

# 11

## ARE COALITIONS EQUALLY IMPORTANT FOR REDISTRIBUTION IN LATIN AMERICA? THE INTERVENING ROLE OF WELFARE REGIMES

*Juliana Martínez Franzoni and Koen Voorend*

### Introduction

Does social policy help improve income distribution at all in Latin America? This question is crucial in the most unequal region of the world, as discussed in the introduction of this book. This chapter establishes the nature and magnitude of redistribution across welfare regimes in Latin America and discusses the role of distributional coalitions, that is, of actors actively engaged in increasing the role of a public and collective allocation of resources. For the purposes of this chapter, we define social policy as the constellation of key policies involved in social services and transfers, primarily related to education, health care, and transfers such as social insurance and social assistance.<sup>1</sup>

The power-resource approach contends that to counterbalance elites and their powerful resources, progressive parties should create distributional coalitions with an extensive array of actors. Large, broad societal coalitions are more likely to emerge under the presence of universal rather than targeted social policy because they create incentives to get the middle class involved (Korpi and Palme 1998). In addition, Esping-Andersen (1990) shows for European and North American countries that such coalitions differ considerably across welfare regimes: redistribution reflects class alliances, leading to the central role of left-wing, social Christian, and liberal parties in social democracies, conservative welfare regimes, and liberal welfare regimes, respectively.

This chapter received valuable insights from Merike Blofield, Fernando Filgueira, Juan Pablo Luna, James Mahon, Diego Sánchez-Ancochea, Jeremy Seekings, and participants at the Workshop on Politics and Inequality, University of Miami, Miami, May 16–17, 2008. A shorter version of this chapter was published in *Social Policy and Administration* in August 2009. We are particularly grateful to Jennifer Pribble for her inputs on elite and societal coalitions. Flaws that remain are ours.

-1—

0—

+1—

Societal coalitions need not be among classes per se, but can be among different organizations within the same class. Also, in the absence of broad societal coalitions, we may still find distribution and distributional coalitions, which, however, are top-down and elite based.

In Latin America, during the past two decades, policy reforms under the so-called Washington Consensus promoted the privatization, decentralization, and targeting of social policies across policy sectors (Filgueira 1998; Filgueira et al., chapter 8 in this volume). In most countries, reforms involved the retrenchment of social policies for the middle class while welfare provision was extended to the poor, especially through social assistance, including conditional cash transfers (Seekings 2008).<sup>2</sup> By excluding the middle class and the nonpoor, these programs effectively reached the poor, albeit through very basic services such as primary health care or primary education. At the same time, economic restructuring led to a more polarized middle class (O'Donnell 1999), and these policies made it more difficult to form cross-class societal coalitions and thereby limited the scope of redistribution (Korpi and Palme 1998) because these targeted programs set apart beneficiaries with low political capital (Filgueira 1998). Economic deprivation makes collective mobilization difficult and inhibits the emergence of organized social claims (O'Donnell 1999). Public servants, salaried professionals, and other skilled workers were displaced by adjustment policies (Portes and Hoffman 2003). Many became self-employed, joined the growing ranks of the informal sector, experienced downward mobility, and lost "voice," as Hirschman (1970) would say. A smaller portion of the middle class, such as senior professionals of multinational corporations, experienced upward mobility, isolated themselves in gated communities, and ceased to use many public goods. Social policy (or its absence) thus reshapes social structures and stratification, thereby setting the stage for cross-class coalitions to emerge and leading to path dependency (Pierson 1994).

Following the power-resource argument, Filgueira argues that in Latin America, cross-class societal coalitions are currently necessary to counterbalance state retrenchment in social policy, but they are very difficult to establish. On the one hand, distributional coalitions should include some segment of the middle class so that their "voice" and political capital can contribute to the broader distributional process for improved coverage and quality of services. On the other hand, the fact that targeted policies have replaced collective goods and thereby have excluded the middle class and its "voice" from mainstream social policy has engendered regressive social policies that are difficult to overcome (Filgueira 1998). In short, if the literature for the OECD countries is correct in saying that societal cross-class distributional coalitions increase the potential or opportunities for redistribution, the future of redistribution looks grim in Latin America, which may be caught up in a vicious circle of pro-poor but minimalist policies on redistribution.

—-1  
—-0  
—+1

This chapter explores the role and nature of coalitions in countries with sharply contrasting social policies. The next section sets the stage for this exploration by outlining a typology for the very complex reality of Latin American welfare regimes. The third section looks at the amount and effectiveness of social policy of three emblematic cases, Chile, Costa Rica and El Salvador, while the fourth section tries to explain the different redistribution outcomes. We present our conclusions in the final section.

### Welfare Regimes in Latin America

In developing countries, the family and female unpaid work have historically played a major role in providing for people's well-being, whether poor or non-poor (Gough and Wood, 2004). As late as 1990, "only 30% of the world's elderly were covered by formal arrangements, and only 40% of the world's working population participated in any formal arrangements for their future old age" (Seekings 2008, 25). For this reason, Esping-Andersen's (1990) typology, focused on OECD countries, failed to address the role of family or kin in caring for poor people. In a region where social policies are often weak, they often play a marginal role in redistribution. Social policy plays a role within the welfare regime, which we define as the broader constellation of interactions among domestic and international markets, families, and collective allocation of resources. The welfare regime may be state led, but it may also be managed by community and international organizations.

In fact, research suggests that welfare regimes in the global South are all largely informal, with labor markets that are unable to provide sufficient formal jobs, coupled with weak public policies. In this reality, the distinction between market, public, and family-led allocation of resources becomes unclear. This is certainly true for Latin America, where a large proportion of the population is unable to commodify its labor, citizens either self-employ in the informal sector or emigrate to earn income, public policies are weak or nonexistent, and families and women's unpaid work play a major role in survival strategies.

At the same time, there are qualitative differences in the region in how markets, public policies, and unpaid work combine for risk management. That is, countries differ greatly in three dimensions: the extent to which they manage to commodify their labor force within their borders, to decommodify people's well-being through social policies that untangle purchasing power from risk management, and to defamiliarize or decouple welfare from unpaid female work (Martínez Franzoni 2008c). As expected, inequality, the primary focus of this book, shows important variation across welfare regimes.

Using data for these three dimensions of the welfare regime, Martínez Franzoni (2008c) has created a typology to identify patterns that help understand

-1—  
0—  
+1—

the complex reality of Latin America. She finds three types of welfare regimes, depending on whether markets (e.g., Chile), social policy (e.g., Costa Rica), or families (e.g., El Salvador) are the primary engines in managing social risks. She refers to these three types as market-productivist, state-protectionist, and familialistic welfare regimes, which we have later renamed market, states, and familial to simplify the tags and make them clearer. Figure 11.1 outlines her typology.

As figure 11.1 shows, there is cross-national variation in how effective domestic labor markets are at absorbing and remunerating the labor force (upper-left cells). Countries also vary in the strength and role of social policies (upper-right cells). Finally, they vary in the relative importance of the traditional nuclear family, with a male breadwinner and a female caregiver (lower cells). Female income providers, extended households, and/or female-headed households are dispersed across the entire region. However, their relative importance separates countries with familial welfare regimes from those with market and state welfare regimes. Table 11.1 summarizes key features for risk management under each type of Latin American welfare regime.

