labor market, change the social role of women - which has led to Japan having one of the lowest birth rate in the world- and face the aging of the population with a migration policy. It also needs to develop more assistance-type protection.

Taiwan has the challenges of unifying social security programs, expanding their services and increasing social spending in welfare programs. The WS has a great potential in Korea (Choi, 2007:17) that has a society with a standard of living similar to the western countries. Its main challenge lies in the integration of fragmented social security and health structures. The pension system currently covers 70% of the

population of retirement age. In Korea, it is also necessary to facilitate the incorporation of women in the work activity by expanding the framework of services for the care of children and the elderly.

Finally, China, which has already developed a far-reaching social policy, has the challenge of creating an integrated social security system with national funding that guarantees equal benefits (Sánchez and Hernández, 2016). In addition, pensions and healthcare have to expand to reach the entire population. Also, the *Dibao* (cash transfers) must have more resources to reduce high levels of poverty, since 11.8% of the population lives on less than \$ 1.25 / day in PPC in 2015 (ESCAP, 2015:51).

India is a specific case in Asia because of its size and the quantitative importance of its population. It shares the problems of the EWS, such as the fragmentation of the pension system (which originated as provident funds) and the health system for the population that is protected. However, 90% of employment is in the informal sector, which prevents workers from accessing social security. On the other hand, the traditional structure of social castes greatly hinders the development of a universalist system (Greve, 2015:677). Only 19% of the population has some degree of social protection (ILO, 2017:150).

A characteristic of India is the persistence of a broad, endemic and extreme poverty that reaches practically half of the population (Brass, 1995:298); in fact 22% of the population lives with less than \$1.9/day in CPP 2011 (ESCAP, 2015). Poverty is mainly seen in rural areas but is moving to urban centers with migration, although it varies from State to State. The fight against poverty began in the 70s with the government of Mrs. Gandhi with programs that help to acquire productive capacities. In them the subsidy is linked to some work activity.

In 2005 the Rural Employment Guarantee Law was approved, which aims to guarantee each adult 100 days in public works and gives access to a minimum vital assistance. It can be considered as the largest anti-poverty program worldwide, reaching 73.9 million people in 2014 (similar programs exist in Bangladesh and Nepal). It does not have a universalist character since many households do not access it because the States do not want to share the costs, or do not have the capacity to manage it, or the poor do not request it due to ignorance (Fraser, 2015:684).

Another important program is the "Half-day meal" that has been widespread in public elementary schools throughout India since 2004. It serves to combat child malnutrition and, in addition, facilitates the integration of lower castes (Pellissery et al, 2015:793). There are also limited coverage pensions and health programs for low-income informal sector workers since the 1990s that reach tens of millions of people. But in India, welfare programs end up being discriminatory because they are used by political parties to configure clienteles and because they are managed at the regional or local level where corruption exists (Mitra, 2000:660; Brass,1995:290). This is a big problem especially in the most backward regions that are the most dependent on federal transfers (Charron, 2010:188).

The countries of Southeast Asia such as Malaysia, Thailand, Indonesia, the Philippines and Vietnam have also implemented important welfare programs(Gough, 2003). These are related to comparatively higher levels of social spending per capita than in other countries such as Bangladesh, Pakistan, Afghanistan, Sri Lanka or Laos. Indonesia is a good representative of the first group. As in other countries, social policy began in the 1960s with pensions and health insurance for officials and workers in the formal sector managed in a fragmented manner. In 1998 only 8% of the population had social protection, but with democracy, the well-known *Jaring Pengaman Sosial* program was established. It has been the embryo of the current protection system (Fossati, 2016:310). It included health care for the poor, subsidies for rice, subsidies for education and job creation and most important it stated the need for State intervention to promote collective well-being. Subsequently, in 2005, a free basic health care system was established throughout the country, which aims to achieve universal coverage through the National Health Insurance in 2019. However, despite these advances in health, Indonesia only gives pension coverage to 14% of the population of retirement age, while Malaysia does it with 20% and in the Philippines and Vietnam it reaches 40%.

