

SOCIAL SAFETY NETS IN
LATIN AMERICA AND EAST ASIA:

A COMPARATIVE STUDY

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AUGUST 31, 1994

I. INTRODUCTION.

1.1.

In the following study the features of social safety nets in Latin America and in East Asia are compared, both with a view to examining their comparative historical development and their current status. This comparison may be fruitful for a number of reasons. Social safety nets are important in themselves, insofar as they provide intrinsically valuable security and capabilities to individuals. Additionally, however, there may be backward and forward interlinkages between the development of social safety nets and the process of economic growth. The study of social safety nets can be analytically important for this reason amongst others. The widely divergent comparative growth performance of East Asia and Latin America, despite Latin America's earlier economic superiority has given rise to much discussion and comment [eg. Birdsall and Sabot (1994), Jaspersen et al (1994)]. The role of social safety nets has generated much discussion in the context of Latin America, particularly as a consequence of the widespread and deep financial crises of Latin American social security systems [on the latter, see IBD (1992), Lloyd-Sherlock (1992), Mesa-Lago (1983,1991,1992), McGreevey (1990)]. However, the place of social safety nets in the comparison with East Asia has remained a largely neglected dimension [with the notable exception of Mesa-Lago, (1992)]. One reason for this is the comparative scarcity of reliable information on social safety nets in East Asia. In the following, an attempt is made to overcome these problems and to remedy this omission.

To begin with, it is necessary to define what is meant by social safety nets (SSNs). The term Social Safety Net spans the entire range of instruments for social protection, which provide support to individuals in the context of particular contingencies, whether arising from the life-cycle (eg. pregnancy, old age), or from particular circumstances (eg. injury, unemployment).

Although this definition is inclusive of privately as well as publicly provided support, the discussion in this paper confines itself to state provided or mandated forms of support.¹ This includes, but is not confined to, the traditional International Labour Office concept of social security which covers state provided or mandated "social insurances (old-age, disability, and survivor pensions; non-occupational sickness and maternity care, and corresponding monetary benefits; occupational accident and disease care, and monetary benefits; unemployment compensation); family allowances; social or public assistance (such as pensions for low-income persons not eligible for social insurance benefits, food stamps, and so on); national health systems or public health programmes; provident funds". In addition, an attempt will be made to consider general government subsidy to, or provision of, health and education, whether or not this occurs within the framework of legislation.

1. It has been widely noted that social safety nets are, particularly in developing countries (though not only in developing countries) largely informal in nature. A wide range of informal and private institutions provide social security to the vast majority of people in developing countries (see for eg. Platteau (1992), Dreze and Sen (1992)). Although these systems are of the utmost importance in any comprehensive study of the role of SSNs in developing countries, they will not be considered here. It is important to keep in mind, however, that such systems, rather than the formal state sanctioned SSNs which we consider, are those which affect which most affect the majority of individuals in developing countries.

1.2.

By way of prelude to detailed comparative examination of SSNs in Latin America and in East Asia, the following broad generalizations can be put forward in brief:

- (i) Latin American SSNs originated earlier than East Asian SSNs, amongst all categories of SSNs, although SSNs of certain types are quite old in both regions.
- (ii) Latin American SSNs have historically been (and are currently) more diversified, covering a broader range of contingencies than East Asian SSNs.
- (iii) As a broad comparison, Latin American SSNs are much less unified in their system of administration, being characterized by highly unequal and occupationally stratified systems of provision, whereas East Asian SSNs tend to be more administratively unified.
- (iv) Whereas both East Asian and Latin American SSNs are highly unequal (and likely regressive) in the coverage and benefits which they provide, Latin American SSNs feature structural inequalities related to their occupationally segregated and stratified systems of finance and administration. In contrast, some East Asian SSNs perpetuate inequalities amongst individuals as such.

(v) Latin American SSNs have received a much larger share of their expenses directly from the state. Largely as a consequence, Latin American SSNs have likely been more regressive.

Both East Asian and Latin American SSNs have differed from SSNs in the Developed Countries, which have tended to a more significant degree to be unified, uniform, and universal. Part of this difference is related to the difficulties of implementing SSNs with these characteristics in developing countries with large informal and unorganized sectors and other distinctive features. But this difference is also related to institutional factors which reflect regional political economy.

II.

2.1. (LEGISLATION).

Latin American formal SSNs were initially developed before (in many cases substantially prior to) those in East Asia. Indeed, Latin American SSNs were pioneering amongst developing countries, and in some respects even amongst developed countries.² Table 1 shows the date of earliest formal legislation concerning safety nets of various kinds in the two regions. Table 2 shows the percentage of countries in each region having formal legislation

2. Mesa-lago (1978) reports pension programs for specific groups (civil servants and the military) dating back to the 1820s for a range of Latin American countries. As well, on the generous level of Latin American SSN benefits even by contemporary developed country standards, see Midgley (1984), among others.

providing for social safety nets of a particular type by a given year. This information pertains only to legislation, and not to actual practice.

Legislation need not have been fully implemented, and even if so, may or may not provide extensive benefits and may or may not cover a significant proportion of individuals. For example, South Korea's 1973 national pension law was not in effect implemented until 1989, and in many other cases, although implemented, old-age protection schemes have applied to small numbers of workers. Malaysia's extensive health system provides another type of example, of a country which has in effect a universal-coverage national health care system (indeed perhaps one of the most effective in the developing world), but because there is no formal legislation sanctioning or guaranteeing this, does not appear to have any program for sickness and maternity. Despite all of these conceptual difficulties, the progression of legislation on SSNs is worth examining as a rough guide to the actual development of these systems.

It is worth commenting that although Latin American countries generally predate East Asian countries in all categories of SSN legislation, this is not very marked in the case of legislation on work injury and related compensation. Programs in this area have existed in legislation and indeed in practice for a considerable period in all countries, although in many instances with very limited coverage.³ Employment injury SSNs are also

3. For example, in 1964, Korean protection against occupational injury and sickness covered only 1.05 percent of employees. Even in 1979, it covered only 26.4 % of individuals [Dixon and Kim, 1985]. The late actual development of protection against occupational injury contrasts with most many countries in which there has been very extensive coverage of the labour force against occupational injury for a considerable period [Argentina, for example, has had near universal protection since 1915]. However, this is not also atypical.

characterized however, by their relatively uncontroversial nature and comparative ease of administration (often they take the form simply of legislating employer liability for benefits).

Unemployment related SSNs and Family Allowances, while hardly universal in either region, show a markedly greater propensity to exist in Latin America. The gap between the earliest legislation in the same category in the two regions is also the most extensive in the case of unemployment. The gap between the two regions is most dramatic in the case of Family Allowances. Family Allowances exist in a majority of countries in Latin America, and in only one country in East Asia (Hong Kong). Moreover, although this is not revealed by the table, it is notable that family allowance systems in LA are often considerable in their benefits, whereas the single East Asian program of this nature is in fact very meager. The same holds true for unemployment related SSNs; in Hong Kong, unemployment benefits are relatively small, although universally accessible (on a means-tested basis), and in Thailand unemployment legislation has not yet even been implemented. In contrast, at least some countries in Latin America have extensive unemployment-related SSNs with relatively wide coverage and benefits (eg. Venezuela, Uruguay, Chile).

It is worth noting that, as of 1990, 100% of countries in both regions had employment-injury and old-age-disability SSN legislation, and (if we include Malaysia) the same is true in the case of sickness and maternity. This uniformity should not be given much weight however. In fact, the legislative

provision of SSNs masks gross variation in the extent, significance, and structure of these SSNs in the countries concerned.

As noted above, the range of benefits of benefits in the two regions has been historically broadly different. While it is impossible to enter here into a detailed discussion of the various differing features of the innumerable SSNs in Latin America and East Asia, we can note a few distinguishing features. As noted earlier, Latin American SSNs have historically covered a broader range of contingencies than in EA. Formal medical insurance programs are relatively old in Latin America and relatively new in East Asia. Of course, in practice, informal medical guarantees have existed for a long period in some countries (Malaysia and Singapore), but even in these countries these have only existed since the 1960s, which is a significant contrast to such SSNs in LA. The longer history of health-related SSNs in LA is related to the longer history of the social insurance/pension systems in LA, as Latin American countries have very extensively relied on the social security system as a provider or source of finance for health care [Mesa-Lago (1985), Ron et al (1990, ILO), de Ferranti (1985)]. As a broad generalization, in legislation and in practice, Unemployment Insurance, Family Allowance, and other programs are more likely to have existed in Latin America. Those programs of this type which exist in East Asia are of recent origination and much less generous in their benefits than corresponding programs in LA [See Appendix]. Formal East Asian SSNs have traditionally confined themselves to provision for old age, employment injury, and in a few confined cases, limited assistance to the indigent.

2.2 (COVERAGE).

Table 4 describes the proportion of the economically active population (ILO definition) covered by formal SSNs for old-age in some way. Figures on coverage of SSNs are very unreliable and often incomplete. Table 4 nevertheless represents a comprehensive compendium of available historical data on coverage. There is no correspondingly complete set of data on SSNs related to any other contingency. Table 4 includes all types of legally mandated old age protection mechanisms, from provident-fund type forced saving schemes, through conventional contributory social insurance pension schemes, through to the minimal but universal non-contributory demogrant-type pension program in Hong Kong. On the surface, the coverage figures do not in themselves suggest systematic regional differences. Chart 1 demonstrates this clearly.

It is worth noting three features, however, for further reference. Firstly, the two East Asian countries with highest coverage besides Hong Kong in 1990 are Malaysia and Singapore. Both of these countries have forced-saving schemes of the provident-fund type. These are individual retirement accounts managed collectively. The individual receives the cumulated sum of his contributions minus withdrawals plus interest upon retirement, as a lump sum or, (as of very recently), in the form of an annuity. There is no social redistributive element to these schemes, which depend purely upon prior earnings. As a result, there are many individuals with lower earnings who are in fact provided with little actual old-age protection by such schemes.

Indonesia, the Philippines, and Taiwan have provident funds as well as bona fide pension schemes, and Korea has solely a set of pension schemes. Secondly, the four countries with highest coverage in Latin America in 1990 are Chile, Argentina, Costa Rica, and Uruguay. Of these, the three "Southern Cone" countries are the countries historically most advanced in the provisioning of SSNs in LA. They began to develop SSNs first, and developed them most extensively. They are also however, highly occupationally stratified and have faced over the last 15 years serious fiscal imbalances as a result of the unsustainable nature of their commitments [McGreevey (1990), Mesa-Lago (1991a,1991b), Lloyd-Sherlock (1991), Castro-Gutierrez (1989)]. Costa Rica is the one "latecomer" having fairly recently extended the proportion of the labour force covered for old age. Thirdly, the minimal and extremely recently developed coverage under social insurance for old age exhibited by Indonesia and Thailand is worthy of mention. These countries are, of all those in East Asia, those with the least developed SSNs. Thailand, in particular, has historically been the most backward. In fact (see Table 1), until 1990, it lacked legislation to cover any contingency other than employment injury. At the same time, it has now embarked on the most ambitious, generous, and comprehensive, SSN development plan of any of the East Asian nations (embodied in the 1990 legislation).

Available data on the proportion of the labour force and population covered for sickness (whether by way of eligibility for cash benefits in the event of sickness, or coverage for medical expenses) in various countries is shown in Table 5. Here, data gaps make a comparison difficult. Still, we can note

that Chile and Uruguay (the "pioneer" SSN countries) are two of the three countries with highest coverage of the labour force, and that, Argentina, Chile, Uruguay, Brazil, and Costa Rica are those with highest coverage of the total population. Once again the pattern of the Southern Cone and Costa Rica as the most "developed" social security countries in LA stands out. Brazil is an exception which deserves comment. Brazil's rural social security program (FUNRURAL in the mid 1960s and its successors), as well as widespread recent extension of coverage in the urban areas has brought it to the forefront in terms of coverage.⁴ However in terms of depth of benefits, not all Brazilians are covered as extensively as in the other leading coverage countries with longer social security traditions. Tables 6 and 7A provide evidence on the coverage of various occupational groups, and of the informal sector, in a sample of Latin American countries. That there are significant differences in the extent of coverage of different occupational groups, even in the more "developed SSN" countries is of note. In Chile, for example, traditionally considered to have had one of the oldest, most diversified, and generous social benefit systems in Latin America, less than twenty percent of the population in the informal sector is formally covered by social insurance/social security.