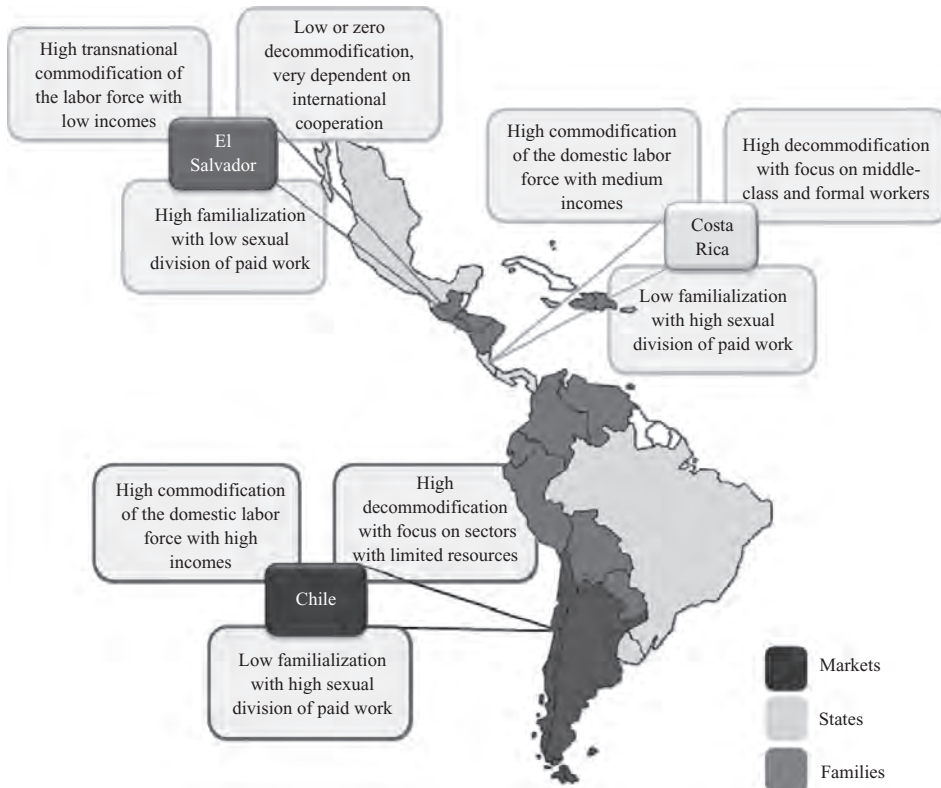


FIG. 11.1 Latin American welfare regimes primarily driven by markets, states, or families.

—-1  
—0  
—+1

**Table 11.1** Latin American welfare regimes according to primary rationale by dimensions

Dimensions	Risk management centrally revolving around		
	States	Markets	Families
State capacities	Strong	Strong	Weak
Primary goal of social policy	Social protection	Human capital for labor productivity	Social assistance
Decommodification	High and mostly linked to formal wage earning labor	High and mostly targeted at the poor or low-income groups	Low and across the board
Income inequality	Uneven (most equal and most unequal coexist)	High	High
Primary pillar for risk management	State and public policies	Markets	Families, unpaid female work
Role of unpaid female work	As state counterpart	As market counterpart	Multitask
Human development Countries	High Brazil, Costa Rica, Panama, Mexico, and Uruguay	High Argentina and Chile	Medium and low Subgroup a: Colombia, Ecuador, El Salvador, Guatemala, Peru, and Dominican Republic; subgroup b: Bolivia, Honduras, Nicaragua, and Paraguay

SOURCE: Martínez Franzoni 2008c (includes a detailed description of the thirty-eight indicators used and the statistical analysis applied).

In both state-protectionist and market-productivist welfare regimes, state capacities are strong, but they differ in the primary goal of social policy. The first aims at social protection through high and universal decommodification, while the second aims at enhancing human capital for labor productivity, mainly through targeted social programs. In the informal-familial welfare regime, state capacities are weak, and levels of decommodification are low. Families, and specifically unpaid female labor, become the central pillar for risk management in this regime. Levels of income inequality are quite high across all three welfare regimes.<sup>3</sup> Variance, however, is higher in state-protectionist countries; Uruguay and Costa Rica have the lowest inequalities in the region, while Brazil has the highest. In both market-productivist and informal-familial countries, inequality tends to be homogeneously high. Thus findings indicate that decommodification is key to overcome inequality

-1—  
0—  
+1—

successfully, but also that not just any kind of decommodification will do the trick.

As citizens increasingly deploy private and family-led survival strategies<sup>4</sup> coupled with little or no experience or expectations regarding the state's role in their well-being, it is less likely that societal distributional coalitions will emerge. This premise implies that distributional coalitions should be less likely to exist in El Salvador than in Chile or Costa Rica. In addition, unlike Costa Rica, Chile has stressed the role of targeted versus universal policies, and the upper class and an ever-larger portion of the middle class rely on the market rather than on public transfers and services. Therefore, we would also expect distributional coalitions to be stronger in Costa Rica than in Chile.<sup>5</sup>

Our hypotheses are consistent with findings presented by Blofield and Luna (chapter 5 in this volume), although they focus on partisan representation rather than on societal coalitions. They find that more equal countries tend to have higher preferences for redistribution. To the contrary, and ironically, more unequal societies stand a smaller chance of effectively politicizing the issue of inequality.

### Do Social Policy Regimes and Distribution Make a Difference?

How important are social policies in mitigating inequality in Latin America, and to what extent does their existence depend on distributional coalitions? To answer these two questions, we focus on Costa Rica, Chile, and El Salvador, emblematic of the three types of welfare regimes discussed earlier.<sup>6</sup> By focusing on these contrasting cases, we seek to establish what is shared and what is distinct across the region, first, in redistributive outcomes, and second, in the role that coalitions play in these outcomes.

In this section, we focus on the magnitude and nature of social expenditures in these countries. The good news here is that in all three countries, social expenditures indeed manage to reduce inequality. However, there are marked differences in the magnitude of the effect, in the principal logic behind social expenditure, and in the range of the population covered.

#### INCOME DISTRIBUTION

To analyze the impact of social policy on distribution, we must first establish primary income distribution, that is, distribution before the intervention of tax and social policies. In table 11.2, the primary income distribution of the three countries is shown by income-distribution quintiles, from the poorest 20% to the wealthiest 20%.

—-1  
—0  
—+1

**Table 11.2** Primary (monetary) income-distribution groups by quintiles

Country	Year	I (poorest 20%)	II	III	IV	V (richest 20%)	Total (%)
Chile	2003	4	8	12	19	57	100
Costa Rica	2000	4	9	14	22	52	100
El Salvador	2002	3	8	13	21	56	100

SOURCE: CEPAL (2005).

Contrary to what one might expect, table 11.2 indicates that primary distribution is fairly similar across countries: in Costa Rica, the poorest 60% of the population receives 27% of national income, while in Chile and El Salvador, it receives 24% (CEPAL 2005).

According to CEPAL (2005), income distribution in Chile remained largely unchanged between 1996 and 2003. However, in Costa Rica, between 1986 and 2000, income distribution worsened: the richest 20% of the population gained 10% of the total national income, while the rest of the population lost either 1% (quintile 1) or 3% (quintiles 2, 3, and 4). The working and middle classes were the primary losers during this period. In El Salvador, income distribution slightly improved. However, this improvement was largely due to emigration and remittances. It is noteworthy that the 2007 census data established that the Salvadorian population is much smaller (by about one million) than expected because of emigration (PNUD 2008).

We next investigate secondary distribution in more detail in order to establish whether, and to what extent, social policies help decrease inequality in the three countries.

#### SECONDARY DISTRIBUTION: EFFECT, ALLOCATION CRITERIA, AND WEIGHT

Here we examine whether secondary distribution shows cross-national variation as a result of tax systems and social policies. As we show later, the remarkably low inequality found in Costa Rica (pointed out in chapter 1 of this volume) reflects the role played by social policy.

To assess how social policy reshapes inequality set by primary distribution, we consider three criteria: effects on income distribution, allocation criteria, and relative weight of social policy for total income. Table 11.3 summarizes the primary findings, which we break down and discuss here. Regrettably, in some cases we face serious limitations in data, namely, the exclusion of social security.<sup>7</sup> When social security data are unavailable for analysis, this fact is mentioned.

Chilean and Costa Rican social policies have relatively large distribution effects, although under different allocation criteria and a higher relative weight

-1—  
0—  
+1—

in total income in Costa Rica than in Chile. In El Salvador, under semi-targeted policies, redistribution effects are relatively small, as is the importance of social income in total income.

*Effects on Income Distribution*

To address the effects of redistribution, we compare inequality before and after social transfers and services. Posttransfer measures consolidate both monetary and social income—that is, transfers such as pensions and in-kind services such as education or health care. The good news is that in two of the three countries, social spending improves income distribution (see figure 11.2). However, it does so in varying degrees: social expenditures improve income distribution much more in Chile and in Costa Rica than in in El Salvador. Gini coefficients go from 0.594 to 0.543 in Chile and from 0.542 to 0.495 in Costa Rica.<sup>8</sup> In El Salvador, contrastingly, social spending seems to have little effect on income distribution; the Gini coefficient remains almost unchanged at 0.46 (CEPAL 2009).

Since Esping-Andersen’s publication (1990) on the three worlds of welfare capitalism, analysis of welfare regimes has shifted from a focus on the amount of resources dedicated to social expenditures to the eligibility criteria for such resources. This focus makes sense when the amount spent on social policy is

**Table 11.3** Three worlds of redistribution in Latin America

Country	Redistribution effects	Primary allocation criteria	Relative weight in total income
Chile	High	Targeted	Intermediate
Costa Rica	High	Universal	High
El Salvador	Low	Semitargeted	Low

SOURCE: Authors’ elaboration.