Two cases of great interest in the west side of Asia are Iran and Turkey. Iran has a market economy subject to strong State intervention through economic planning and highly dependent on exports from the oil industry that is nationalized (Merinero, 2004). To combat poverty, the different Islamic governments have advocated redistribution through social policy. For this, price control is used and subsidies on basic products such as food, energy and housing are extended, especially in the rural area where 23%

of the population is located. In 2005, these subsidies reached 2.5% of GDP (Mahmoudi, 2011:153).

In Iran, religious charitable "foundations" such as *Komitaeh-Emdad*, *Imam Khomani* and *Bonyad Mostazafan* are important entities in the field of welfare social assistance (Mahamoudi, 2011:158), at the same time that they manage important business holdings. They have access to the administration of grants and with them establish client-type relationships acting as mechanisms of Islamist social mobilization.

In Turkey 18% of the population is in poverty and 42% of workers have an informal job in 2009 (Akan, 2011:373). According to government data Turkey has a contributory pension system that covered 81% of the population in retirement age in 2008; however, the system (Social Security Institution) is fragmented with three funds and each group of civil servants, company employees and self-employed workers has its own rules of coverage. The deficit generated by spending on pensions, which reached 5.6% of GDP in 2002, forced a reform in 2009 that has equated the amounts, although reducing them.

Turkey also has a basic program of unemployment protection and a means tested programs whose expenditure reached 0.9% of GNP in 2009 (Akan, 2011:374). Protection is mainly directed to families with elderly dependents and is managed by six institutions, including religious organizations, so it is very vulnerable to political clientele.

6.- The EWS of África

The analysis of social welfare in the countries of Africa is the most difficult and complex, due to the lack of data. In addition, sub-Saharan Africa is the poorest and most underdeveloped area of the planet (Mbaku 2014:531). In most countries there is a limited social protection structure, which in general terms does not reach 18% of the population (ILO-2018:123). This can be seen very well in the strikingly low per capita social spending in African countries (see table 1). However, all African governments have made welfare programs a priority in their current development strategies.

African countries have certain characteristics that hinder the development of social policy (Sánchez and Hernández, 2016). Among them, those of an institutional nature stand out, such as the State's weakness, since 40% are categorized as weak States (ILO-

2017:122), and the predominance of political and administrative clientele structures. Others are of a sociological nature, such as the excessive weight of the family and religious communities in the provision of welfare, dependence on foreign aid and NGOs, and the fact that welfare goals are limited to basic social services. Of economic nature is the lack of a culture that favors social protection programs, as these are considered to detract resources necessary for economic development (Mokamane 2013:256). Migration among the countries and out of them is also important.

Governance problems also occur in Africa. Many pro-independence leaders have been dedicated to personal enrichment by establishing a centralized structure of power, which does not respect human rights and does not guarantee the rule of law (Mbaku, 2014:538). Institutional organizations also reinforce the capacity of local and administrative elites to exploit citizens. In short, when we do not find "absent" States, a neo-patrimonial State model dominates with personalist authoritarian regimes, in which the separation between the public and private spheres disappears and in which the public bureaucracy is configured as a network of clients around the dictator, in favor of which social security is organized.

In Africa more than half of the population lives in extreme poverty (that is, they do not have \$ 1.25/day in 2015 PPC) and depends on a survival agriculture (Mokomane,2013: 250). The backwardness is usually attributed to the lack of a coherent bourgeoisie and of sufficiently strong middle classes, which leads to the emergence of un-institutionalized structures in the economic sphere (Hyden, 2002:145). This explains why, on the one hand, 75% of workers are doing their job in the informal sector although sub-Saharan Africa has had high rates of economic growth during the first decade of the 21st century (6.2% in 2012). And, on the other hand, why workers in the formal sector are unproductive, with long working hours, poor salaries and high levels of poverty, in addition, they have very restricted access to health insurance, pensions and social assistance (ILO-2017:14).