4. On the spectacular pace of growth of the Brazilian social security system, in the period 1960-90 as well as its earlier history, see de Oliveira et al (1987), and Malloy (1979).

2.3 (DIFFERENTIAL BENEFITS).

As a broad comparison, Latin American SSNs tend to exhibit patterns of occupational stratification. In a number of countries, a wide variety of organizations (or "Social Security Institutes") responsible for administering schemes relevant to particular occupational groups, administer the social security system [Mesa Lago (1991, 1978)], which may have led to the perpetuation of inequalities in the quality and quantity of benefits received by different sectors within the broader social security system. A number of authors have decisively documented the unequal coverage and benefits of formal SSNs in Latin America [Mesa-Lago (1991, 1978), Malloy 1979), McGreevey (1990)]. The differential pensions received by different groups in some typical Latin American countries are shown in Table 7B. The ad hoc historical development, along occupational lines, of Latin American SSNs underlines the continuing occupational segregation of the social security system in many countries (though in some, such as Brazil and Chile, social insurance reform has changed this). Mesa-Lago (1978) claims to show for a sample of Latin American countries that the occupational groups covered first historically are also those with the highest proportion covered today within their occupational category and the highest benefits. Differential benefits do not in themselves demonstrate regressivity, of course, and indeed this is a question which shall be turned to only later.

The pattern amongst East Asian countries in regard to occupational inequality and stratification is markedly different. Malaysia and Singapore have systems of the provident-fund type, with unified and centralized

administrations. Both have supplementary bona-fide pension programs (tied to length of service and final salary rather than to contributions) for civil servants and military officers but these are relatively small.⁵ Provident funds do nothing to reduce inequality between individuals, but do not have the feature that they regenerate inequality between occupational groups as such, as in the Latin American case. Provident Funds deliver highly unequal benefits to their members, consistent with their highly unequal contributions. The Philippines, Korea, and Taiwan have service-related pension schemes. These do reflect some degree of occupational inequality, but not to anywhere comparable an extent as in Latin America. All three have separate systems for government employees. In the case of Taiwan, there are also separate systems for teachers, farmers, and the self-employed, and in Korea there are also separate systems for military employees, and school teachers. In all three cases, public employees have been the first to benefit from pensions, with the other categories mentioned above subsequently gaining coverage. The general system (for extension to employees of private firms in industry, commerce etc.) has been the last to be created. In all cases, however, the differences between systems are less pronounced and extensive than in Latin America, as well as substantially less numerous. In the Philippines, for example, the GSIS (Government Service Insurance System) and SSS (Social Security System) provide very similar benefits.

5. Indeed, the Government of Singapore is working determinedly to cut down the proportion of civil servants and military officers who are eligible for such pensions rather than simply for membership in the Central Provident Fund [See International Social Security review, 4/87].

It is ironic but instructive that where East Asian SSNs are most unequal in their treatment of individual beneficiaries, namely in the provident-fund centered systems of Malaysia and Singapore, they are most centralized and unified in administration. It has been rightly and extensively pointed out that provident funds in these countries have provided an enormous and cheap source of development finance to governments. Table 7C provides an indication of the size of the savings mobilized through provident funds, for use by the central administration and its deputed agencies. In contrast, Latin American SSNs suffer from the historical burden of a proliferation of not only occupationally segregated but also independently administered SSNs. This multiple structure is related to the inequality of coverage and benefits which characterizes Latin American SSNs. Historically, comparatively privileged groups have often mobilized in Latin America to maintain the independence of their own SSN systems in order also to maintain their unequal benefits [Malloy (1979), Borzutzky (1985) in Mesa-Lago (1985), Mesa-Lago (1978)].

III.

3.1 (PUBLIC SUBSIDY OF SSNs)

SSNs cost governments more in Latin America. Table 8 testifies to this dramatically (where the fiscal burden of social security is less than 0.5% of GDP, it has been reported as zero). As noted earlier, some governments in East Asia have raised impressive amounts through social security contributions. Although the size of government expenditure on government

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mandated SSNs may be small, the total size of SSNs may still be large (as in Malaysia and Singapore, where contributions to gross wages and salaries near 40% [Ramesh, 1992]). It is interesting that even countries with service-linked pension schemes for government employees such as the Philippines have very low costs to government. Tables 8.5 give estimates of the total cost of "social security" (under the ILO definition), both public and private, for a set of countries in each region

It appears that states subsidize SSNs (and in particular pensions and medical care under "social insurance") to a significant degree in Latin America. In some cases governments undertake to pay premiums or benefits directly to certain groups of individuals. In Argentina and Chile, for example, governments pay the cost of means-tested old-age and disability pensions. Other forms of subsidy are also provided. In Argentina, Bolivia, and Columbia, governments provide a general subsidy (a fixed proportion of each individual's wage, up to a maximum), to all contributions. And in Uruguay and Venezuela, governments undertake to meet the cost of any deficits and administrative costs, out of general revenues. Some such guarantees also exist in East Asia. In Korea and Taiwan, for example, the government pays administrative costs of the pension system, and in the Philippines the government undertakes to pay the cost of any deficit. And yet, costs to government throughout East Asia have remained substantially lower.

Outside of the possible comparative efficiency of the administrative systems of East Asian SSNs [that Latin American social security systems are administered at very high cost by international standards has been pointed out

by Mesa-Lago (1991a) amongst others], the following factors can be pointed to. Firstly, Latin American SSNs have mismanaged their portfolios from which they have gained very low returns [Mesa-Lago (1991b)]. The relatively low proportion of social security income received as "income from capital and other receipts" in Latin America as opposed to East Asia is testified to by Table 9, which draws from the ILO survey on "The Cost of Social Security" (for which, however, only limited data from East Asia is available). This is most apparent in the countries with the biggest, oldest, or most developed SSN systems, namely Argentina, Chile, Brazil, and Uruguay. Table 9 also testifies to the relatively low proportion of social security receipts from the state and other public authorities in East Asia (the figures for 1975 and previously include public health expenditures, and so should not be counted in this exercise) and the relatively high proportions received from the state in most Latin American countries. Although Thailand shows a high proportion of receipts from the state, this is deceptive. The figure in question (43.6% in 1980) applies purely to Thailand's small employment injury program, to which a general subsidy was provided. The insignificant size and lack of diversity of Thailand's SSN expenditures during this period make them inappropriate to compare with more mature programs. These two facts (low income from capital and high income from the state and public authorities in Latin America) are displayed graphically in Chart 2.

The size of the deficit/surplus in the social security system as a percentage of GDP in Latin America in the 1970s is shown in Table 10. It is noteworthy once again that Chile, Uruguay, Argentina, and Brazil, with the most

extensive and "developed" system of SSN guarantees are amongst the worst performers (Chile's deficit in 1982 is 7.7 percent of GDP). Why there should be any relation between the two is suggested by Table 11, which provides a measure of the size of retirement benefits received in Chile vs. Malaysia and Singapore. The average size of pension benefits in Latin America, and in particular in these SSN "pioneer" countries has been very high in comparison with East Asia, and indeed, in relation to actuarially sustainable levels. The extensive financial demands placed upon state resources by high benefits combined with poor financial management are at the root of the extensive state subsidies provided to social security in Latin America. The so-called "Pay-as-you-go" system of administration of social security revenues and expenditures in Latin America, which has been the rule, has lent itself to the production of large deficits by the authorities which administer SSNs.⁶ The choice between Pay-as-you-go and "fully funded" systems has been at the center of much recent policy debate on SSNs in Latin America [IDB (1991), Botka (1994), Iyer (1993), Lloyd-Sherlock (1992), Mesa-Lago (1991) etc.]. The provident fund systems of Malaysia and Singapore are fully funded. The recent Chilean pension system reform is in effect a movement towards a "fully funded" system. Pay-as-you-go systems lent themselves to the development of unsustainable debts and commitments, in the context of political conflict in which different groups lobbied for inclusion and extension of benefits.

* * 6. Janos Kornai's concept of the "soft budget constraint" may be appropriate here in understanding the relationship between the "social security institutes" in LA and governments.

The differential impact of SSNs on central government expenditures in East Asia and Latin America is confirmed dramatically by Charts 3a to 3e and accompanying tables (drawn from IMF Government Finance Statistics), which demonstrate the much higher impact on central government expenditures of "Social Security and Welfare" in Latin America than in East Asia. Once again, the size of the claim of "Social Security and Welfare" on government finances in Argentina, Chile, Uruguay, and Brazil stands out.

Although there has been much higher subsidy for SSNs in Latin America it is nevertheless the case that the state has universally played a crucial role in mobilizing and administering SSNs. The provident funds of East Asia, although entirely privately financed, are state mandate and administered.

3.2 (PUBLIC SHARE OF GENERAL HEALTH EXPENDITURES)

Another noteworthy comparison between LA and EA in the context of public provision and the social sectors concerns health expenditures in general.

As a generalization, a larger share of cumulative expenditures on health are public rather than private in Latin America as compared to East Asia. Table 12 and Charts 4 and 5 bring this out clearly. In Latin America, a considerable portion of health expenditures occur within the social security system (i.e. as one of its benefits), usually in specifically designated social security medical institutions [Zchock (1979), World Bank (1987, 1993)].

The disproportionately high share of social security expenditures in Latin America which is accounted for by "Sickness and Maternity" expenditures

[See Table 13], reflects this. The data on education do not so clearly suggest a similar regional comparison and will thus not be treated here.

3.3 (BEHAVIORAL AND HOUSEHOLD LEVEL EVIDENCE ON THE IMPACT OF SSNs)

Some behavioral and household level information on the two regions is suggestive, in regard to the relative impact as well as extent of SSNs. Naturally, to interpret the behavioral evidence provided as being anything more than suggestive would be foolish, given the forms of multiple causation and complex sociological as well as economic underpinnings of the kinds of phenomena cited here.

The first household level evidence of consequence concerns that on the primary sources of income of those over 65 in various countries (during the mid 1980s). Chart 6 (and accompanying table) summarize this information. "Pensions/Welfare" make up a much larger share of the income of over 65s in LA (or at any rate in three high SSN countries in Latin America) than in EA (although less so than in industrial countries). Family, by contrast, provides a much larger share of income in East Asia.

A second type of evidence concerns the living patterns of those over 65. Chart 7 (and accompanying table) summarizes this information. It demonstrates that the old in East Asia are much more likely to live with

family members (other than their spouse alone) than in the high SSN countries of LA (Uruguay, Argentina, Chile, Costa Rica). This contrast is however not so clear when comparing with intermediate SSN level countries such as Colombia, Panama, and Mexico.

A third type of evidence concerns the labour participation rates of the old. This evidence is more suggestive about the role of SSNs within each region than it suggestive of a regional contrast. Table 14 demonstrates that in 1990 the lowest over-60 labour participation rates within LA were in the traditional high-SSN countries; i.e. Uruguay, Argentina, Costa Rica, and Chile. Similarly, within EA, by a large margin the lowest labour participation rates are in the two countries with the highest coverage for old age (see table 4) namely Singapore and Hong Kong. The same held true in 1970 (see table 15).

As noted earlier, although the above patterns are suggestive, it would be wise to interpret them with caution.

IV

4.1 (REGRESSIVITY OF SSNs)

It has been widely argued that SSNs in Latin America are substantially regressive [Mesa-Lago (1983, 1991a), Midgley (1984), McGreevey (1990)].