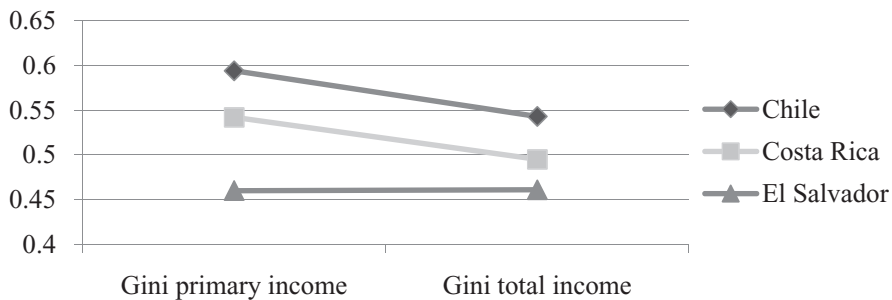


FIG. 11.2 Distribution from primary to total income, Chile, Costa Rica, and El Salvador. Source: CEPAL (2007).

—-1  
—0  
—+1



relatively homogeneous across countries and plays a key role in people's overall income (Filgueira 1998). However, neither condition applies in Latin America, where social expenditure per capita is negligible in many cases but variable across the region, ranging from slightly more than US\$60 per year in Nicaragua (a figure below any reasonable amount to affect inequality) to more than US\$1,000 in Argentina. In Latin America, therefore, it is crucial to link redistributive effects to the level of social expenditure, both in fiscal efforts and per capita social expenditures.

In Chile, from 1990 to 2010, the government was in the hands of a center-left coalition, the Coalition of Parties for Democracy, first with presidents from the Christian Democratic Party and later the Socialist Party. The opposition, in turn, was in the hands of the Right.

When this coalition came to power in 1990, it inherited a social policy regime that had been highly privatized under Pinochet's dictatorship. Although the rationale of post-1990 reforms in Chile was based on a strong postdictatorship consensus that the market was to remain more or less untouched, there have been various important transformations of the liberalized social policy regime since. The country expanded social expenditures most drastically during the second half of the 1990s. Since then they have stagnated (CEPAL 2007), although recent developments under President Michelle Bachelet (2006–10) seem to indicate another increase over the 2006–10 period (CEPAL 2009).

In contrast, in Costa Rica two major parties (which operated under a two-party system) alternated in government until 2002. The social Christian Partido Unidad Social Cristiana (PUSC) and the social democratic Partido Liberación Nacional (PLN) ruled as part of a strong political pact in economic policy, but less so in social policy. Social spending increased during the PLN administrations and fell during the PUSC administrations, which unsuccessfully sought to privatize and liberalize social policy to move toward a more Chilean-style social policy regime. The reforms that did go through predominantly concerned restoring the precrisis social policies that existed before 1980 rather than aiming for radical changes. This continuity in social policy—albeit with some additions and changes—clearly contrasts with the structural economic transformations that the country experienced during the same period.

In El Salvador, the government has been in the hands of the right-wing Nationalist Republican Alliance (Spanish acronym ARENA) since before the peace accords in 1992 until very recently. During this time, the government faced strong political opposition from the leftist Farabundo Martí Front for National Liberation (Spanish initialism FMLN). The FMLN consists of former guerrillas who transformed into a political party and first participated in elections in 1994. The reforms in El Salvador's social policy regime have been marked by the end of the civil war, the peace accords, and the transformation of the guerrilla movement into the main opposition force in the country. In

-1—  
0—  
+1—

2001 El Salvador suffered two major earthquakes that demanded resource mobilization for reconstruction and were reflected in an increased proportion of GDP devoted to social expenditures, primarily to restore previous infrastructure. Despite this temporary and slight increase, the percentage of GDP devoted to social policy in El Salvador is clearly insufficient: the amount spent on the county's entire social policy is only slightly more than what Chile and Costa Rica spend on just one policy sector (such as health care). Unfortunately, the data presented in this chapter do not include expenditures under the conditional cash-transfer program Red Solidaria launched in 2005. A familialistic welfare regime with residual social policy, El Salvador lags far behind Chile and Costa Rica, although in recent years the gap seems to have reduced somewhat, as shown in figure 11.3.

In fiscal priority, social expenditures in Chile and Costa Rica represent between 65% and 68% of total public expenditure. These percentages set them clearly apart from El Salvador, where social expenditure reaches only 40% of total public expenditure. This is shown in figure 11.4. Therefore, in Chile and Costa Rica, social policy plays a much more important role in dealing with

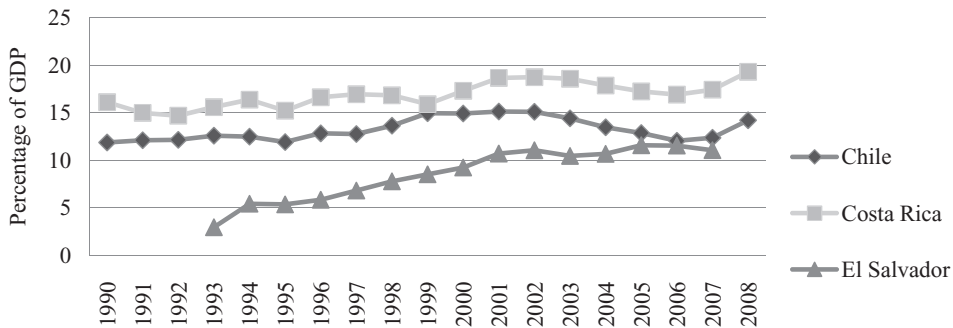


FIG. 11.3 Public social expenditure (including social security) as a percentage of GDP, Chile, Costa Rica, and El Salvador, 1990–2008. *Source:* CEPAL (2007).

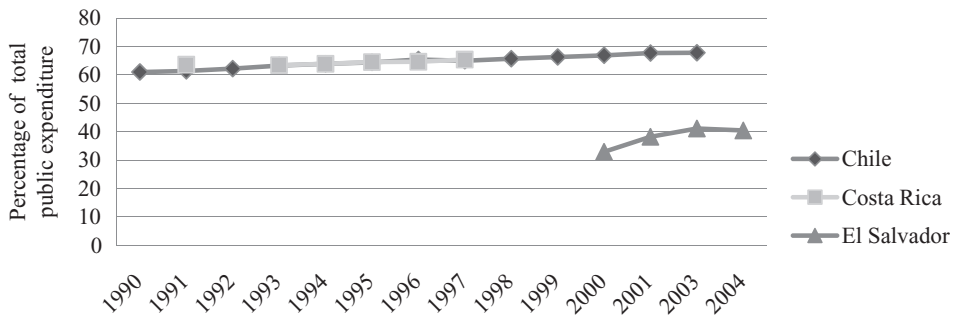


FIG. 11.4 Public social expenditure (including social security) as a percentage of total public expenditure, Chile, Costa Rica, and El Salvador, 1990–2004. *Source:* CEPAL (2007).

—-1  
—0  
—+1

social risks and providing welfare for the 60% and 80% lowest-income groups of the population than in El Salvador. That said, in all three countries the relative weight of social expenditures increased in the period under consideration (by 8% in Chile; by 7% in El Salvador; and by 2% in Costa Rica, which in 1991 already had higher social expenditures as a percentage of total expenditures than Chile). In El Salvador, however, this increase of 7% should not be overestimated, given that in the early 1990s, the relative weight of social expenditures was extremely low. Although the 7% increase does imply some distributional change, social spending is still far from sufficient to meet social demands.

In Chile and Costa Rica, social expenditures are an important source of social income for between 60% and 80% of the population. Although the scope of Costa Rican social income is somewhat broader than Chile's, in both countries the reach of social policy is considerably larger than in El Salvador. In El Salvador, however, the low levels of social spending and the important role of family strategies in the provision of welfare and access to goods and services, such as family remittances, make it difficult to foster conditions for broad distributional coalitions. Survival strategies are largely private and family based. We would therefore expect conditions to be more conducive to the formation of distributional coalitions in Chile and in Costa Rica than in El Salvador.