At present, practically all African countries have established some form of social protection for workers in the formal sector, such as pensions, sickness or maternity insurance, which many had since independence. However, we must differentiate cases with more developed welfare structures in southern and eastern Africa such as South Africa, Botswana, Namibia, Zimbabwe and Kenya and northern Arab countries, from the rest of sub-Saharan countries. In the former, there is a relatively extensive social

policy with a public expenditure around 8.6% of GNP in health and education and with high levels of literacy (ECA, 2017:40). Although in the southern countries there are serious health problems due to the spread of AIDS (Gough and Therborn, 2010:713).

Sub-Saharan countries have mainly set up social security systems for workers in the formal sector, while social assistance is rudimentary or absent, only half of the States have it that barely reach 9% of the population (ILO-2017:129). In southern and eastern Africa, means tested programs are more widespread, although a main problem is the lack of an administrative apparatus to carry out poverty checks, which is why there are frequent errors of exclusion of those who should receive them. Among these programs, the non-contributory pensions are the most important and they not only help to fight the poverty of the elderly but have other purposes, such as improving the educational levels of the young people or investing in productive activities -which in turn reduce poverty-, whose example is agriculture in Namibia or farms in Lesotho. They have also allowed the inclusion of women in the labor market. However, conditional cash transfers are not widespread because education operates under very precarious conditions. There are also subsidies for unemployed people to carry out public works but have a minimal incidence on them (Mokomane, 2013:255).

In Africa there is a paradox that more than 50% of social spending goes to pensions, although the elderly are only 3.8% of the total population. The development of child protection programs (including education) is one of the great challenges for African governments because it is the continent with the most population of this type.

A case of special interest is South Africa, recognized for the extension, equity and efficiency of its welfare programs, where 48% of the population receives benefits from them (ILO-2017:23) and has universalized non-contributive pensions. These were extended with the democratic transition of 1994 thanks to a strong social mobilization; since 2010 these pensions have reached 100% of the minimum wage.

Arab countries of North Africa are also a case to consider. All of them had high levels of social spending thanks to the "developmental" State that emerged with independence (Martín, 1999:210). Free access to the school became widespread, university education was organized and public health was created. This reinforced the legitimacy of the new States (Picard, 2006, 220). The colonial path determined that the countries colonized by France followed the tradition of corporate social insurance, while Egypt colonized by

the United Kingdom followed the universalist tradition by means of the provident funds (Sánchez and Hernández, 2016:237)..

However, the lack of economic growth and the excessive increase in the demographic rate ended up blocking the advancement of social policy. Income from oil revenues hid the structural deficiencies of the productive system with high unemployment rates and a good part of workers in the informal sector (Martin, 1999:209). After the different crises since the 1980s, adjustments had to be made in public spending, reducing State intervention, which ended up causing an increase in social discontent that culminated in the "Arab Spring" of 2011. Currently, the expansion of welfare programs is a relevant issue of the government's agenda in the Arab countries.

7.- The EWS of Latin America

Social policy originated in Latin American countries at different times of the twentieth century (Mesa-Lago, 1983). The first social protection programs appeared in the 1920s in Chile, Uruguay, Argentina, Brazil and Cuba. Another group initiated social policy in the 1940s and 1950s as Costa Rica, Mexico, Peru, Venezuela. Others, the late group, in the 1960s. Logically, this has been a determinant factor of the welfare development that these countries have reached at present.

After the Second World War, the so-called "import substitution" policy -which also extended to Asia and Africa- began to produce autonomous industrial development through the importation of capital and protectionist policies. This produced an economic expansion that allowed the enlargement of social security with a progressive incorporation of different groups of workers, which reached its maximum in the decade of 1970. Its financing was made possible thanks to the protection of internal markets that made possible to employers transferring social security costs (contributions) to consumer prices.

The result was the building of a corporate type of WS in which social security is linked to the incorporation into the formal labor activity, that is, paying the corresponding contributions. This model leaves out of protection to workers in the informal sector of the economy (Del Valle, 2010). It was also configured as a fragmented and stratified system in which public officials and employees of strategic companies, being the first to

be incorporated into social security, obtained the best benefits. In addition a regressive fiscal system characterized the model since much of the financing of social policy was obtained through consumption taxes paid by workers of the informal sector.