One reason that this may be so is that, as demonstrated earlier, benefits received under Latin American SSNs are highly unequal, and generally flow

to relatively more privileged sections of society. This is true both amongst occupational categories and amongst geographical regions within countries [for data on the latter, see Mesa-Lago (1979, 1991a)]. However, at the same time, costs are much more widely distributed. The conjunction of these two factors is one important source of the likely regressive character of Latin American SSNs. Costs are more widely distributed because, as demonstrated earlier, the deficits and administrative costs of SSNs are often born by the state. The state in turn finances these expenditures through earmarked or general taxation, which tends to be relatively more broad based in its effect. A second important source of regressivity is that amongst those covered by SSNs. For example, typically, pensions in Latin America are determined as a proportion of income during the final months or years of a working career. However, there is often a maximum income beyond which contributions are no longer assessed. As a result, those at the upper-most end of the salary spectrum have benefitted disproportionately from pension schemes.

Many East Asian SSNs have not been obviously progressive either, but it is likely that they have not been regressive to anywhere near the extent of those in LA. The provident funds of Malaysia and Singapore, for example, while superficially distribution neutral, may in fact be mildly regressive because they allow early withdrawals for housing and investment purchases which are relatively more accessible to those with larger savings, and thus force savings at lower rates of return upon the relatively poorer, who are not able to make such withdrawals. It is unclear whether or not social security systems in Taiwan, the Philippines, and Korea (in its limited pre-1988 pension system) have been regressive or not. Because some state subsidy from general

revenues has been involved in each case, it is conceivable that the effect has been regressive. On the other hand, these systems have provided a range of benefits not clearly tied to income, as in the case of provident funds, but rather to particular contingencies.

4.2 THE COMPARATIVE AREAS OF EMPHASIS OF SSNs IN THE TWO REGIONS

As noted earlier, East Asian SSN expenditures and institutional effort has in general tended until recent years to be focused on only two kinds of programs: old-age income security, and compensation for employment injury. By contrast, countries in LA have long had diversified SSNs covering the range of instruments, including health benefits, unemployment insurance and family allowances. This is brought out by Tables 13 and 13.5 (Table 13 is a closer look at the sum of the expenditures in the first two columns of Table 13.5). In particular, "Sickness and Maternity" and "Family Allowances" have taken up a far more significant share of Latin American budgets. The size of sickness and maternity expenditures is in part simply an artifact of the fact that a large proportion of health care is administered within rather than outside of social security in LA, but it is also an indication of the more diversified and concessional character of Latin American SSNs. Some general income support programs (welfare programs, or "Public Assistance") exist even in minimalist Singapore, Hong Kong, and Taiwan, as well as in less minimalist Korea. However, they have generally been very small, as testified to by Table 16. Korea is a very

important exception. Even in 1970, there were 1,630,000 beneficiaries of the Livelihood Protection Program (LPP) which provided means-tested general income support benefits. That Korea was able to maintain a large program of this kind throughout the early period of its industrialization (indeed beginning in 1961) is indeed interesting.

V

5.1 CONCLUSION AND FURTHER RESEARCH

It is difficult to summarize the complex empirical landscape surveyed above. The empirical generalizations about the two regions presented in Section 1.2 have been substantiated in the intervening pages. Broadly speaking they hold true, with particular exceptions. In some ways, East Asia, as we have seen, provides a more variegated empirical landscape than does Latin America, which although empirically varied, seems to contain differences of degree rather than structure (with the "pioneer" Southern Cone countries and Costa Rica occupying the most extreme rung). East Asia contains some classically liberal SSN systems, such as Malaysia and Singapore, which rest upon individual self-provision supplemented by human-resource enhancing state interventions (in health) and very confined and non-statutory need-targeted supplementation of benefits. Other countries, such as Taiwan and Hong Kong, although they might appear to fit this mold, in fact contain SSNs with more solidaristic and internally redistributive aspects, although at a very low level of benefits. Taiwan's "labour insurance" system and its limited

welfare benefits, as well as Hong Kong's universal fixed-sum old-age pension and means-tested welfare program reflect this. The Philippines, and more recently, Korea, exhibit some occupational stratification of SSNs, as in LA, although to a much lesser degree. They also have redistributive dimensions and have reached a relatively high degree of coverage. Neither have suffered SSN actuarial imbalances however. They are comparatively unified systems with moderate levels of benefits. Indonesia and Thailand remain unknown quantities because of their relatively small SSNs and recent SSN history. Thailand has laid out an ambitious plan of development of a universal-access SSN system akin to Korea's. Indonesian SSNs show some elements of occupational segregation (their small size is related to their having been until recently confined to civil servants, military personnel, and employees of large firms [See Tyabji (1991), Sudomo (1988)], and of relying upon state subsidy, but they are far too small to make a meaningful comparison with programs elsewhere, (except to note that they are small, which is in itself of importance). Further research should pay special attention to the status of these countries, in order to judge their course.

The simultaneously generous and inegalitarian nature of SSNs in LA was likely both unjust and unsustainable. Current attempts to restructure SSNs in LA are taking account of this. On the other hand, SSNs in East Asia may have been inadequate, especially in the most recent phase of industrialization, and recent attempts to develop and extend SSNs in the region are based on this recognition.

The dramatic contrast between the fiscal consequences of SSNs in EA and LA suggests a step for further research. Further research should investigate the nature of the fiscal burden and not only the extent. One way to do this would be to identify, amongst categories of government expenditure, those which are plausibly less "discretionary" in the sense that they are less subject to reduction in time of fiscal restraint. The "non-discretionary" category would presumably include debt service, military expenditures, and (possibly) expenditure on social security and welfare (as defined, for example in the IMF GFS). It would be worthwhile to test whether SSN expenditure is indeed relatively "non-discretionary" in both regions, and especially to test if SSN expenditure is more "non-discretionary" in LA than in EA. This is simply one direction in which to progress, but many more are conceivable, at the level of institutional as well as economic analysis.

APPENDIX 1: (INSTITUTIONAL FOUNDATIONS AND POLITICAL ECONOMY)

A1.1 (INTRODUCTION)

What accounts for the differential development of SSNs in Latin America and East Asia? The political economy of the SSNs (and more specifically, of the so-called "welfare state") has spawned a vast and inconclusive literature (which has, of course, been mostly centered on the development of the welfare state in the Developed Countries). In the context of Latin America, the central contributions to the discussion have been those of Mesa-Lago (1977) and Malloy (1978). East Asia seems to suffer from a dearth of political-economy oriented analyses of SSNs, perhaps not surprisingly given their comparative youth and lower fiscal importance in the region.

A1.2 (THREE THEORETICAL APPROACHES)

Different theories have taken different views of the role of the state in fostering SSNs. These can be caricatured, at some risk of injustice, as follows:

- a) Bottom-Up, or Demand-Pull. Mesa-Lago's (1978) interpretation of the development of Latin American SSNs falls into this category. The thesis is that comparatively powerful segments of society progressively captured the state in order to provide for themselves through social safety net institutions. Mesa-Lago sees a direct relationship between the historical chronology of

who was covered first, the historical and contemporary reality of who benefits most, and the structure of influence and power in the Latin American polity. It was no accident, for Mesa-Lago, that military pensions were the earliest and most generous of state pensions in Latin America, and that they have continued in recent years to be heavily subsidized by general revenues. The Demand-Pull thesis rests on a straightforward calculation of interests within the context of a state which for whatever reasons (either that it is a soft state easily captured by these interests or that it is a hard state commanded by them) favors dominant interests. There are many empirical reasons to object to this interpretation, or at least to qualify it, however (for example that the major extension of benefits to the rural sector under the FUNRURAL program and corresponding reduction in benefits under social security enjoyed by previously privileged classes in Brazil was undertaken during the period of military-bureaucratic rule in the 1960s rather than under more pluralist civilian regimes).

b) Top-Down, or Supply-Push. Malloy (1979) articulates this view in the context of Brazil. This position is closely connected to the tradition in political science related particularly to Latin America of emphasizing issues of "state corporatism", in the context of urban labour movements and of populist movements more generally (such as most prototypically those of Juan Peron and Getulio Vargas). The thesis is that the state in Latin America extended social guarantees as a means of winning the allegiance of various sectors of society within an ideological whole which disemphasized conflict and emphasized common interests. Interests of potentially rebellious

groups such as urban factory workers are seen in this context as having undergone a process of cooptation, and of colinearization of interests, through the extension of SSN benefits. The governing myth of populist regimes, of common and shared progress within a rhetoric of familialism, as well as the strong basis of populist regimes in Latin America of multi-class support is viewed as having been reinforced in this way. The state is seen as having taken the initiative in extending social benefits in order to consolidate its own power, though theorists of this view would agree with theorists of the first view that who was incorporated earliest and most was determined by their relative importance in this process. The Brazilian example identified above of the reform of social security under military governance, is easier to explain in this framework.

c) Comparative Institutional Histories.

The key example of this approach is Gosta Esping-Andersen's work, The Three Worlds of Welfare Capitalism (1988). Esping-Andersen argues that the development of welfare states has not followed a single historical logic but in fact three discernible patterns, which can be identified on the basis of comparative historical examination and contemporary cross-sectional study. In one cluster, argues Esping-Andersen, one finds the "liberal" welfare state, "in which means-tested assurance, modest universal transfers, or modest social-insurance plans predominate. Benefits cater to a clientele of low-income, usually working class, state dependents. In this model, the progress of social reform has traditionally been circumscribed by traditional, liberal, work-ethic norms. Entitlement rules are therefore strict and often associated

with stigma; benefits are typically modest. In turn, the state encourages the market, either passively -- by guaranteeing a minimum-- or actively, by subsidizing private welfare schemes". An example within the OECD, according to Esping-Andersen, is the United States.

A second regime cluster contains nations such as Austria, France, Germany, Italy. "In these conservative and strongly corporatist welfare states, the liberal obsession with market efficiency and commodification was never predominant and, as such, the granting of social rights was never a seriously contested issue. What predominated was the preservation of status differentials; rights, therefore, were attached to class and status. This corporatism was subsumed under a state edifice perfectly ready to displace the market as a provider of welfare; hence private insurance plays truly a marginal role. On the other hand, the state's emphasis on upholding status differentials means that its redistributive impact is negligible. But the corporatist regimes are also typically shaped by the Church, and hence strongly committed to the preservation of traditional familyhood."

A third regime cluster is that founded on both universalism and uniformity and a very high level of social benefits extended also to the middle classes and thus drawing on wide multi-class support. The Scandinavian welfare states are seen as the key examples of this.

How can we utilize the approaches identified above to understand the comparative development of SSNs in East Asia and in Latin America? The first two approaches both seem promising as a means of understanding the ad hoc historical development of the occupationally segregated and inegalitarian development of SSNs in Latin America. The state corporatist "top-down" approach seems even more promising in explaining the development of relatively unified SSNs in Asian countries which have been initiated and organized by the state (this describes strongly, in some way each of the systems in Korea, Malaysia, Singapore, and Hong Kong). But it is perhaps the third approach, following Esping-Andersen, which is likely to be most fruitful in undertaking a comparative examination of the two regions.

Broadly, Esping-Andersen's first regime cluster would seem to provide an apt description of the East Asian SSNs, and his second regime cluster an even more striking description of those in Latin America. Malaysia, Singapore, and Hong Kong fit effortlessly into the first regime cluster, as does the incipient welfare state in Thailand. Korea, and Taiwan feature some hybrid elements, although also many elements of this model. The absence of unemployment insurance, family allowances, and other entitlements, or their presence at a very low level of benefits, makes it plausible to place them in this category. By way of contrast, the profile of Latin American SSNs, is extremely easy to assimilate to the model of the "Corporatist" welfare state, with its emphasis on the preservation of status differentials, the centrality of the state as provider of benefits, its

paternalistic rhetoric of familialism, and the historical influence of the Catholic Church.⁷

It is not evident that any one of these approaches will provide a sufficient means of understanding a complex and variegated reality. However, they might, in conjunction, prove useful tools for understanding it.

⁷ The famous Papal Encyclical of 1892, *Rerum Novarum*, can be seen as an intellectual program for the Latin American SSNs, with its emphasis on building solidaristic social institutions around the core of occupational groups.