#### *Allocation Criteria for Social Expenditures*

Does social spending primarily go to the poor, to middle-income families, or to the rich? Learning how social spending is allocated provides us with a proxy measure for addressing the redistribution effects of social policy. Available data do not allow us to break down monetary and social income in order to assess income distribution before and after social spending is allocated. Nonetheless, they do provide insight into the extent to which social expenditures redistribute resources from higher-income groups to medium- and lower-income groups.<sup>9</sup> Data also do not include social security data, which are available for Costa Rica for both years under review but are only partially available for Chile (2003)<sup>10</sup> and unavailable for El Salvador.

As shown earlier, the type of welfare system does not have differentiated effects on inequality: for both Chile, with a market-productivist emphasis, and Costa Rica, with a state-protectionist emphasis, we found similar results. However, these countries do differ in the allocation of social spending and therefore who in the social structure (as measured by income quintiles) is affected by that spending. As shown in table 11.4, which shows the distribution of social spending per quintile, social spending in Costa Rica has an effect on a wider range of the population than in Chile.

As table 11.4 indicates, in Chile the allocation of social spending was rather stable between 1996 and 2003. Also, given the central role of targeted policies

-1—  
0—  
+1—

**Table 11.4** Allocation criteria by income groups and country

Country	Year	I (poorest 20%)	II	III	IV	V (richest 20%)	Total (%)
Chile	1996	33.3	25.0	20.5	14.4	6.8	100
	2003	33.0	26.0	19	15.0	7.0	100
Costa Rica	1986	22.1	21.2	22	18.5	16.2	100
	2000	21.0	19.0	17	18.0	25.0	100
El Salvador <sup>a</sup>	2002	26.0	23.0	21	18.0	12.0	100

SOURCE: CEPAL (2005).

<sup>a</sup> Because of lack of data, these percentages refer to health care only.

in Chile's social policy regime, a higher percentage of social spending is targeted to low-income groups and indeed goes to the poorest quintiles, a pattern that the data suggest intensified between 2003 and 2006. In the richest quintile, individuals access only a very small share of social expenditures (7%). Quintiles IV and III receive a share of social expenditure closer to 20%, which does not change primary distribution, but social expenditure becomes increasingly redistributive in quintiles II and I. If it is true that redistribution depends on political power, which in turn relies on social demands—or at least social support by a more or less broad set of income groups and social classes—the data suggest that such redistribution should indeed be narrower in Chile than in Costa Rica.

Costa Rica shows important change over time if we compare 2000 with 1986 data, particularly among the group with highest income (quintile V). However, if we compare 2000 with 2004 from a different data source, there are hardly any changes in the allocation of social spending.<sup>11</sup> According to 2000 data, the allocation of social expenditures among income groups is fairly uniform, including among the group with highest income. From these data, one would therefore expect conditions to be more conducive to broader cross-class coalitions in Costa Rica than in Chile and El Salvador.

In Costa Rican social expenditure, collective pension funds play a central role, while they are absent or marginal in Chile and in El Salvador, given their privatized pension systems. Therefore, a comparison of the allocation of social expenditures with and without social insurance is useful. If we consider social insurance (i.e., contributory pensions) for Chile in 1996, social policy is seen to be much less progressive. With social insurance, the richest quintile receives more social expenditures (30% as opposed to 6.8%), and the lowest quintile receives significantly less (16% as opposed to 33%).

Although El Salvador has only very basic social services, it does allocate these resources relatively evenly across income groups. Social expenditure is concentrated among the groups with lowest income (more than in Costa Rica but less than in Chile) but also reaches middle-income groups. However, here

—-1  
—0  
—+1

the amount of social expenditure becomes an important indicator, given that El Salvador's social expenditure lags far behind that of Chile and Costa Rica. Thus, given the low quantity of social expenditure, it might be too strong to claim that middle-income groups have vested interests in social services. However, they can be expected to have certain interests in specific policy sectors, particularly concerning health-care services provided under social insurance.

Degrees of commodification of health-care services, largely pushed by higher-income groups, vary considerably across countries: in Costa Rica, out-of-pocket private expenditures reach 30% of public expenditures, while in El Salvador and Chile, these are 1.2 times the amount of public expenditures (World Bank 2009), a striking figure if we consider that the Latin American average is 50.7% (Márquez Ayala 2007).

In short, if distributional coalitions were mechanically drawn from the allocation of social expenditures, conditions for such coalitions to emerge should be less favorable in Chile, more favorable in Costa Rica, and between these two extremes in El Salvador.

#### *Weight of Social Expenditures Across Income Groups*

To establish the potential of social expenditure to lead to the formation of societal distributional coalitions, it is also important to take into account the relative weight of social income in an individual's total income. Table 11.5 lays out the data for the three countries.

As table 11.5 indicates, among the lowest income quintile (I), social income amounts to 50% of total income in Costa Rica, 38% in Chile, and only 28% in El Salvador. Thus, despite the stronger role of targeted policies in Chile, social income has a smaller weight in total income among the poorest in Chile than in Costa Rica. Among the wealthiest quintile(s), on the other hand, social income as a part of total income is essentially irrelevant in El Salvador, almost irrelevant in Chile, and only slightly relevant in Costa Rica. In fact, if we consider the 60% of the population with highest incomes in El Salvador, social income matters very little indeed (or not at all) to people's income.

**Table 11.5** Relative weight of social expenditures in total income across income groups

Country	Year	I (poorest 20%)	II	III	IV	V (richest 20%)
Chile	2003	38	24	16	9	2
Costa Rica	2000	50	29	18	11	4
El Salvador	2002	28	13	8	4	1

SOURCE: CEPAL (2005).

In Chile, and even more in Costa Rica, this statement applies only to the richest 20% of the population. Thus, if social spending were to be an indicator of the possibility and breadth of coalition formation and distributional agendas, Chile, Costa Rica, and El Salvador would show very distinct scenarios: the scope for coalitions among income groups would be largest and broadest in Costa Rica and lowest and narrowest in El Salvador.

### Policy Legacies: Actors and Coalitions Behind Current Social Policy Regimes

Since the early 1990s, Chile, Costa Rica, and El Salvador have experienced similar pressures for social policy reforms that in theory should lead toward convergence in social expenditure and its impacts on distribution. However, the distributional outcomes attained in these countries are, as we have seen, very different. How can we explain these differences?

Historical trajectories and policy legacies filter international pressures for policy reform and, along with national policy paradigms, shape actual reforms and policy outcomes. Here we present a short analysis of the combination of factors that shape actual social policy in the three countries. This preliminary and exploratory analysis is summarized in table 11.6.

Table 11.6 shows the extent of social policy reform during the 1980s and 1990s, the role of the social policy regime in promoting redistribution, and the role of coalitions therein. Here we show that Chilean policy formation has been predominantly top-down and technocratic, as well as successful in transforming various policy measures inherited from the Pinochet dictatorship. In contrast, Costa Rican policy formation has been mainly bottom-up during this time period, generally defensive of policy legacies rather than transformative, and mostly successful in maintaining these legacies. El Salvador's policy formation has been mostly top-down, a result of a combination of partisan-based and technocratic reforms and with more or less unsuccessful vetoes from below, depending on the policy sector in question.

#### COSTA RICA: BROAD DEFENSIVE DISTRIBUTIONAL COALITIONS

In Costa Rica, the last critical juncture took place during the early 1980s when the country faced an economic crisis unprecedented since 1929. The state responded to this crisis by reducing levels of investment and available resources instead of privatizing or officially reducing coverage of services. It deployed two strategies; on the one hand, it maintained existing social policies; on the other, it created compensatory temporary programs. Besides recovery tools and wage supplements, this temporary plan included unemployment

—-1  
—0  
—+1

**Table 11.6** Role of social policy in redistribution and of distributional coalitions by country and dimensions

Country	Social policy regime			Role of the social policy regime in promoting redistribution		Balance
	During the 1980s	Prevaling rationale during the 1990s	(1) Amount of resources allocated	(2) Relative importance of social expenditures across income groups	(3) Allocation of social expenditures across income groups	
Costa Rica	Scarcely reformed	Tied between pro- and antiliberal reforms; inertia	Large	High and broadest	Even allocation among quintiles	Yes; across sectors, mostly defensive or transformative of policy instruments
Chile	Radically reformed	Buffering previous liberal reforms	Large	High and narrower	Highly uneven allocation, targeted to lower quintiles	No; mostly technocratic, top-down changes
El Salvador	Weakened	Deepening liberal reforms	Small	Low and narrowest	Somewhat uneven allocation, targeted to lower quintiles	Sector-dependent (technocratic, mostly transformative; coalitions mostly defensive)

SOURCE: Authors' elaboration.

benefits, temporary food aid, and productive aid programs (e.g., soft loans and inputs) for the poor (Villasuso 1992). All in all, the crisis did not transform the country's social policy architecture, which was based on four primary pillars of universal programs (education, health, pensions, and housing) and targeted programs funded by Fondo de Desarrollo Social y Asignaciones Familiares (Castro Méndez and Martínez Franzoni forthcoming).