But not all countries ended up configuring the same welfare protection structure. According to Filgueira (1998:7) three models were shaped: a) countries with stratified universalism, b) countries with dual systems and c) countries that have an exclusionary model. The first ones -including Chile, Argentina, Uruguay- and the second ones – among them Brazil, Mexico and Venezuela- reached broad and sufficient coverage, although in the latter there is rural exclusion. However, in the exclusionary model - among them are the Dominican Republic, Guatemala, Honduras, El Salvador, Nicaragua, Bolivia and Ecuador- informality has prevailed in the labor market and the State has a reduced capacity in the welfare system. In the latter group coverage of social risks is mainly in the hands of the family or the communities, and social policy is focused on sectors in conditions of poverty.

The economic crisis of the 1980s was a "critical juncture" for the EWS of LA. According to Martínez Franzoni and Sánchez Ancochea (2016: 207) the crisis had two main effects: one was the privatization of welfare programs such as pension and health; another was the expansion of means tested programs. Privatizations were more radical in some cases than in others. Specifically more in Chile, Argentina, and less in Costa Rica, Brazil and Uruguay

In the 21st century, LA has a process of economic growth and there have been changes in the ideological tendency of many governments (Filgueira, 2013:20). As a consequence, a process of "re-reform" of privatizations and a new development of State intervention by means of a redistribute social policy has been initiated. A good example of the new stage is the creation in 2010 of the National Health System in Uruguay. In this period, an expansion of social security and non-contributory welfare programs has been possible. More specifically, programs of conditional cash transfers in favor of families (mainly mothers) with dependent children have been expanded and generalized, reaching 0.3% of regional GDP, as well as non-contributory pensions. These have been implemented in Bolivia, and have been universalized in Argentina, Brazil and Ecuador. As a result, 71% of the population of retirement age in LA receives a pension, whether contributory or non-contributory (OIL 2017:136).

The transformations of the last decades have had the goal of extending social policy towards traditionally excluded groups (mainly in the informal sector of labor), and they have only been possible after the third wave of democratization, thanks to the combination of electorally responsible governments and the pressure of the coalitions formed around the new social movements (Garay, 2016). However, LA countries face the great paradox of having generated a dualism in social protection, since there is a part of the population included in the social security system (institutional) and another part that receives a means tested protection (residual). Reducing this dualism by increasing the levels of work formality is the great challenge.

8.- Similarities and differences among the EWS

From a general perspective it can be observed that pensions (social security) have been the basis for the building of welfare systems, which have initially configured corporate or "clientele" models. The countries following this path have advanced the most in the development of an institutional WS.