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TABLE 1

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TABLE 1					
DATE OF EARLIEST LEGISLATION CONCERNING SOCIAL SAFETY NETS					
TYPE OF PROGRAM	OLD-AGE INVALID- ITY AND DEATH	SICKNESS AND MATERN- ITY	WORK INJURY	UNEM- PLOY- MENT	FAMILY ALLOW- ANCES
COUNTRY					
HONG KONG	1971	1968	1953	1977	1971
INDONESIA	1951	1957	1939		
MALAYSIA	1951		1929		
PHILIPPINES	1954	1954	1927		
SINGAPORE	1953	1984	1929		
SOUTH KOREA	1973	1963	1953		
TAIWAN, CHINA	1950	1950	1929		
THAILAND	1990	1990	1956	1990	
ARGENTINA	1944	1934	1915	1967	1957
BOLIVIA	1956	1956	1924		1953
BRAZIL	1923	1923	1919	1965	1941
CHILE	1924	1924	1916	1937	1937
COLOMBIA	1946	1938	1916		1957
COSTA RICA	1941	1941	1924		1974
ECUADOR	1928	1935	1921	1951	
EL SALVADOR	1953	1949	1911		
GUATEMALA	1969	1946	1947		
HONDURAS	1959	1952	1952		
MEXICO	1943	1943	1931		1973
NICARAGUA	1955	1955	1930		1982
PANAMA	1941	1941	1916		
PARAGUAY	1943	1943	1927		
PERU	1936	1936	1911		
URUGUAY	1928	1958	1914	1944	1943
VENEZUELA	1940	1940	1923	1989	
NOTE: Legislation listed under "Unemployment" does not include provisions solely for severance pay.					
Such provisions exist in Bolivia, Colombia, Honduras, and Mexico.					
SOURCES: US SSA (1991), Mesa-Lago (1991, 1992), Tyabji (1993)					

" TABLES 1 "

TABLE 2						
HISTORICAL INCEPTION OF SAFETY NET LEGISLATION BY PERCENTAGE OF COUNTRIES WITH LEGISLATION BY YEAR						
	1920	1940	1960	1970	1980	1990
EAST ASIA						
EMPLOYMENT INJURY	0	63	100	100	100	100
SICKNESS-MATERNITY	0	0	38	63	63	88
OLD AGE - DISABILITY	0	0	63	63	88	100
FAMILY ALLOWANCES	0	0	0	0	13	13
UNEMPLOYMENT	0	0	0	0	13	25
LATIN AMERICA						
EMPLOYMENT INJURY	47	88	100	100	100	100
SICKNESS-MATERNITY	0	41	100	100	100	100
OLD AGE-DISABILITY	0	35	94	100	100	100
FAMILY ALLOWANCES	0	6	35	35	47	53
UNEMPLOYMENT	0	6	18	29	29	35
SOURCES: US SSA (1991), Mesa-Lago (1991, 1992), Tyabji (1993)						

COUNTRY	SOCIAL SAFETY NET COVERAGE:						
	% OF ECONOMICALLY ACTIVE POPULATION COVERED FOR OLD AGE						
	1960	1965	1970	1975	1980	1985	1990
HONG KONG				100	100		100
INDONESIA						11.5	12
MALAYSIA	42.2	51.5	59.5	70.3			84.6
PHILIPPINES	3.8	9.5	23	25.8			47
SINGAPORE		71.6	87.9	100			100
KOREA				5.17			31.6
TAIWAN, CHINA	4.9	5.01	6.39	9.69	14.31		20.5
THAILAND							10.4
ARGENTINA	55.2	55.3	68		69.1	79.1	69
BOLIVIA	8.8		9	17.3	18.5	16.9	18
BRAZIL	23.1		27	92.6	95		
CHILE	70.8	73.8	75.6	73	61.7	79.2	95.1
COLOMBIA	8		22.2		30.4	30.2	30.2
COSTA RICA	25.3		38.4	53.7	68.3	68.7	68
ECUADOR	11		14.8		23.2	25.8	30.3
EL SALVADOR	4.4		8.4		11.6		23.2
GUATEMALA	20.6		27	31.1	33.1	27	23
HONDURAS	3.7		4.2		14.4	12.8	13
MEXICO	15.6	19.4	28.1	36.8	42	40.2	34.1
NICARAGUA	5.9		14.8		18.9	31.5	22.1
PANAMA	20.6		33.4		52.3	59.8	46
PARAGUAY	8		10.7		14		14
PERU	24.8	31.6	35.6		37.4	39.1	37
URUGUAY			95.4		81.2	73	69.3
VENEZUELA	11.9		24.4	35.1	49.8	54.3	50
SOURCES: Castro-Guttierrez (1989), Dixon and Kim (1985), Dixon and Scheurell (1990), ECLAC (1993), IBD (1991), ILO (1994), Kwon (1993), Mackenzie (1988), Malloy and Borzutzky (1982), Mesa-Lago (1978, 1983, 1991, 1992), Park (1975), Tyabji (1986, 1993), Wallich (1983), World Bank (1993)							

Tobes

TABLE 5

COUNTRY	SOCIAL SAFETY NET COVERAGE: COVERAGE FOR SICKNESS		(IN 1990)
	% LABOR FORCE	% POPULATION	
HONG KONG	0.3		
INDONESIA			
MALAYSIA			
PHILIPPINES			
SINGAPORE	100	100	
KOREA	20.5		
TAIWAN, CHINA			
THAILAND			
ARGENTINA		79	
BOLIVIA		25	
BRAZIL		96	
CHILE	61.3	67	
COLOMBIA	62.1	12	
COSTA RICA		78	
ECUADOR	26.3	8	
EL SALVADOR	35.1	6	
GUATEMALA		14	
HONDURAS		7	
MEXICO	36.3	53	
NICARAGUA	13.9	9	
PANAMA		50	
PARAGUAY		18	
PERU		17	
URUGUAY	46.8	69	
VENEZUELA		45	

SOURCES: Castro-Gutierrez (1989), Dixon and Kim (1985), Dixon and Scheurell (1990), ECLAC (1993), IBD (1991), ILO (1994), Kwon (1993), Mackenzie (1988), Malloy and Borzutsky (1982), deGeyndt (1991), Mesa-Lago (1978, 1983, 1991, 1992), Park (1975), Tyabji (1986, 1993), Wallich (1983), World Bank (1993)

Table 14

Inequalities in Statistical Coverage of Social Insurance by Economic Activities of the EAP^a, in Selected Countries of Latin America: Circa 1980

Countries	Agriculture, livestock & fishing	Mining	Manufacturing	Construction	Electricity, gas & water	Transportation & communication	Commerce restaurants, & hotels	Services
Chile	58.6	162.0 ^h	89.9	105.8	109.4 ^h	71.0	50.8	46.0 ^c
Colombia	4.6	11.0	45.0	19.6	67.7	32.3	28.4	38.8
Costa Rica	30.4	-----68.7-----		44.5	-----71.9-----		66.6 ^b	79.9
Ecuador	4.3	49.8	42.6	29.6	64.4	14.8	28.9	23.4 ^g
Mexico	5.7	21.3	56.0	4.9	96.0	45.2	37.7	143.8 ^d
								37.3 ^e
Peru (1984)	5.5	68.0	39.2	33.6	83.5	43.7	18.7	67.7 ^f
								49.1 ^e

a Percentage of coverage in each activity

b Includes finances and insurance.

c Mixes financial-insurance services with personal-social services.

d Government.

e Other services.

f Finances and insurance.

g Personal, social and domestic services.

h Multiple coverage.

Sources: 80

Table 17

Statistical Coverage of the Informal Sector by Social
Insurance/Security in Selected Countries of LAC: 1980-1987

	% Informal Sector over EAP ^a	% Coverage Informal Sector ^b	% Contribution over income paid by:	
			Salaried	Self-Employed
Bahamas	n.a.	48.4	1.7-3.4	6.8-8.8
Barbados	n.a.	24.8	4.6-5.5	8
Chile	20.1 ^c	11.9-17.5	20.6-28.5	19.4-27.4
Colombia	22.3 ^c	0.6	4.5-6.2	15-20
Costa Rica	21.6	2.0-93.0	9	12.2-19.5
Jamaica	37.7	4.0	2.5	5
Mexico	30.9	0.8	3.75	13.57
Panama	20.9 ^c	1.5	7.25	18-22
Peru	61.9	4.0	6	18

a Self-Employed workers, plus domestic servants, plus unpaid family workers over EAP; excludes informal wage earners.

b Only self-employed.

c All the informal sector.

Source: 79.

TABLE 7B

TABLE 16

DIFFERENCES IN THE AVERAGE PENSIONS OF DIFFERENT GROUPS OF INSURED PERSONS IN LATIN AMERICA, 1980-87 (RATIO BETWEEN GENERAL SYSTEM AND OTHER SYSTEMS)										
COUNTRY	BOLIVIA	COLUMBIA	COSTA RICA	CHILE	MEXICO	URUGUAY				
GENERAL	1	1	1	1	1	1				
ARMED FORCES		2.5		8	5.5	4.9				
POLICE		1.6		6.9		4.1				
TEACHERS	1.3		3.4			2				
JUDICIARY			5.8							3.8
BANK EMPLOYEES				5.7						
OIL SECTOR WORKERS	2.2	3.4								0.8
RURAL SECTOR WORKERS										0.7
DOMESTIC/HOUSEHOLD										
SOURCE: MESA-LAGO (1991)										

TABLE						
POPULATION COVERAGE AND FINANCIAL IMPACT OF PROVIDENT FUNDS (EAST ASIA)						
WORKING POPULATION:						
YEAR	1965	1968	1971	1974	1990	
COUNTRY						
SINGAPORE	71.6	87	100	100	100	
MALAYSIA	31.7	34.1	39.1	43.1	84.6	
PHILLIPINES	13.6	2.05	22.4	34.3	47	
GROSS SAVINGS THROUGH SOCIAL SECURITY SCHEMES (AS A PERCENTAGE OF GROSS HOUSEHOLD SAVING)						
YEAR	1962	1965	1968	1971	1974	
COUNTRY						
SINGAPORE	21.4	44.8	20.2	44.7	38	
MALAYSIA		34.8	34.6	54.5	34.2	
PHILLIPINES	16.3	27	28.6	20.7	10.1	
GROSS SAVINGS THROUGH SOCIAL SECURITY SCHEMES (AS A PERCENTAGE OF GROSS DOMESTIC SAVING)						
YEAR	1962	1965	1968	1971	1974	
COUNTRY						
SINGAPORE	23	16.1	12.7	22.9	24.9	
MALAYSIA		2.3	1.8	2.4	0.7	
PHILLIPINES	6.1	6.9	8.4	6.6	4.4	
SOURCES: Parthasarathy and Saito (1979), ILO (1994)						

AGGREGATE COMPARISON OF FISCAL BURDEN OF SOCIAL SECURITY, 1987-89					
(AS % OF GDP)					
		TOTAL		SOCIAL	
		FISCAL		SECURITY	
		BURDEN		BURDEN	
SINGAPORE		29		0	
MALAYSIA		25		0	
KOREA		19		1	
INDONESIA		18		0	
THAILAND		17		0	
PHILIPPINES		13		0	
CHILE		25		2	
COSTA RICA		25		7	
URUGUAY		25		7	
ARGENTINA		23		4	
ECUADOR		23		3	
MEXICO		22		2	
COLOMBIA		22		1	
BRAZIL		19		3	
VENEZUELA		21		1	
BOLIVIA		19		3	
PARAGUAY		10		2	
PERU		9		1	
GUATEMALA		9			
SOURCE: ECLAC (1992), FROM UNDP/ECLAC FISCAL AFFAIRS PROJECT					
and IMF GOVERNMENT FINANCIAL STATISTICS.					