Initially, social spending suffered a downward adjustment equivalent to half of the downward adjustment of the rest of public policy (5% and 10%, respectively). Later, however, even in years of economic growth, social spending was subject to downward adjustments, often larger than those for overall public spending (Trejos 1993). Altogether, overall public social spending now is 48% higher than it was before the economic crisis. However, if it is measured in per capita social spending, it has not yet reached precrisis levels. Also, given that institutional changes typically involved aggregation rather than elimination of programs, more work had to be done with fewer resources, and the deterioration or stagnation of investment was only partially offset by external financing. As a result, the quality of education and health-care services decreased during the 1990s (Trejos 2007, 2008; Martínez Franzoni 2008a), as is seen, for example, in the significant increase in the numbers of dropouts in secondary education.

There have not been any institutional reforms in education, but there have been various efforts to expand and improve public education services (such as adding computer science and English to the school curriculum) and coverage (particularly in secondary education). Although there has been relatively little pressure for structural reforms, there have been important conflicts with the overwhelmingly public workforce in education. For example, teachers' unions have been primarily concerned with working conditions and clashed over the increase of the academic year to two hundred school days in 1997.

In the health-care sector, a technocratic, top-down reform began in the early 1990s, but it generated union opposition because of fears of privatization. However, although the government increased the role of private service provision, service delivery remained basically public, and the measures were mainly managerial. This reform has had important positive results in access, in particular for the popular sectors, although it has been much less successful in reaching the middle class and in improving the quality of health-care services. In the same period, the relative weight of private health care increased, along with conflicts of interest between public and private practice (Martínez Franzoni 2005). The most spectacular of these conflicts led to jail sentences for two former presidents for embezzlement, one of them from social security funds (Seligson and Martínez Franzoni 2009).

In pensions, two major social policy reforms were carried out in 2000 and 2005 (Martínez Franzoni 2008a). Business sectors, unions, and government

—-1  
—0  
—+1



all contributed to the reforms. The creation of a multipillar pension system was the primary change, although a collective fund remained as the primary pillar. The reform introduced an individual capitalization fund, albeit a moderate version, both in contributions and funding.

Unions successfully demanded that social insurance be mandated to reach informal workers as part of an agenda to ensure the financial sustainability of the collective capitalization regime. Both in 2000 and in 2005, unions and other civil society organizations (e.g., part of the cooperative movement) successfully presented innovative proposals aimed at maintaining the architecture of the collective regime, albeit with changes in the methods and services (Castro Méndez 2000; Martínez Franzoni 2008a). This role that unions and the business sector played in the 2000 and 2005 reforms is quite unusual and is not found in the other policy sectors, despite the fact that health-care insurance, for example, is also run by government, business, and unions (Martínez Franzoni 2008b).

Unions did play a key role in policy advocacy, particularly in defending the social health-care and educational policies that were in place before structural adjustment. However, the lack of freedom of association in the private sector has led unions to draw their constituency primarily from state employees. Unionized workers in the private sector account for less than 2% of the economically active population, including the self-employed (Castro Méndez 2000). The weak position of unions by itself does not explain why pro-poor coalitions—and thus antiuniversal policies—did not emerge in the wake of the crisis. However, the strong societal consensus about the central role of social policies remained. Thus, unlike most other countries in the region, the government maintained and expanded both targeted and universal policies, both of which together have been shown to be most effective in reaching the poor. In fact, as Trejos (2006) has shown, for the poorest 20% of the population, universal social spending plays a larger role than targeted social spending.

In short, Costa Rica has a social policy regime that—despite the economic crisis of the 1980s—has basically maintained its precrisis architecture. Societal distributional coalitions between classes have been strong and have mainly operated to defend the social policy regime rather than to reform it.

#### CHILE: TECHNOCRATIC AND TRANSFORMATIVE POLICY REFORMS

Since the early 1990s, Chilean policy makers have pursued “reforms of the reforms” inherited from the military dictatorship under Pinochet. On the one hand, these reforms have increased universal access to social services. On the other hand, measures have sought to avoid affecting the role of private actors in

-1—  
0—  
+1—

running social services, whether education, health care, or pensions, in sharp contrast to Costa Rican social policy, which was expanded largely on the basis of payroll taxes.

In the health-care sector, President Ricardo Lagos (2000–2006) created the Universal Access to Guaranteed Rights (AUGE) plan, which aimed at better access, improved quality, and shorter waiting times in the public sector by establishing a minimum coverage plan. This “involved a laborious process of negotiation both among sectors of the Concertación parties and between the center-left coalition and the opposition, lasting from 2002 to 2004” (Pribble and Huber 2008, 8). The law guaranteed universal coverage of fifty-six illnesses by 2007 (Chilean Government 2010). The reform specifies a timeline and includes a pledge by the state to cover the cost of treatment of these illnesses in the private sector if the public sector is incapable of offering this care (Artaza 2008). This explains the limited coverage in light of containing costs and pressure on the state’s budget. AUGE has had a positive impact especially on lower-income groups, who use the public system more than higher-income groups (Superintendencia de Salud de Chile 2005), and has likely helped reduce poverty levels (Pribble 2008; Drago 2006). According to Pribble and Huber, “The AUGE reform was largely driven by partisan elites, and portions of it clearly reflect the preferences of the market-friendly sector of the Socialist Party, which prioritizes fiscal discipline and macroeconomic stability” (2008, 21).

Regarding social assistance, Chile Solidario, an integral program targeted at Chile’s poor that consists of a conditional cash transfer and a program called Programa Puente that provides preferential access to other sectors of social policy, was implemented in 2004 by President Lagos as well. This program provides income and psychosocial support to families living in extreme poverty, as well as preferential access to other public social policies (Henríquez and Reca 2005, 120; Chile Solidario 2004). It was a top-down initiative, and there was no consultation with base organizations. President Bachelet (2006–10) continued the program and expanded coverage and the network of social services (Artaza 2008). The process has been highly technical in character and has sought to avoid political influences from parties (Pribble and Huber 2008, 24). Thus policy formation has been top-down; it has little to do with societal coalitions, either as an explanatory factor in the reform or as an effect of the program.

In education, the (slow and ongoing) reform process of Pinochet’s education law (*Ley Orgánica Constitucional de Enseñanza*) began after student protests that took place in April and May 2006. The so-called march of the Penguins, consisting of thousands of students, demanded an end to the decentralized system of school administration, which was highly unequal (Mardones 2007; Raczynski 2008). In this case, a nontraditional, unexpected

—-1  
—0  
—+1

actor triggered policy reform from the bottom up and opened the agenda for sectoral reform. Policy formation, however, has been top-down, to the extent that the student body that pressured for reform became so frustrated with the process that its members left the negotiation table. According to Pribble and Huber, “The more traditional-statist sectors of the party [Partido Socialista] favored a reform that explicitly supported the public municipal schools, but this was rejected for a system that funds poor students regardless of the school they attend. As a result, the reform will provide funds to private subsidized schools as well as strictly public municipal schools. This aspect of the reform is in opposition to the preferences voiced by the teachers’ unions, student organizations, and other base groups” (2008, 23). Despite this social opposition, the reform (*Ley General de Educación*) was approved with the support of right- and left-wing legislators in June 2008 (*Agencia de Información Frat Tito para América Latina 2008*).