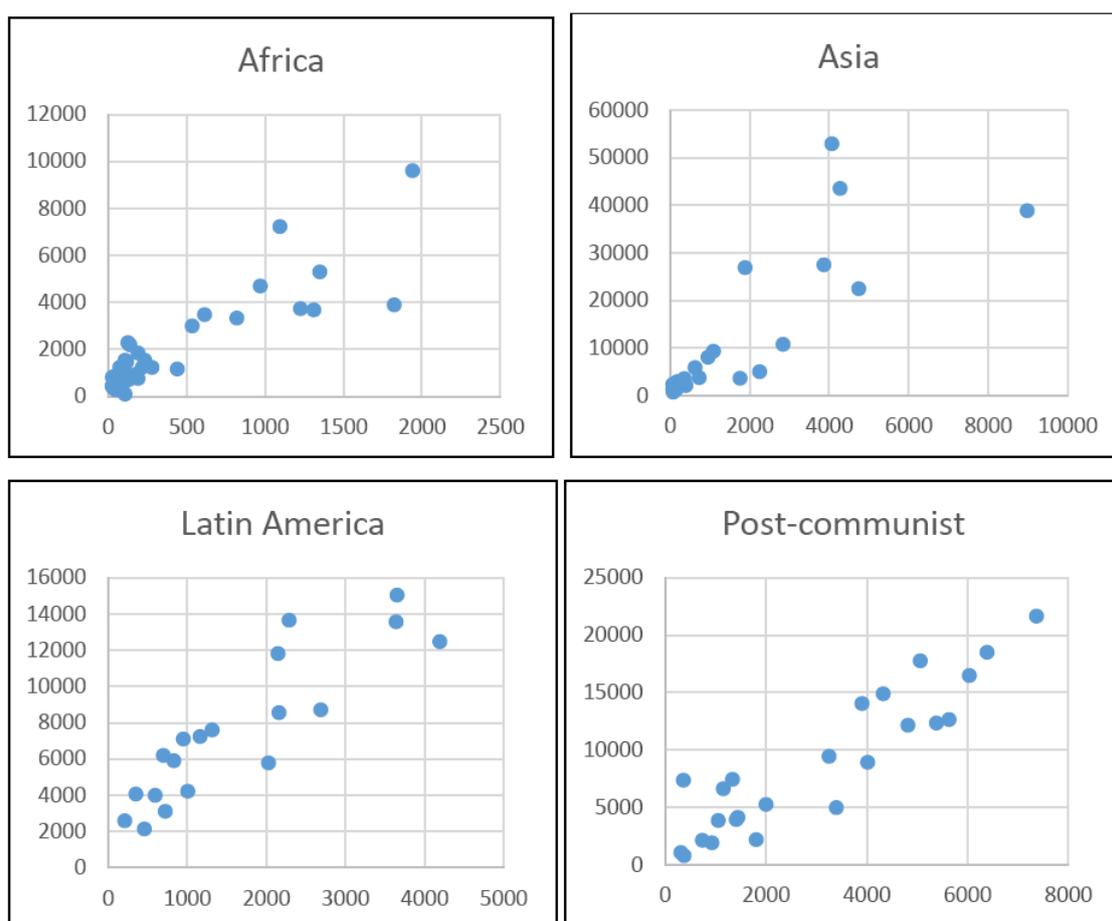
The main problems that impede the expansion of social security are poverty and the great dimension of the informal sector of the economy. That is why the establishment of anti-poverty programs has become a priority in the 21st century and ends up being what characterizes the EWS. These programs in principle have a residual character because they are means tested, but in practice they have acquired an inclusive nature, becoming institutionalized once they are universal, providing protection to groups that have been excluded so far, as has recently occurred in Latin America.

Non-contributory pensions, conditional cash transfers and unemployed aids are the most relevant and most widespread mechanisms to combat poverty. It is important to emphasize that these means tested subsidies are not aimed to directly combating poverty, but also to facilitate the economic transformation of families and communities. They are resources that have been invested in agriculture, allowing women to enter the labor market, or the acquisition of job skills for the unemployed.

Health expenditure is another central element for the development of the EWS, even in case there is a low social spending per capita. The objective in these countries is to establish a national primary care system. This program is less developed in Africa than

in the other world regions. Although public education has not been considered in this work, it can be said that its lack greatly conditions the development of social protection in the most backward countries. A good example of this is the region of LA where conditional transfers based on education are a key element in the fighting of poverty and, at the same time, help the formation of human capital and the formalization of the labor markets.

Table 1: Social expenditure per capita* and per capita income at regional level



* With the latest data available, excluding education spending. Prices in purchasing parity (PPC) in dollars. Social spending on the horizontal axis

Source: Own elaboration with data from ILO (2017), IMF, ECLAC, ECSC and WB

There are big differences among the four regions and also among the countries of each region. If we take as an indicator the social expenditure per capita -horizontal axis in the tables- we can see the great delay of the African countries in the building of social policy. Most of them are located in the lower left quadrant and have not managed to set

up a welfare system that effectively fights poverty. Likewise a part of the Asian countries have not started yet a process of takeoff of the EWS. Low social spending reflects the limited intervention of the State. The per capita social spending of the ex-communist countries and of LA that dedicate less to it, far exceeds that of the countries that are beginning the process of building a "social assistance model" in Africa and Asia.

When making a comparison at the regional level by crossing data on social spending per capita in dollars/PPC and per capita income in the diagrams of table 1, the trend linking economic development and expansion of social spending in the different EWSs is clearly observed. The greatest delay in the development of WS in Africa is observed, followed by Asia. Among those with lower per capita income in Africa, no country exceeds \$2,000 per year in social spending per capita and a large number does not even reach \$500. However, it is in the ex-communist countries where the greatest development of the WS occurs.