TABLE						
EXPENDITURES FOR SOCIAL SECURITY (% OF GDP)						
YEAR	1960	1965	1970	1975	1980	1986
COUNTRY						
HONG KONG						0.096
INDONESIA						2.2
MALAYSIA	3	3	2.9	3	1	0.7
PHILLIPINES			1		0.7	14.7
SINGAPORE		3.6	2.8	3	3.7	
SOUTH KOREA				0.97		
TAIWAN, CHINA					0.015	0.022
THAILAND						
YEAR	1960	1965	1970	1975	1980	1986
COUNTRY						
ARGENTINA				6.4	9.6	6.1
BOLIVIA	3.6	3.6	3.2	3.1	3	5
BRAZIL		4.3	5.9	5.7	5.3	13.1
CHILE		12.1	17.5	11	13.2	2
COLOMBIA	1.5	1.1	2.5	3	2.8	7.3
COSTA RICA	1.9	2.3	3.4	5.1	7.1	3
ECUADOR			3.3	3	3.5	1.1
EL SALVADOR	2.1	2.2	2.9	3.3	1.7	0.8
GUATEMALA	1.9	2	2.1	2	1.2	1
HONDURAS			1.7			2.7
MEXICO			2.9	2.5	2.6	2.3
NICARAGUA	1.9	2.1		2.8	2.3	8.3
PANAMA	6.3	6	7.6	7.5	6.1	1.6
PARAGUAY						9.6
PERU						1.3
URUGUAY				10.7	9.9	
VENEZUELA	2.5	3.1	3.1	3.9	1.3	

Source: ILO, The Cost of Social Security (various years), Park (1975).

TABLE						
RECEIPTS FOR SOCIAL SECURITY (% OF GDP)						
YEAR	1960	1965	1970	1975	1980	1986
COUNTRY						
HONG KONG						
INDONESIA						0.102
MALAYSIA	4.9	5.4	5.3	5.3	4.2	8.9
PHILLIPINES			1.8		1.7	1.7
SINGAPORE		5.4	5.4	9.3	11.2	17.5
SOUTH KOREA						
TAIWAN, CHINA						
THAILAND					0.037	0.026
YEAR	1960	1965	1970	1975	1980	1986
COUNTRY						
ARGENTINA				7.6	9.7	6.7
BOLIVIA	4.3	4.3	3.4	3.4	2.7	
BRAZIL		4.5	5.9	6.1	6.8	5.4
CHILE		13.9	19.7	11.7	12.8	18.1
COLOMBIA	1.5	1.1	3	3.6	3.3	2.5
COSTA RICA	2.9	3.8	4.8	6.8	8.2	9.4
ECUADOR			5.1	4.5	4.8	7.3
EL SALVADOR	2.2	2.4	3.7	3.9	2.5	1.5
GUATEMALA	2	2	2.2	2	1.7	1.3
HONDURAS			2			2.2
MEXICO			3	2.8	3.2	3.1
NICARAGUA	2.3	2.6		3.4		
PANAMA	7.7	7.3	8.7	9.7	6.2	9.7
PARAGUAY						
PERU						1.8
URUGUAY				11.1	10.4	9.6
VENEZUELA	2.6	3	3.4	4.2	1.7	1.5
SOURCE: ILO, The Cost of Social Security (various years).						

DISTRIBUTION OF SOCIAL SECURITY RECEIPTS ACCORDING TO ORIGIN (PERCENT)									
NOTE: SOCIAL SECURITY EXPENDITURES PRIOR TO 1980 INCLUDE EXPENDITURES ON PUBLIC HEALTH									
COUNTRY	YEAR	INSURED PER-SONS	EMPLOY-ERS	SPECIAL TAXES ALLO-CATED TO SOCIAL SECURITY	STATE AND OTHER PUBLIC AUTHO-RITIES	INCOME FROM CAPITAL AND OTHER RECEIPTS			
INDONESIA	1980	21.1	60.9			18			
	1985	18.2	59.9			21.9			
MALAYSIA	1960	18.6	39		30.4				
	1965	18.5	33.4		30.3				
	1970	19	30.2		28.1	22.7			
	1975	34.4	14.9		26.8	23.8			
	198	63.6	63.6		0.3	36.1			
	1985	22	41.7		2.8	33.6			
PHILLIPINES	1970	21.7	30.3		31.3	16.7			
	1980	30.3	42.2			27.5			
	1985	17.7	25.3			57			
SINGAPORE	1970	19.5	38.2			29	13.3		
	1975	33.7	40.9		11.6	13.8			
	1980	37.2	44.3		0.1	18.3			
	1985	38.4	40.8		0	20.7			
THAILAND	1980	1.7	37.1		43.6	17.6			
	1985		100						
ARGENTINA	1975	22.8	70.3		5	1.9			
	1980	38.3	49.3	2.9	7.3	2.2			
	1985	30.6	41.4		19.6	8.4			

TABLE 9

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BOLIVIA	1970	25	35.9	1	23.2	14.9
	1975	17.8	43.9	0.2	30.6	7.5
	1980	28.8	53.6	6.2		11.5
	1985	25.6	39.4	0	23.4	11.5
BRAZIL	1970		5.7		2.4	
	1975		5.4		1.4	0.2
	1980					
	1985	38.5	72.6		4.3	5.9
CHILE	1970	20.5	37.5	1.9	53.3	4.8
	1975	16.3	46.5	1.3	30.9	5
	1980	20.5	38.3	1.4	32.8	7
	1985	29.1	2	0	48.6	20.2
COLOMBIA	1970	14.6	39.5	0.1	42.6	3.1
	1975	16.6	33.7	0.5	39.6	9.6
	1980	16	49.8		16.2	18
	1985	22.9	59.4		1.5	16.2
COSTA RICA	1970	23.2	36		28.9	11.8
	1975	23.8	47.8	3.9	16.2	8.3
	1980	27.6	45.9	18.6	1.8	6.1
	1985	24.2	52.1	0.8	2.1	20.8
ECUADOR	1975	30.2	32.2		20.4	17.2
	1980	36.9	43		0.1	19.9
	1985	18.4	26.2		6	49.4
EL SALVADOR	1970	8.5	37.2		53.1	1.2
	1975	11	35.7		50.1	3.3
	1980	27.8	39.3		17.9	15
	1985	23.5	52.8			23.7

GUATEMALA	1970	23.1	36.9		39.1	0.9	
*	1975	23.6	34		41.1	1.4	
*	1980	31.6	53.1		8.2	7.1	
	1985	28	54.5				
HONDURAS	1970	7.6	11.8		79.9	0.8	
	1980	28.1	51.1		8.4	12.4	
	1985	24.3	43.2		3.7	28.8	
MEXICO	1970	63.9	11.6		17.6	6.8	
	1975	64.4	9.9		19.6	6	
	1980	25	51.8		7.3	15.9	
	1985	19.4	62.7		7.2	10.8	
PANAMA	1975	22.8	49.8	0.4	20.1	6.9	
	1980	28.6	45.1	0.5	3.8	21.8	
	1985	30.8	46	0.6	3	19.6	
PARAGUAY							
PERU	1980	87.3	87.3			12.8	
	1985	31.2	68.8			11.4	
URUGUAY	197	68	68	5.6	25.2	1.1	
	1980	25.1	34	8.1	30.2	2.6	
	1985	30.3	35	1	28.7	4.9	
VENEZUELA	1970	13.6	26.3		57.3	2.9	
	1975	9.5	19.1		66.5	4.9	
	1980	26.8	53.5		6.8	12.9	
	1985	21.4	42.8		13.4	22.3	
NOTE: IN SOME CASES DATA REFER TO NEAREST YEAR FOR WHICH IT IS AVAILABLE.							
* IT IS NOT POSSIBLE IN THESE CASES TO DISTINGUISH BETWEEN EMPLOYER AND EMPLOYEE CONTRIBUTIONS							
SOURCE: ILO, The Cost of Social Security, (Various Years).							

Table 9

Surplus or Deficit of Social Security System as Percentage
of GDP in LAC: 1970-1983

	1970	1975	1978	1979	1980	1981	1982	1983
Argentina	n.a.	0.7	0.3	-0.0	-0.4	-3.0	-2.2	-2.3
Bahamas	n.a.	n.a.	n.a.	n.a.	1.6	2.1	1.3	1.4
Barbados	-0.2 ^b	-2.4	0.4	0.5	0.5	0.3	2.0	2.5
Bolivia	0.2 ^c	0.3	0.0	0.2	-0.0	0.7	0.6	0.1
Brazil	n.a.	n.a.	n.a.	n.a.	n.a.	-0.3	-0.0	-0.4
Chile	-4.1 ^b	-1.0	-1.7	-2.0	-2.0	-2.3	-7.7	-5.7
Colombia	0.2	-0.0	-0.2	-0.1	-0.0	-0.2	-0.6	-0.2
Costa Rica	0.7	1.6	1.4	1.2	1.0	0.8	0.8	2.5
Cuba	n.a.	n.a.	n.a.	n.a.	n.a.	-6.2	-6.4	-6.4
Ecuador	n.a.	0.6 ^d	1.8	2.1	1.7	1.3	1.5	1.3
El Salvador	-0.0	-0.3	0.6	0.6	0.4	0.6	0.8	0.8
Guatemala	0.1	-0.0	0.4	0.5	0.4	0.4	0.3	0.3
Honduras	-1.2	n.a.	n.a.	n.a.	n.a.	0.3	0.1	0.2
Jamaica	-0.7	-1.7	0.3	0.3	0.3	0.7	1.0	0.6
Mexico	-0.4	-0.3 ^d	n.a.	n.a.	0.4	0.4	0.5	0.1
Nicaragua	0.1	-0.0	0.0	0.5	0.9	0.7	0.6	0.8
Panama	0.1 ^c	1.2	1.0	1.7	1.9	2.7	3.1	2.4
Peru	n.a.	n.a.	n.a.	n.a.	n.a.	0.4	0.0	-0.1
Trinidad & Tobago	0.8	0.4	0.3	n.a.	0.2	0.0	0.0	-0.5
Uruguay	n.a.	-1.2	-0.5	-0.3	-0.8	-3.7	-5.8	-4.3
Venezuela	-0.7	0.3	0.4	0.2	0.3	0.2	0.2	0.0

a Excludes contribution of state as such (not as employer)

b 1971 c 1972 d 1974

Sources: 50 and author's calculations based on 93.

TABLE II

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REPLACEMENT RATES OF DEFINED-CONTRIBUTION PENSION SCHEMES		AT VARIOUS ASSUMED RETIREMENT AGES		(AS CALCULATED BY RIBE (1994))	
AGE		55	60	65	70
COUNTRY					
CHILE		1.1719	1.6707	2.3614	3.3178
MALAYSIA		0.2974	0.3431	0.3898	0.4377
SINGAPORE		0.4136	0.4528	0.4886	0.5214

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TABLE 12

HEALTH EXPENDITURES AS A PERCENTAGE OF GNP (IN 1990):			
COUNTRY	PUBLIC	PRIVATE	
HONG KONG	1.1	4.6	
INDONESIA	0.7	1.3	
MALAYSIA	1.3	1.7	
PHILIPPINES	1	1	
SINGAPORE	1.1	0.8	
SOUTH KOREA	2.7	3.9	
THAILAND	1.1	3.9	
ARGENTINA	2.5	1.7	
BOLIVIA	2.4	1.6	
BRAZIL	2.8	1.4	
CHILE	3.4	1.4	
COLOMBIA	1.8	2.2	
ECUADOR	2.6	1.6	
EL SALVADOR	2.6	3.3	
GUATEMALA	2.1	1.6	
HONDURAS	2.9	1.6	
MEXICO	2.8	1.4	
NICARAGUA	6.7	1.9	
PARAGUAY	1.2	1.6	
PERU	1.9	1.3	
URUGUAY	2.5	2.1	
VENEZUELA	2	1.6	

SOURCE: WORLD BANK, WDR (1993), RAMESH (1992), GRIFFIN (1992)