Finally, a pension reform aimed at coping with the extremely low coverage was approved and went into effect during the first half of 2008. This reform was also a top-down process, although civil society was selectively invited to send in proposals to be considered as part of the reform (*Consejo Asesor Presidencial para la Reforma Previsional 2006*). Formally, before the reform, there was a minimum pension for those without contributory coverage. However, as in El Salvador, 240 monthly contributions were required to be eligible, a number difficult to achieve even in a labor market considerably less informal than El Salvador’s. “Since such a long contribution record is beyond the reach of many Chilean workers, this benefit is unattainable for a large share of individuals. Similarly, the social assistance pension, which is paid to the elderly poor, is also unobtainable for some individuals because they do not qualify for the benefit according to the country’s means test” (*Consejo Asesor Presidencial para la Reforma Previsional 2006*, 17–18). Among the measures in the reform is the introduction of a universal pillar into the privatized system. This pillar will replace both existing mechanisms and will fund old-age, disability, and survivor benefits to individuals currently without coverage. This basic universal pension will be available to the bottom 60% of the income distribution. In addition, informal workers will have the same benefits as formal workers with a contract (i.e., family allowances and work injury protection) (Pribble and Huber 2008).<sup>12</sup>

In summary, Chilean social policy was deeply reformed during the military dictatorship of the 1980s. Since democratization in 1990, various policy measures have changed previous reforms, specifically to enlarge the role of public resources to decommodify risk management, but without substantially altering the central role of markets and the private sector. Policy formation has been markedly top-down and has revolved around technocratic

-1—

0—

+1—

elites linked to political parties in office, but has also been quite powerful on its own terms.

EL SALVADOR: WEAK COALITIONS, CONTINGENT ON POLICY SECTORS,  
AND AFTER A MIX OF RESTORATION AND TRANSFORMATION

Since 1992, when the peace accords were signed, there has been significant policy change in El Salvador. However, it is important to note that the political and socioeconomic context differs vastly from the contexts in Chile and in Costa Rica. First, the neoliberal economic and social reforms that took place during the 1990s were embedded in the context of post-civil-war reconstruction. Second, the point of departure was a residual, exclusionary social policy regime with extremely low coverage and clearly insufficient levels of social spending. In addition, the formal labor market is much less capable of absorbing labor than in Chile or Costa Rica, while the rate of self-employment is more than double and emigration is a primary source of income, both for families and for the country as a whole. In addition, trade unions are forbidden among public servants and thus are limited to very specific sectors such as autonomous state institutions (Almeida and Delgado 2008).

Educational reforms were launched in the first half of the 1990s during the post-civil-war “honeymoon” period between the right-wing ARENA and the left-wing FMLN (Gallardo 2008). The reform promoted decentralization, but in a very unique context: the former guerillas, now a political party, demanded that the large number of schools and teachers located in previously guerrilla-controlled regions be integrated into the formal education system. The reform took place after an agreement between negotiators for the FMLN and ARENA and was supported by teachers’ unions, closely related to the left-wing political party (Gallardo 2008). Although this reform was negotiated among elites, it had a larger, societal support base and was also bipartisan, involving key leaders from both the FMLN and ARENA. Once this specific postwar negotiation was left behind, subsequent measures maintained this bipartisan support but followed a top-down rationale, except when more corporate issues such as wages and contracts were addressed.

In contrast, pension reforms were carried out unilaterally by the government in the late 1990s without the support of the political opposition, but with no strong social opposition either. With the 1996 reform of the pension system, pensions went from a collective pay-as-you-go system to one based on private individual savings and accounts. Because the former system benefited just a few, one of the arguments that drew favorable public opinion was that the new system would increase coverage and opportunities for those excluded from all social protection. However, with the very large informal sector,

—-1  
—0  
—+1

the proportion of the population actually contributing has up to now remained as low as before (Argueta 2007). Moreover, access to the minimum pension is among the most restricted in Latin America because of the requirement of 240 monthly quotas for eligibility (Mesa-Lago 2003). Meanwhile, public debt to private insurance businesses is fairly large because people who switched from the public sector to private insurance at some point must also take their savings with them, and thus social expenditures are more regressive than before. Therefore, the reform, instead of extending coverage, has actually reduced it. Additionally, the reform forced the state to transfer a very large amount of resources to private administrators of pension funds (Gallardo 2008), and the government is predicted to face major public debt challenges in 2011. In fact, it is already experiencing pressure on other social policy sectors (such as education and health) (Martínez 2008).

In the health-care sector, an overarching sectoral reform has had many setbacks. During the first half of the 1990s, several organizations from different ideological backgrounds carried out analyses of the system. During the second half of the 1990s, a national board that encompassed a fairly heterogeneous set of interests and viewpoints came to an agreement. Although this agreement was still somewhat vague, it provided a reasonable framework for strengthening public services, both in funding and in provision. However, very unexpectedly, and contrary to what had been agreed on by the different sectors, President Francisco Flores (1999–2004) unilaterally sent a proposal to Congress with a much more neoliberal bent than was anticipated. As a result of the closed and top-down nature of this proposal (Homedes et al. 2000), a coalition of actors opposing the privatization of funding and provision of health services took to the streets. Medical unions and other professional health-care organizations were the primary actors in the coalition but were strongly supported by women's organizations, users, and citizens, as became evident in the impressively large demonstrations, known as the *marchas blancas* (Almeida and Delgado 2008). The coalition was successful in opening up a space for negotiations between distinct actors—for example, business, doctors, and human resource trainers—and several general agreements were reached (with the exception of funding and service delivery). Eventually, Flores's reform was vetoed, and a new national board was established. However, the confrontation between pro-state and pro-market supporters following Flores's initiative drained much of the previous political and social energy to negotiate reform that had existed before Flores's unexpected proposal. A golden opportunity for a more consensual reform had unfortunately been missed (Choussy 2008). Since then, the primary source of disagreement has been whether to unify and integrate private subsystems, public programs and social security or to privatize a greater range of services.

-1—

0—

+1—

A new law that created some conditions to unify services was approved in late 2007. However, this law was opposed by the FMLN and health-care unions, who contend that the reform opens doors to further privatization (Menjívar 2008; Orellana 2008). Overall, health-care alliances among unions and users have been important in delaying the pace of reforms. This coalition has been mostly defensive, driven by an antiprivatization agenda.

In the area of social assistance, the conditional cash-transfer program Red Solidaria was established in 2005. Like the pension reform, it was top-down, but in contrast to the pension reform, this program expanded rather than retrenched social assistance. Led by a technical team and with strong and direct political support from President Antonio Saca (2004–9), Red Solidaria targets rural children living in extreme poverty. As in other programs of this kind, the program transfers income (US\$30 every two months), contingent on school attendance and health monitoring. Unlike many of these programs, Red Solidaria pursues training among mothers and, although still only theoretically, foresees measures for income generation. This support has been very well received (Góchez 2008) by the 83,654 beneficiary families (Government of El Salvador 2009) in a country in which the majority of the population has had little or no experience with state redistribution. In fact, assessments show a sense of gratitude toward the government and more specifically toward the president, rather than a perception of such assistance as a “right” (Góchez 2008). It is therefore uncertain whether the program contributes to collective action among recipients and/or alliances with other sectors such as nongovernmental organizations in charge of training and follow-up of families. So far, the relationship is very much one-on-one, between the program and individual recipients.

Overall, in comparison with the early 1990s, low-income groups’ access to social services, although still basic, has somewhat improved, while middle-class access has worsened. However, improved or worsened access is not necessarily the result of collective action or autonomous organization but reflects technocratic and residual patronage. Nonetheless, within the context of tight bipartisan electoral competition, increased access does give the poor electoral power. For example, neither the Right nor the Left would dare to remove cash transfers at this point. Moreover, during the electoral campaign that led to the first left-wing government in the history of El Salvador in 2009, the right-wing party ARENA promoted many of the long-term redistributive claims made by the Left, such as antipoverty and pro-equity measures, something that was unthinkable just a decade ago.

In summary, starting from an exclusionary social policy regime that was weakened during the war, the role of societal versus elite coalitions varies with the social policy sector: bipartisan and societal in education; right-wing

—-1  
—0  
—+1

and top-down in pensions; top-down but distributive in social assistance; and societal and defensive rather than transformative in health care.

## Conclusions

The evidence from the exploratory analysis of three contrasting Latin American countries presented in this chapter shows that the type of welfare regime does provide relevant clues to understand the existence of societal distributional coalitions and their effect on redistribution. It suggests that societal coalitions have been and may continue to be weak in market welfare regimes, strong in state welfare regimes, and sector based in familialistic welfare regimes. However, distribution has often been triggered by elite rather than societal distributional coalitions. Of course, with elite coalitions, the scope of distribution has largely depended on the ideology of the elites involved in top-down policy design and implementation. These findings suggest that we need to explore the role and nature of distributional coalitions further, in the context of intraregional variations and patterns in welfare and social policy regimes. To this purpose, we need to bring in cultural dimensions and relate research on welfare regimes to pioneering studies on elites' perceptions of poverty and inequality as presented by Elisa Reis (see chapter 3 in this volume).