The graphs also identify at least two blocks in both regions of LA and ex-communist countries. One block is clearly anchored in the lower left quadrant indicating low per capita income and low social spending; This is where a universal social security system of a contributory type is lacking. From the statistical description one can also see how the welfare structure of the ex-communist countries is the most consistent with the general trend that links economic development with expansion of social spending.

9.-References

- Akan, T. (2011): "Responsible pragmatism in Turkish social policy making in the face of Islamic egalitarianism and neoliberal austerity" in *International Journal of Social Welfare*, 20, 367-380
- Asher, M. et al (2015): "An Analysis of Selected Pension and Health Care Initiatives for Informal Sector Workers in India" in *Social Policy and Administration*, 49 (6), 738–751
- Barrientos, A. (2010): "Social protection and poverty" in *Social Policy and Development Paper Number 42*. United Nations Research Institute for Social Development
- Brass, P. R. (1995): *The politics of India since Independence*, Cambridge: Cambridge University Press,
- Carnes, M. E. and Mares, I. (2007): "The Welfare State in Global Perspective" in C. Boix and S. C. Stokes (Eds.): *The Oxford Handbook of Comparative Politics* (868-885) Oxford: OUP,

- Charron, N. (2010): “The Correlates of Corruption in India: Analysis and Evidence from the States” in *Asian Journal of Political Science*, 18 (2), 177-194
- Cook, L. J. (2010): “Eastern Europe and Russia” in F. G. Castles et al (Eds.): *The Oxford Handbook of the Welfare State*, (671-688) Oxford: Oxford University Press
- Choi, Y. J. (2007): “Coming to a standstill? A New Theoretical Idea of East Asian Welfare Regimes” in *Barnett Papers in Social Research*, Department of social policy and social work, University of Oxford
- Djalili, M. R. and Kellner, T. (2003): *La nueva Asia Central*, Barcelona Bellaterra,
- ECA-Economic Commission for Africa: *African Statistical Yearbook 2017*, Naciones Unidas
- ESCAP- Economic and Social Commission for Asia and the Pacific (2015): *Statistical Yearbook of 2014*, United Nations
- Esping-Andersen, G. (1990): *The Three Worlds of Welfare Capitalism*, Cambridge: Polity Press
- Esping-Andersen, G. (1997): “After the Golden Age? Welfare State Dilemmas in a global Economy” in G. Esping-Andersen (Ed.). *Welfare States in Transition*, 1-31, London: SAGE
- Filgueira, F. (1998): “El nuevo modelo de prestaciones sociales en América Latina: eficiencia, residualismo y ciudadanía estratificada” in B. Roberts (ed.): *Ciudadanía y Política Social*, San José: FLACSO/SSRC, 71-116.
- Filgueira, F. (2007): “Cohesión, riesgo y arquitectura de protección social en América Latina” in *Políticas sociales 135*, CEPAL/Naciones Unidas
- Filgueira, F. (2013): “Los regímenes de bienestar en el ocaso de la modernización conservadora: posibilidades y límites de la ciudadanía social en América Latina” in *Revista uruguaya de ciencia política*, 22 (12),17-46
- IMF (2018): World Economic Outlook 2017,
- Fossati, D. (2016): “Is Indonesian local government accountable to the poor? Evidence from health policy implementation” in *Journal of East Asian Studies*, 16, 307–330
- Fraser, N. (2015): “Social Security through Guaranteed Employment” in *Social Policy and Administration*, 49 (6), 679-694
- Garay, C. (2016): *Social Policy Expansion in Latin America*, Cambridge: Cambridge University Press
- Greve, B. (2015): “Introduction: India- Mixed Experience- A Difficult Pathway to Welfare” in *Social Policy and Administration*, 49 (6), 677-8
- Gough, I. (2004): “Social policy regimes in the developing world” in P. Kennett (Ed.): *A Handbook of Comparative Social Policy*, Cheltenham: Edward Elgar, 239-260
- Gough, I. and G. Therborn. (2010): “The Global Future of Welfare States” in F. G. Castles et al: *The Oxford Handbook of the Welfare State*, Oxford: Oxford University Press, 703-720
- Huber, E. and J. D. Stephens (2012): *Democracy and the Left. Social Policy and Inequality in Latin America*, Chicago: The University of Chicago Press.