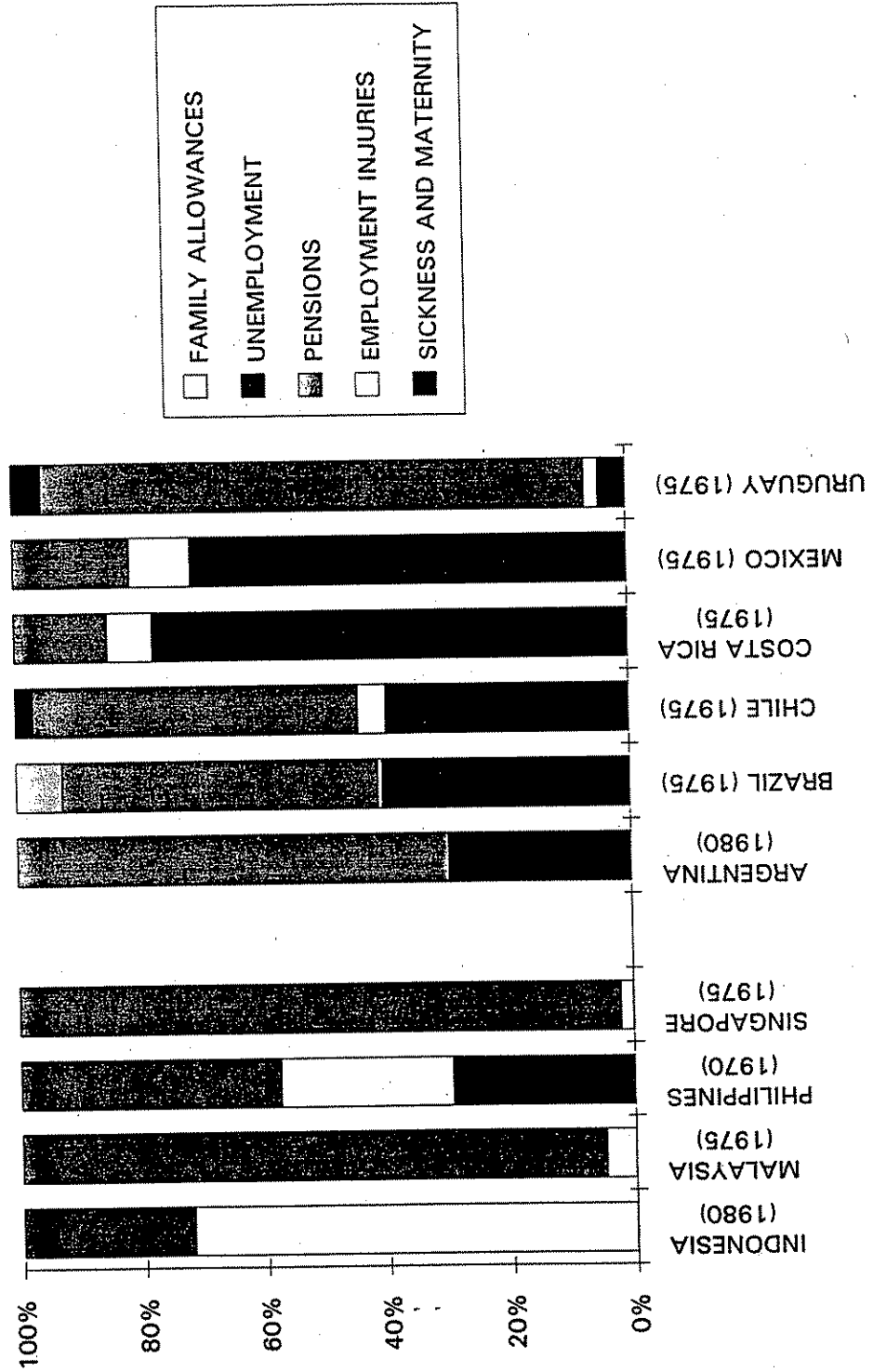
DISTRIBUTION OF SOCIAL SAFETY NET EXPENDITURES WITHIN THE CATEGORIES OF SOCIAL INSURANCE AND ASSIMILATED SCHEMES AND FAMILY ALLOWANCES										
COUNTRY	YEAR	SICKNESS & MATERNITY	EMPLOYMENT INJURIES	PENSIONS	UNEMPLOYMENT	FAMILY ALLOWANCES				
INDONESIA	1980		72		28					
	1985		47.7		52.3					
MALAYSIA	1970		5.1		94.9					
	1975		4.8		95.2					
	1980		5.4		94.6					
	1985		4.6		95.4					
PHILIPPINES	1970	29.2	28.3		42.5					
	1980		35.3		64.7					
	1985	28.8	4.2		66.8					
SINGAPORE	1970		3.4		96.6					
	1975		2.1		97.9					
	1980		2.1		98.8					
	1985		1.1		99.2					
THAILAND	1980		100							
	1985		100							
ARGENTINA	1975	14.5			58.3					
	1980	24.1			58.1					
	1985				80.7					
BOLIVIA	1975	56	7.9		25.8				10.3	
	1980	56.6	6		36.3				1.1	
	1985	55.2	5.8		36.4		0.3		2.2	

TABLE 13

BRAZIL	1970	47.2	3.4	40.2	9.2
	1975	40	0.8	51.6	7.6
	1980	37.9	2.6	53.7	5.8
	1985	34.7	1.1	60.4	3.8
CHILE	1970	19.9	3.2	35.4	0.8
	1975	25.1	2.9	34	1.8
	1980	24	4.9	43.9	
	1985	16.2	2.5	70.7	1.8
COLOMBIA	1970	56.5	4.4	2.1	37
	1975	65.2	9	14.1	11.4
	1980	55.4	2.8	22.4	19.4
	1985	9.6	7.5	82.8	
COSTA RICA	1970	78.4	14.9	6.6	
	1975	77.4	7.3	15.3	
	1980	79.8	5.1	15.1	
	1985	65.8	8.3	25.9	
ECUADOR	1970	29.6	0.7	59.2	10.5
	1975	29.1	0.8	60.6	9.5
	1980	14.7	2.2	76.7	6.4
	1985	36.7	1.2	58.2	3.9
EL SALVADOR	1970	88.9	9.8	1.3	
	1975	91	1.2	7.8	
	1980	87.9		12.1	
	1985	75.5		24.5	
GUATEMALA	1970	50.3	49.7	0.2	
	1975	51.2	48.6	5	
	1980	49.6	45.4		
	1985	40.8	36.7	22.5	
HONDURAS	1970	97.4	2.6		

"TARIFAS"

COMPOSITION OF SAFETY NET EXPENDITURES, 1980-1990



COLOMBIA	1980	47.9	11.5	40.6
	1985	56.1		43.9
COSTA RICA	1980	100		
	1985	100		
ECUADOR	1980	74		26
	1985	82.5		1.9
EL SALVADOR	1980	73.7		26.3
	1985	93.9		6.1
GUATEMALA	1980	82.6		17.4
	1985	100		
HONDURAS	1980	100		
	1985	91.7		8.3
MEXICO	1980	73.7		26.3
	1985	68		32
NICARAGUA	1980	92.9		7.1
	1985	93.5		6.5
PARAGUAY	1980	100		
	1985	100		
URUGUAY	1980	92.5	7.5	
	1985	92.5	7.5	
VENEZUELA	1980	100		
	1985	100		
NOTE: IN SOME CASES DATA PERTAINS TO NEAREST AVAILABLE YEAR				
SOURCE: ILO, The Cost of Social Security (Various Years).				

TABLE 14

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HEAD

LABOUR PARTICIPATION RATES OF THE OLD (60+), AROUND 1990						
	60+ ACTIVITY RATE	AGE BRACKET	AGE-SPECIFIC ACTIVITY RATE	TOTAL IN AGE GROUP		
ARGENTINA (1990)	17.72	60-64	31.60	1299840.00		
		65-69	18.70	1075280.00		
		70-74	10.60	815675.00		
		75+	5.10	1053645.00		
BOLIVIA (1991)	34.89	60-69	41.20	87200.00		
		70-79	27.60	33300.00		
		80+	12.40	13700.00		
BRAZIL (1990)	27.30	60+	27.30	11326901.00		
COLOMBIA (1992)	27.83	60-69	35.50	521970.00		
		70-79	18.10	237564.00		
		80+	7.20	81926.00		
COSTA RICA (1992)	21.32	60-69	28.50	134612.00		
		70+	11.80	101617.00		
CHILE (1992)	25.34	60-64	40.90	485300.00		
		65-69	27.60	353020.00		
		70+	11.80	617030.00		
ECUADOR (1990)	42.97	60-64	53.00	203212.00		
		65+	38.10	418183.00		
MEXICO (1990)	28.60	60-64	37.60	1611317.00		
		65+	24.30	3376841.00		
PANAMA (1990)	27.50	60+	27.50	176043.00		
PARAGUAY (1991)	29.54	60-64	52.70	34698.00		
		65+	19.50	80034.00		
PERU (1991)	29.35	60-64	43.40	150536.00		
		65-69	34.50	106460.00		
		70-74	16.90	63164.00		
		75+	9.90	96556.00		
URUGUAY (1991)	18.71	60-64	38.40	156700.00		
		65+	10.70	384900.00		
VENEZUELA (1990)	27.83	60-64	39.10	375538.00		
		65+	22.00	726059.00		

TABLE 15

(FAD)

LABOUR PARTICIPATION RATE OF THE OLD (65+), AROUND 1970					
SOURCE: 1975 YEARBOOK OF LABOUR STATISTICS					
	65+ ACTIVITY RATE	AGE BRACKET	AGE-SPECIFIC ACTIVITY RATE	TOTAL IN AGE GROUP	
ARGENTINA (1970)	28.40	65+	28.40	738450.00	
COSTA RICA (1973)	57.10	65+	57.10	32702.00	
CHILE (1970)	40.30	65+	40.30	182440.00	
MEXICO (1970)	70.40	65+	70.40	859166.00	
PANAMA (1970)	53.40	65+	53.40	26085.00	
PARAGUAY (1972)	65.80	65+	65.80	40540.00	
PERU (1972)	61.50	65+	61.50	238375.00	
VENEZUELA (1971)	50.10	65+	50.10	142751.00	
HONG KONG (1971)	31.30	65+	31.30	86700.00	
KOREA (1970)	35.10	65+	35.10	398078.00	
PHILIPPINES (1970)	56.50	65+	56.50	625256.00	
SINGAPORE (1975)	31.70	65+	31.70	39289.00	
THAILAND (1970)	44.60	65+	44.60	463613.00	

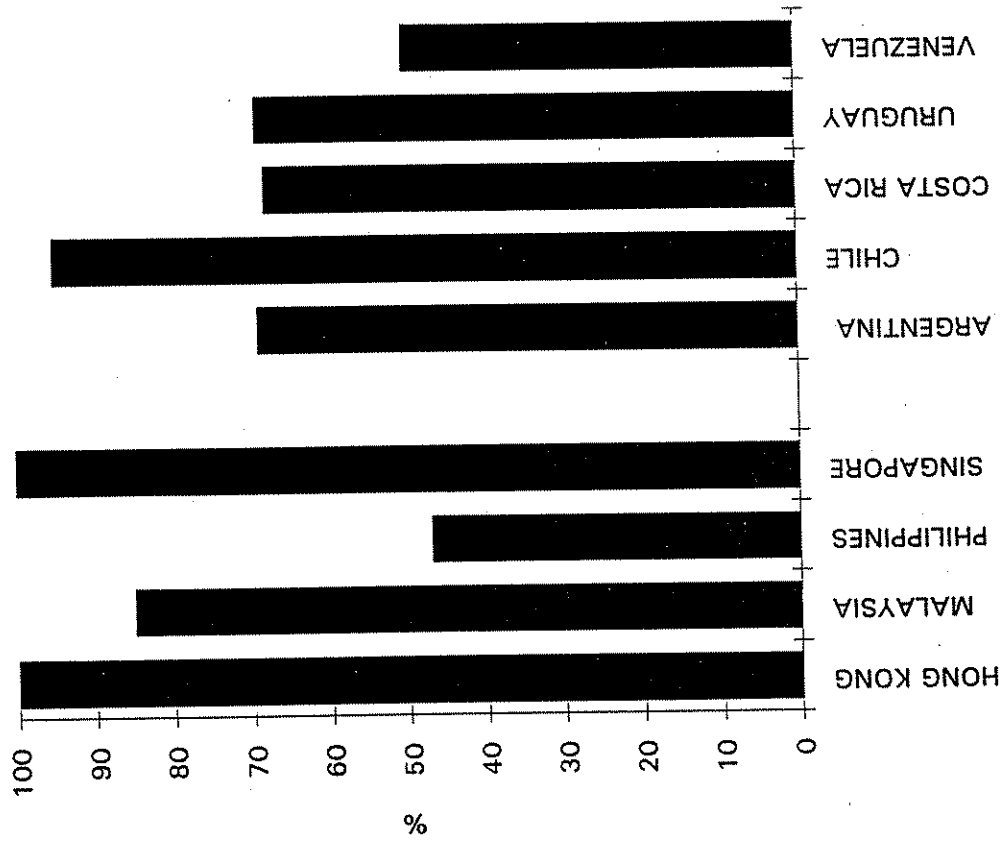
PUBLIC ASSISTANCE PROGRAMS IN EAST ASIAN COUNTRIES (INCOME SUPPORT)			
COUNTRY	NUMBER OF BENEFICIARIES (THOUSANDS)	AS % OF POPUL- ATION	
SINGAPORE			
1975	7.02		
1980	4.58		
1984	2.92		
KOREA			
1970	1,630		
1981	2090		
1985	2273		
1990	2256		
TAIWAN			
1960	17	0.15	
1965	1175	9.3	
1970	498	3.4	
1975	160	0.98	
1980	171	0.95	
SOURCES: Tyabji (1986), Krause and Park (1994),			Dixon and Kim (1985)