For better or for worse, different welfare regimes have margins of action that are structurally distinct, reflecting particular historical trajectories of degrees of commodification achieved by the workforce, as well as degrees to which risk management has been transferred from families (and unpaid work) to the field of public policy. State-led welfare regimes, such as Costa Rica, Brazil, and Uruguay, clearly differ from the market-led welfare regimes of Argentina and Chile in the extent to which liberal reforms—based on privatization, decentralization, and targeting—have taken place during the past two decades. In addition, countries with familialistic welfare regimes differ from countries under market- and state-led welfare regimes in that they have weaker and less extensive social policies. Therefore, the same targeted social programs that meant retrenchment of social policy in market- and state-led welfare regimes actually implied an expansion of redistribution in familialistic welfare regimes.

In all three countries, the question remains whether social policy changes will have sufficient effects to transform the welfare regimes within which social policies exist, as well as their ability to generate more equitable distribution. Our analysis indicates that such a transformation would require moving from elite to societal distributional coalitions in Chile. In El Salvador, on the other hand, elite coalitions may make a considerable difference, given the ideological change that has taken place among the elite in office, from a right-wing to a left-wing government. Because social needs are very pressing, such

—1  
—0  
+1—

a government may also require a combination of reliance on and detachment from societal distributional coalitions. In Costa Rica, finally, transformations may require drawing from societal coalitions that have proved quite effective in maintaining the redistributive effects of social policies. Such coalitions, however, have clashed and may continue to clash with elites in office who aim at moving more toward the Chilean approach to redistribution.

In all three countries, welfare regimes are under stress because of tensions between elites and interest groups, whether these are in favor of distribution or not. These tensions seem to move toward more protection in Chile, less protection in Costa Rica, and more effective state participation in El Salvador.

## Notes

1. For taxation, the other key policy component of redistribution, see chapter 10 of this volume.
2. Accounting for no more than 1% to 2% of GDP and no more than 10% of social spending, these programs are relatively cheap but allow bypassing political constraints to move from contributory, regressive policies to reaching a wider scope of the population (see Filgueira et al., chapter 8 in this volume). In addition, these programs gained political support from neoliberal parties, which claim that social policy should be targeted to the poor alone.
3. We mean inequality of outcomes. For the distinction between inequality of outcomes and inequality of opportunities, see chapter 2 by Anna Crespo and Francisco Ferreira in this volume. So far, no investigation that we are aware of has looked into how welfare regimes perform with regard to inequality of opportunity. Because welfare regimes help simplify a rather complex regional reality, such research could make an important contribution to public policy making.
4. This familialism is qualitatively distinct from that of European and North American countries. In those regions, familialism is a more specific concept, referring to countries in which families are expected to take on the responsibilities of care work almost exclusively. In Mediterranean Europe, for example, the role of the state in care is relatively small compared with the role of the family. These countries are distinct from other European countries, in which a large share of the care work is left to the market (as in the United States) or to public social programs (as in Sweden). In contrast, in Latin America, we find ourselves confronted with a much broader notion of familialization. Families are expected not only to take on the responsibilities of care work but also to transform themselves into productive units and networks of social protection, particularly because of the weakness or disappearance of the boundaries between the different practices of resource allocation. This broadening of family roles involves changes in gender roles (Martínez and Voorend 2009).
5. We are aware that social inequalities do not automatically translate into political preferences (see Blofield and Luna, chapter 5 in this volume). That said, this chapter seeks to make a contribution toward better understanding whether and how social structures actually are reflected in demands for redistribution.
6. These three countries are also case studies for a larger research project being conducted by Martínez Franzoni and Voorend at the Institute of Social Research (University of Costa Rica) that addresses the complex interrelations between welfare regimes and gender relations.
7. As Jeremy Seekings pointed out when reading a previous version of this chapter, “Including and excluding social security is methodologically difficult when you are comparing countries that have socialized versus what I call semisocialized systems. In South Africa, for example, standard data exclude social security, although there are many statutory obligations and restrictions on ‘privatized’ contributory systems, and there may be extensive socialization of risk at the industrial level even if not at the national level” (personal communication, April 2008).
8. It is important to note here that there exist considerable discrepancies in data on Gini coefficients in the three countries. For reasons of comparison, we use the data as presented in CEPAL (2009) for all three countries.

—-1  
—0  
—+1



9. The progressiveness of social policy is either positive or negative, depending on policy design. A targeted policy may be more progressive than a universal policy that seeks to reach the middle and middle-upper class.

10. For Chile, data do not allow cross-time analysis.

11. The 2004 data comes from a special household survey on income and spending conducted in Costa Rica this year. It is not part of s series but is comparable to a similar 1988 survey. While it is more accurate than regular household surveys, data is not directly comparable to the data used by CEPAL. This is why table 11.4 does not include these data.

12. The term “formal workers” is not equivalent to permanent formal workers. Being employed in the formal sector does not necessarily mean having a stable and permanent formal job. Many workers in the formal sector work on contract base, for professional services. These workers are not protected by the norms established under the Chilean Labor Legislation, nor do they have the same access to social security benefits as a permanent formal workers (Sisto 2009).

## References

- Agencia de Información Frat Tito para América Latina (ADITAL). 2008. “Ley General de Educación es aprobada y sigue ahora para el Senado.” ADITAL, June 19. [http://www.adital.com.br/site/noticia\\_imp.asp?cod=33586&lang=ES](http://www.adital.com.br/site/noticia_imp.asp?cod=33586&lang=ES).
- Almeida, Paul, and Roxana Delgado. 2008. “Gendered Networks and Health Care Privatization.” In *Advances in Medical Sociology*, vol. 10, *Patients, Consumers, and Civil Society*, edited by Susan M. Chambré and Melinda Goldner, 273–303. Bingley, U.K.: Emerald Group Publishing.
- Argueta, Nancy. 2007. “Dreams That Do Not Come True: Re-addressing Social Security to Expand Old Age Protection; The Case of Informal Workers in El Salvador.” Working Paper 439, Institute of Social Studies, The Hague.
- Artaza, Osvaldo. 2008. Director of El Hospital Luis Calvo Mackenna and former minister of health of Chile. Interviewed by Koen Voorend and Ariana Araujo, Santiago, June 2.
- Castro Méndez, Mauricio. 2000. *Reforma de pensiones y transformación del auxilio de cesantía en Costa Rica: Un análisis desde la perspectiva sindical*. Geneva: OIT.
- Castro Méndez, Mauricio, and Juliana Martínez Franzoni. Forthcoming. “Un modelo social exitoso en la encrucijada: Límites del desencuentro entre régimen laboral y de bienestar en Costa Rica.” *Revista Centroamericana de Ciencias Sociales*.
- CEPAL. 2005. *Panorama social de América Latina*. Santiago, Chile: United Nations/CEPAL.
- . 2007. *Panorama social de América Latina*. Santiago, Chile: United Nations/CEPAL.
- . 2009. *Panorama social de América Latina*. Santiago, Chile: United Nations/CEPAL.
- Chile Solidario. 2004. “Sistema de Protección Social para familias en situación de pobreza, denominado Chile Solidario: Ley 19949.” *Diario Oficial* (Santiago, Chile), May 17.
- Chilean Government. 2010. “Ampliación del Plan AUGE: Diez Nuevas Patologías.” *Gobierno de Chile*, June 30. <http://www.gob.cl/especiales/ampliacion-del-plan-auge/>.
- Choussy, Celina. 2008. Executive director of Fundación Salvadoreña (FUSAL). Interview by Juliana Martínez Franzoni, San Salvador, May 29.
- Consejo Asesor Presidencial para la Reforma Previsional. 2006. *El derecho a una vida digna en la vejez: Hacia un contrato social con la previsión en Chile*. 2 vols. Santiago, Chile: Consejo Asesor Presidencial para la Reforma Previsional.
- Drago, Marcelo. 2006. *La reforma al sistema de salud chileno desde la perspectiva de los derechos humanos*. Serie Políticas Sociales 121. Santiago, Chile: United Nations/CEPAL.