- Hyden, G. (2002): “Democratisation in Africa: in search of depth and nuances” in O. Elgström and G. Hyden (Eds): *Development and Democracy*, Londres: Routledge/ECPR, 139-155
- ILO- International Labor Organization (OIT) (2018): *World Employment Social Outlook – Trends 2018*.
- ILO- International Labor Organization (OIT)(2017): *World Social Protection Report 2017-2019*
- Kwon, H. J. (2009): “The reform of the developmental welfare state in East Asia” in *International Journal of Social Welfare*, 18: S12-S21
- Mahmoudi, V. (2011): “Poverty Changes during the Three Recent Development Plans in Iran (1995-2007)” in *African and Asian Studies* 10, 157-179
- Martín Muñoz, G.(1999): *El Estado árabe*, Barcelona: Bellaterra.
- Martinez Franzoni, J. and D. Sánchez Ancochea (2016) “Regímenes de bienestar en América latina: tensiones entre universalización y segmentación” in E. del Pino y M. J. Rubio Lara (Eds.): *Los Estados de bienestar en la encrucijada*. Madrid:Tecnos, 200-220
- Mbaku, J. M.(2014): “The rule of law and poverty eradication in Africa” in *African and Asian Studies*, 13, 530-557
- Merinero Martín, M. J. (2004): *La República Islámica de Irán*, Madrid: La Catarata
- Mesa Lago, C.(1983): “Social security and extreme poverty in Latin America” in *Journal of Development Politics*, 12, 83-110
- Mishra, R. (2004): “Social protection by other means: can it survive globalization?” in P. Kennett (Ed.): *A Handbook of Comparative Social Policy*, Cheltenham: Edward Elgar, 68-90
- Mitra, S. K. (2000): “Politics in India” in G. A. Almond et alt.: *Comparative Politics Today*, Londres: Longman, 629-680
- Mokomane, Z. (2013): “Social protection as a mechanism for family protection in sub-Saharan Africa” in *International Journal of Social Welfare*, 22, 248-259
- Pellissery, S. et alt. (2015): “Caste and Distributive Justice: Can Social Policy Address Durable Inequalities?” in *Social Policy and Administration*, 49 (6), 785-800
- Pérez Baltodano, A. (2004): “Globalization, human security and social policy: North and South” in P. Kennett (Ed.): *A Handbook of Comparative Social Policy*, Cheltenham: Edward Elgar, 50-67
- Picard, E. (2006): *La politique dans le monde árabe*, Paris: Armand Colin
- Rek-Woźniak, M. y W. Woźniak (2017): “From the Cradle of Solidarity’ to the Land of Cheap Labour and the Home of Precarious. Strategic Discourse on Labour Arrangements in Post-socialist Poland” in *Social Policy and Administration*, 51(2), 348–366
- Safadi, N. S. and S. D. Easton (2014): “The evolution of the social welfare system in Palestine: Perspectives of policymakers in the West Bank” in *International Journal of Social Welfare*, 23, 52-60
- Sánchez de Dios, M. and J. Hernández Moreno (2016): “Los sistemas de protección social en Asia y África: entre las consolidación y la irrelevancia” in E. del Pino and M. J. Rubio (Eds.): *Los Estados de bienestar en la encrucijada*, Madrid: Tecnos, 221-246

- Shi, S. J. (2012): “Towards Inclusive Social Citizenship? Rethinking China’s Social Security in the Trend towards Urban–Rural Harmonization” in *Journal of Social Policy*, 41 (4): 789–810
- Steinmo, S. (2010): *The evolution of Modern States. Swede Japan and the United Sates*, Cambridge: Cambridge University Press
- Titmuss, R. (1958): *Essays on Welfare State*, London: Allen and Unwind
- Del Valle, A. (2010): “Informalidad y modelos de bienestar en América latina” in *Política y Sociedad*, 47 (3), 239-261