EXPENDITURE ON SOCIAL SECURITY AND WELFARE						
AS PERCENTAGE OF TOTAL CENTRAL GOVERNMENT EXPENDITURE						
1970-90	1970	1975	1980	1985	1990	
SOURCE: GFS						
YEAR	1970	1975	1980	1985	1990	
COUNTRY						
MALAYSIA		2.75	4	3.57	3.7	
PHILIPPINES				2.39	1.63	
SINGAPORE	0.87	1.83	1.34	1.58	2.11	
SOUTH KOREA	5.08	5.22	6.35	5.65	9.02	
THAILAND		4.47	2.68	3.01	3.6	
ARGENTINA		25	35.5	32.58		
BOLIVIA				24.77	17.73	
BRAZIL	37.43	38.62	33.01	23.37	25.27	
CHILE		23.96	32.26	38.96	29.84	
COLOMBIA				19.43		
COSTA RICA		26.53	30.78	14.53	13.79	
ECUADOR				0.91	1.91	
EL SALVADOR				2.86	3.22	
GUATEMALA				3.71	5.18	
HONDURAS		7.15				
MEXICO		24.69	15.97	9.68	12.39	
NICARAGUA	18.7	16.74	4.44			
PANAMA		9.63	10.39	13.58	20.26	
PARAGUAY		18.52	15.92	29.11	11.79	
PERU		18.52	15.92	9.04		
URUGUAY		45.13	48.4	48.53	50.18	
VENEZUELA	7.81	6.72	7.71	5.7		

NOTE: IN SOME CASES, DATA REFER TO CLOSEST YEAR FOR WHICH IT IS AVAILABLE.

EXPENDITURES ON HEALTH AS PERCENTAGE OF TOTAL CENTRAL GOVT. EXPENDITURES, 1970-1990						
SOURCE: GFS						
YEAR	1970	1975	1980	1985	1990	
COUNTRY						
INDONESIA		2.06	2.47	1.87	2.42	
MALAYSIA		6.88	5.12	5	5.23	
PHILIPPINES		4.12	4.54	5.95	4.08	
SINGAPORE	8.38	8.5	6.88	6.47	4.58	
SOUTH KOREA	1.38	1.02	1.23	1.44	1.95	
THAILAND		3.66	4.09	5.72	6.77	
ARGENTINA			1.75	1.28	3.01	
BOLIVIA		8.43	12.06	1.89	2.32	
BRAZIL	7.31	6.48	6.54	6.4	6.7	
CHILE		7.01	7.37	6.07	5.85	
COLOMBIA				5.34		
COSTA RICA		4.5	25	22.93	26.26	
ECUADOR				7.31	11.04	
EL SALVADOR	10.95	8.17	8.97	5.87	7.81	
GUATEMALA		8.64	7.64	6.65	9.9	
HONDURAS		12.79	8.02	5.73	9.9	
MEXICO		4.21	2.37	1.38	1.91	
NICARAGUA	5.42	8.43	14.58			
PANAMA		14.49	12.71	16.56	20.54	
PARAGUAY		2.77	3.59	5.43	4.32	
PERU	6.64	5.11	4.52	6.01		
URUGUAY		3.94	4.89	4.05	4.49	
VENEZUELA	12.97	9.06	8.81	9		

COVERAGE FOR OLD AGE (1990)

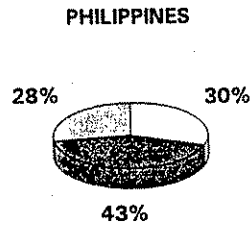
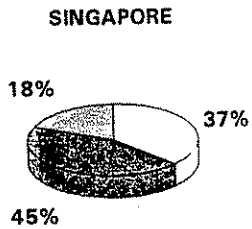
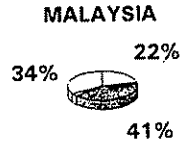


COVERAGE FOR OLD AGE IN 1990

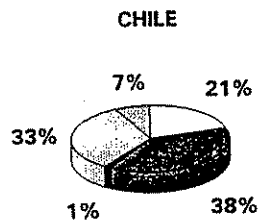
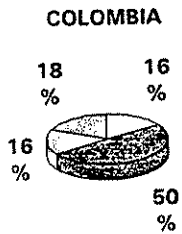
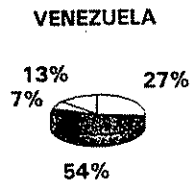
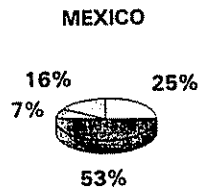
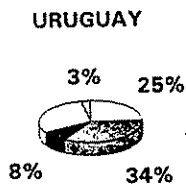
HONG KONG	100
MALAYSIA	85
PHILIPPINES	47
SINGAPORE	100
ARGENTINA	69
CHILE	95
COSTA RICA	68
URUGUAY	69
VENEZUELA	50

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EAST ASIA:



LATIN AMERICA:



- INDIVIDUALS
- EMPLOYERS
- SPECIAL TAXES
- STATE
- OTHER INCOME

SOURCES OF SOCIAL SAFETY NET RECEIPTS					
(IN 1980)					
	INDIVIDUALS	EMPLOYERS	SPECIAL TAXES	STATE	OTHER INCOME
INDONESIA	21	61			18
SINGAPORE	37	44			18
MALAYSIA	22	42		3	34
PHILLIPPINES	30	42			28
URUGUAY	25	34	8	30	3
ARGENTINA	38	49	3	7	2
CHILE	21	38	1	33	7
VENEZUELA	27	54		7	13
COLOMBIA	16	50		16	18
MEXICO	25	51.8		7.3	15.9
EL SALVADOR	27.8	39.3		17.9	15
NOTE: "OTHER INCOME" INCLUDES INCOME FROM INVESTMENTS					
SOURCE: ILO, The Cost of Social Security (Various Years).					