-1—

0—

+1—

- Esping-Andersen, Gøsta. 1990. *The Three Worlds of Welfare Capitalism*. Princeton: Princeton University Press.
- Filgueira, Fernando. 1998. "El nuevo modelo de prestaciones sociales en América Latina: Residualismo, eficiencia, y ciudadanía estratificada." In *Ciudadanía y política social*, edited by Bryan Roberts, 71–114. San José, Costa Rica: FLACSO.
- Gallardo, Cecilia. 2008. Coordinator of social area and conditional cash-transfer program Red Solidaria. Interview by Juliana Martínez Franzoni, San Salvador, March 6.
- Góchez, Rafael. 2008. "Percepción de los beneficiarios del funcionamiento e impacto de Red Solidaria." Technical report presented at the Red Solidaria workshop "Consultoría Nacional Red Solidaria," San Salvador, May. [http://www.pnud.org.sv/2007/component/option,com\\_docman/task,doc\\_download/gid,403/Itemid,56/](http://www.pnud.org.sv/2007/component/option,com_docman/task,doc_download/gid,403/Itemid,56/).
- Gough, Ian, and Geof Wood. 2004. "Introduction." In *Insecurity and Welfare Regimes in Asia, Africa, and Latin America*, edited by Ian Gough and Geof Wood, 1–11. Cambridge: Cambridge University Press.
- Government of El Salvador. 2009. "Red Solidaria llega a 100 municipios y 120 mil familias reciben bono para salud y educación." Programa Red Solidaria El Salvador. <http://www.redsolidaria.gob.sv/content/view/857/> (site discontinued).
- Henríquez, Helia, and Inés Rea. 2005. "Propuestas para fortalecer los componentes de género en el sistema de protección Chile Solidario." In *Chile Solidario y los desafíos de la igualdad: Proyecto género, pobreza, y empleo*, edited by Verónica Riquelme and María Elena Valenzuela, 77–156. Araucanía, Chile: OIT.
- Hirschman, Albert O. 1970. *Exit, Voice, and Loyalty: Responses to Decline in Firms, Organizations, and States*. Cambridge: Harvard University Press.
- Homedes, Nuria, Carolina Paz, Olga Solas, Ernesto Selva-Sutter, and Antonio Ugalde. 2000. "Health Reform in El Salvador: Theory and Practice." In *Healthcare Reform and Poverty in Latin America*, edited by Peter Lloyd-Sherlock, 57–77. London: Institute of Latin American Studies.
- Korpi, Walter, and Joakim Palme. 1998. "The Paradox of Distribution and Strategies of Equality: Welfare State Institutions, Inequality, and Poverty in the Western Countries." *American Sociological Review* 63:661–87.
- Mardones, Rodrigo. 2007. "Chile: Todas íbamos a ser reinas." *Revista de Ciencia Política* 27 (Especial): 79–96.
- Márquez Ayala, David. 2007. "Mundo: El gasto en salud." Reporte Económico. *Vector Económico*. <http://vectoreconomico.com.mx/files/pdfs/ro7052007.pdf>.
- Martínez, Gerson. 2008. Legislator and legislative coordinator for Frente Farabundo Martí para la Liberación Nacional (FMLN). Interview by Juliana Martínez Franzoni, San Salvador, May 31.
- Martínez Franzoni, Juliana. 2005. "Régimen de bienestar y salud en Costa Rica: Una década de reformas y mercantilización de servicios." Paper presented at the Conference on Latin American Perspectives on Public Health, University of Toronto, May 5–7.
- . 2008a. "Costa Rican Social Protection: The Accomplishments and Strains of a Showcase." Paper prepared for the 2010 UNRISD *Flagship Report: Combating Poverty and Inequality*, UNRISD, Geneva.
- . 2008b. "Costa Rica's Pension Reform: A Decade of Negotiated Incremental Change." In *Lessons from Pension Reform in the Americas*, edited by Stephen Jay Kay and Tapen Sinha, 317–39. New York: Oxford University Press.
- . 2008c. "Welfare Regimes in Latin America: Capturing Constellations of Markets, Families and Policies." *Latin American Politics and Society* 50 (2): 67–100.

—1  
—0  
—+1

- Martínez Franzoni, Juliana, and Koen Voorend. 2009. "Sistemas de patriarcado y regímenes de bienestar en América Latina. ¿Una cosa lleva a la otra?" Documento de Trabajo No. 37, Fundación Carolina–CeALCI, Madrid.
- Menjívar, Mauricio. 2008. General secretary of Union of Physicians at the Salvadoran Social Security Institute. Interview by Juliana Martínez Franzoni, San Salvador, May 29.
- Mesa-Lago, Carmelo. 2003. *El sistema de seguridad social de El Salvador después de cinco años*. San Salvador: Fundación Frederich Ebert.
- O'Donnell, Guillermo. 1999. "Pobreza y desigualdad en América Latina: Algunas reflexiones políticas." In *Pobreza y desigualdad en América Latina: Temas y nuevos desafíos*, edited by Victor Tokman and Guillermo O'Donnell, 69–96. Buenos Aires: Paidós.
- Orellana, Miguel. 2008. Member of the Asociación Salvadoreña de Promoción de la Salud. Interview by Juliana Martínez Franzoni, San Salvador, May 25.
- Pierson, Paul. 1994. *Dismantling the Welfare State? Reagan, Thatcher, and the Politics of Retrenchment*. Cambridge: Cambridge University Press.
- PNUD. 2008. *Informe sobre el desarrollo humano El Salvador, 2007–2008*. San Salvador: PNUD.
- Portes, Alejandro, and Kelly Hoffman. 2003. "Latin American Class Structures: Their Composition and Change During the Neoliberal Era." *Latin American Research Review* 38 (3): 41–82.
- Pribble, Jennifer. 2008. "Protecting the Poor: Welfare Politics in Latin America's Free Market Era." PhD diss., Department of Political Science, University of North Carolina at Chapel Hill.
- Pribble, Jennifer, and Evelyne Huber. 2008. "Social Policy and Redistribution Under Left Governments in Chile and Uruguay." Paper prepared for delivery at the workshop "Social Policy Against Poverty and Social Exclusion: Dealing with Informality," European Union Center for Excellence, University of North Carolina at Chapel Hill, March 29–30.
- Raczynski, Dagmar. 2008. Sociologist. Interview by Koen Voorend and Ariana Araujo, Santiago, Chile, June 4.
- Seekings, Jeremy. 2008. "Welfare Regimes and Redistribution in the South." In *Divide and Deal: The Politics of Distribution in Democracies*, edited by Ian Shapiro, Peter A. Swenson, and Daniela Donno, 19–42. New York: New York University Press.
- Seligson, Mitchell, and Juliana Martínez Franzoni. 2009. "Limits to Costa Rican Heterodoxy: What Has Changed in 'Paradise'?" In *The Politics of Democratic Governability in Latin America: Clues and Lessons*, edited by Scott Mainwaring and Timothy Scully, 307–16. Palo Alto: Stanford University Press.
- Sisto, Vicente. 2009. "Cambios en el Trabajo, identidad e inclusión social en Chile: Desafíos para la investigación." *Revista Universum* 24 (2): 192–216.
- Superintendencia de Salud de Chile. 2005. "Informe Requerido por el Tribunal de Defensa de la Libre Competencia." <http://www.supersalud.cl/difusion/572/w3-article-536.html>.
- Trejos, Juan Diego. 1993. "Costa Rica: La respuesta estatal frente a la pobreza: Instituciones, programas, y recursos." In *Estrategias de combate a la pobreza*, edited by Dagmar Raczynski, 163–215. Santiago, Chile: CIEPLAN/BID.
- . 2006. "Pobreza y gasto público social en Costa Rica." In *Jornada anual de la Academia de Centroamérica 3: Pobreza en Costa Rica*, edited by Víctor Hugo Céspedes and Ronulfo Jiménez, 39–45. San José, Costa Rica: Academia de Centroamérica.

-1—

0—

+1—

- . 2007. “¿A quién beneficia el gasto público social en Costa Rica?” In *Distribución del ingreso en Costa Rica 1988–2004*, edited by Victor Hugo Céspedes and Ronulfo Jiménez, 89–134. Jornada anual de la Academia de Centroamérica 4. San José: Academia de Centroamérica.
- . 2008. “Basic Social Services in Costa Rica: Achievements and Bottlenecks Since 1950.” Paper in preparation for the 2010 *UNRISD Flagship Report: Combating Poverty and Inequality*, UNRISD, Geneva..
- Villasuso, Juan Manuel. 1992. “Fondos y programas sociales en Costa Rica durante los ochenta.” In *Fondos y programas de compensación social: Experiencias en América Latina y el Caribe*, edited by the Pan American Health Organization (PAHO)–World Health Organization (WHO), Health Policy Development Program. Washington, D.C.: PAHO/WHO.
- World Bank. 2009. “World Development Indicators.” In World Bank electronic resources data set WDI. <http://data.worldbank.org/data-catalog/world-development-indicators>.