CHART 3A

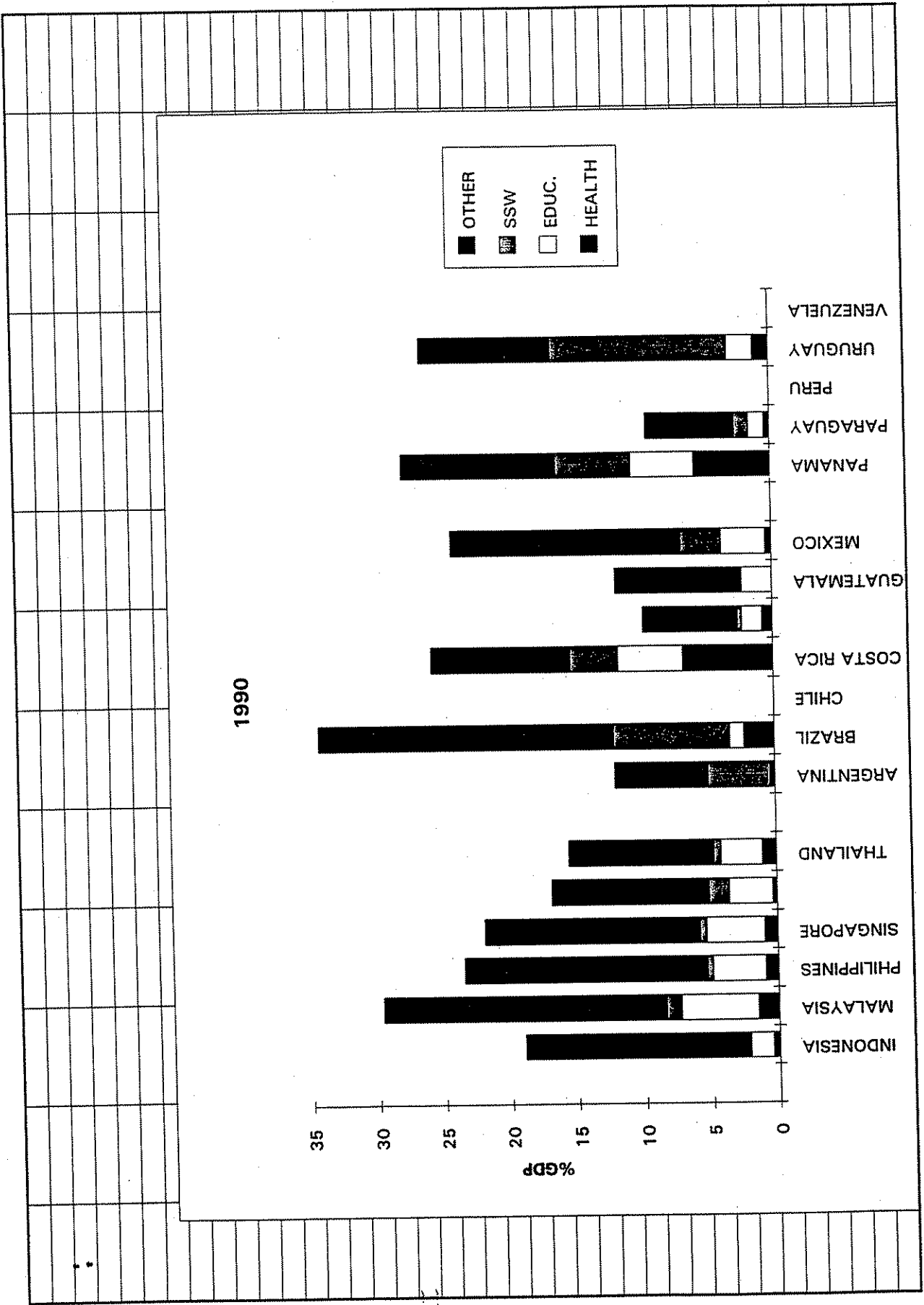


CHART 3B

11.11.1985

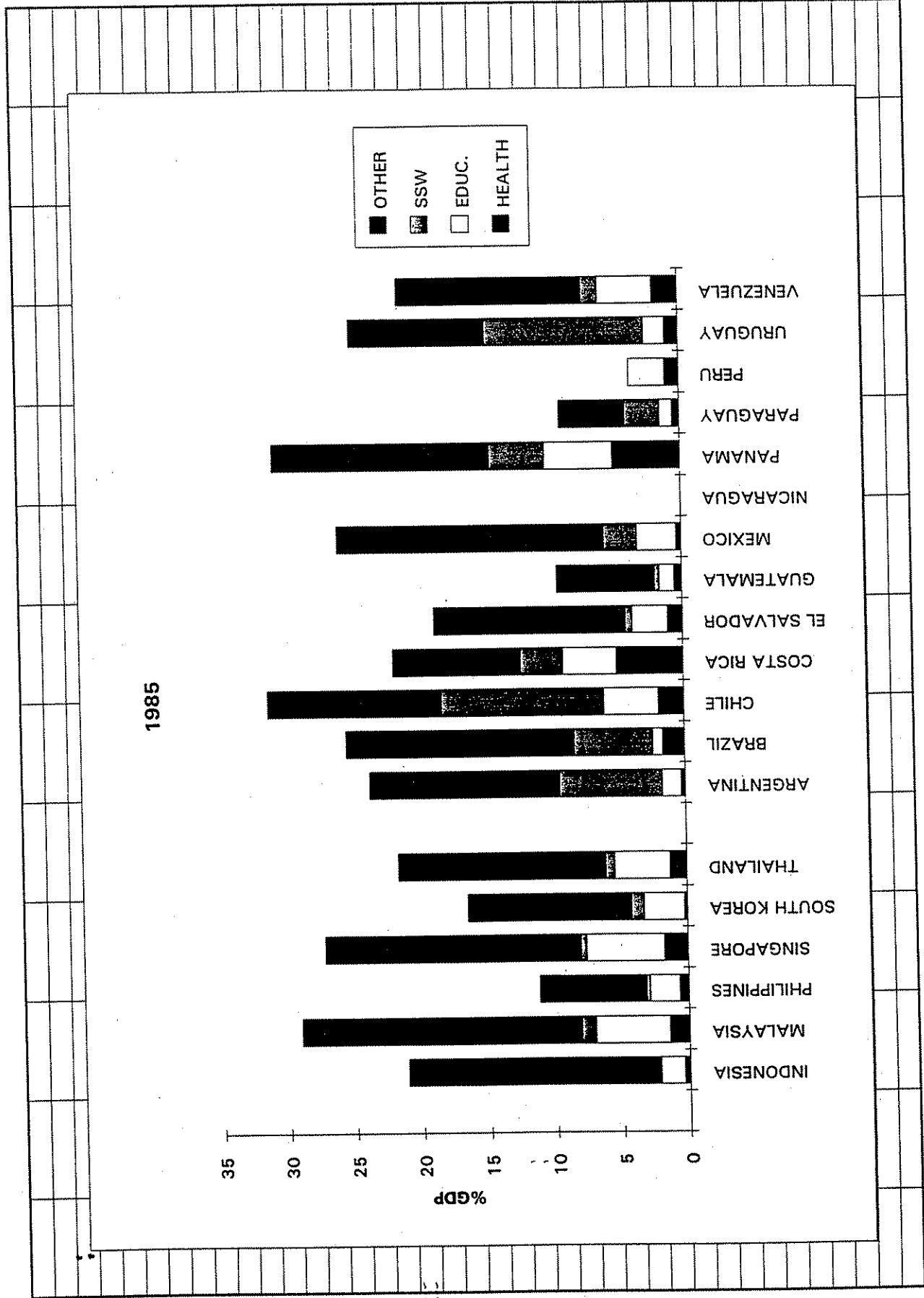


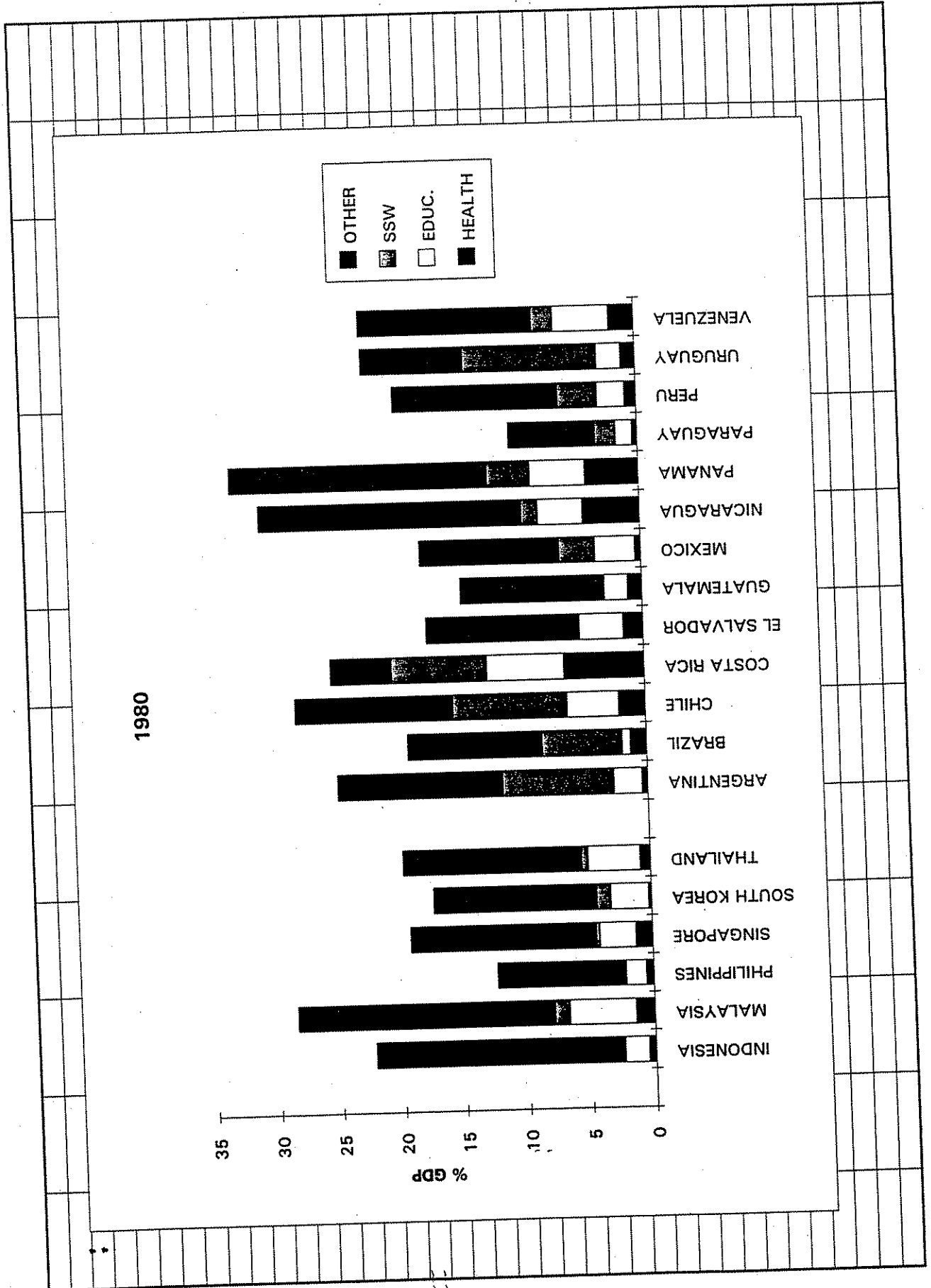
CHART 3B

YEAR	1985		1985		1985		1985		1985		1985		1985	
	SSW (%G)	HEALTH (%G)	EDUC (%G)	G (%GDP)	COUNTRY	HEALTH (%GDP)	EDUC. (%GDP)	SSW (%GDP)	OTHER (%GDP)	HEALTH (%GDP)	EDUC. (%GDP)	SSW (%GDP)	OTHER (%GDP)	
INDONESIA		1.87	8.51	21.1	INDONESIA	0.39457	1.79561	0	18.90982					
MALAYSIA	3.57	5	19.29	29.04	MALAYSIA	1.452	5.601816	1.036728	20.94946					
PHILIPPINES	2.39	5.95	20.12	11.21	PHILIPPINES	0.666995	2.255452	0.267919	8.019634					
SINGAPORE	1.58	6.47	21.59	27.23	SINGAPORE	1.761781	5.878957	0.430234	19.15903					
SOUTH KOREA	5.65	1.44	18.44	16.5	SOUTH KOREA	0.2376	3.0426	0.93225	12.28755					
THAILAND	3.01	5.72	19.52	21.61	THAILAND	1.236092	4.218272	0.650461	15.50518					
ARGENTINA	32.58	1.28	6.04	23.69	ARGENTINA	0.303232	1.430876	7.718202	14.23769					
BRAZIL	23.37	6.4	2.96	25.4	BRAZIL	1.6256	0.75184	5.93598	17.08658					
CHILE	38.96	6.07	13.18	31.28	CHILE	1.898696	4.122704	12.18669	13.07191					
COSTA RICA	14.53	22.93	18.75	21.8	COSTA RICA	4.99874	4.0875	3.16754	9.54622					
EL SALVADOR	2.86	5.87	14.48	18.66	EL SALVADOR	1.095342	2.701968	0.533676	14.32901					
GUATEMALA	3.71	5.73	12.18	9.42	GUATEMALA	0.539766	1.147356	0.349482	7.383396					
MEXICO	9.68	1.38	11.55	25.85	MEXICO	0.35673	2.985675	2.50228	20.00532					
NICARAGUA					NICARAGUA									
PANAMA	13.58	16.56	16.74	30.69	PANAMA	5.082264	5.137506	4.167702	16.30253					
PARAGUAY	29.11	5.43	10.92	9.09	PARAGUAY	0.493587	0.992628	2.646099	4.957686					
PERU		6.01	16.16	17.15	PERU	1.030715	2.77144							
URUGUAY	48.53	4.05	6.42	24.74	URUGUAY	1.00197	1.588308	12.00632	10.1434					
VENEZUELA	5.7	9	19.7	21.06	VENEZUELA	1.8954	4.14882	1.20042	13.81536					

CHART 3B

CHART 24

CHART 3C



YEAR	1980		1980		1980	1980		1980		1980		1980	
	SSW (%G)	HEALTH (%G)	EDUC (%G)	G (%GDP)		COUNTRY	HEALTH (%GDP)	EDUC. (%GDP)	SSW (%GDP)	OTHER (%GDP)	HEALTH (%GDP)	EDUC. (%GDP)	SSW (%GDP)
INDONESIA		2.47	8.31	22.27	INDONESIA	0.550069	1.850637	0	19.86929				
MALAYSIA	4	5.12	18.34	28.49	MALAYSIA	1.458688	5.225066	1.1396	20.66665				
PHILIPPINES		4.54	12.97	12.3	PHILIPPINES	0.55842	1.59531	0	10.14627				
SINGAPORE	1.34	6.88	14.45	19.22	SINGAPORE	1.322336	2.77729	0.257548	14.86283				
SOUTH KOREA	6.35	1.23	17.1	17.25	SOUTH KOREA	0.212175	2.94975	1.095375	12.9927				
THAILAND	2.68	4.09	20.58	19.65	THAILAND	0.803685	4.04397	0.52662	14.27573				
ARGENTINA	35.5	1.75	8.85	24.7	ARGENTINA	0.43225	2.18595	8.7685	13.3133				
BRAZIL	33.01	6.54	3.42	18.99	BRAZIL	1.241946	0.649458	6.268599	10.83				
CHILE	32.26	7.37	14.51	28.01	CHILE	2.064337	4.064251	9.036026	12.84539				
COSTA RICA	30.78	25	24.58	25.04	COSTA RICA	6.26	6.154832	7.707312	4.917856				
EL SALVADOR		8.97	19.81	17.17	EL SALVADOR	1.540149	3.401377	0	12.22847				
GUATEMALA		7.64	12.56	14.32	GUATEMALA	1.094048	1.798592	0	11.42736				
MEXICO	15.97	2.37	17.93	17.54	MEXICO	0.415698	3.144922	2.801138	11.17824				
NICARAGUA	4.44	14.58	11.58	30.44	NICARAGUA	4.438152	3.524952	1.351536	21.12536				
PANAMA	10.39	12.71	13.37	32.69	PANAMA	4.154899	4.370653	3.396491	20.76796				
PARAGUAY	15.92	3.59	12.88	10.14	PARAGUAY	0.364026	1.306032	1.614288	6.855654				
PERU	15.92	4.52	11.09	19.37	PERU	0.875524	2.148133	3.083704	13.26264				
URUGUAY	48.4	4.89	8.83	21.84	URUGUAY	1.067976	1.928472	10.57056	8.272992				
VENEZUELA	7.71	8.81	20.07	21.96	VENEZUELA	1.934676	4.407372	1.693116	13.92484				

~~CHART 3C~~

CHART 3D

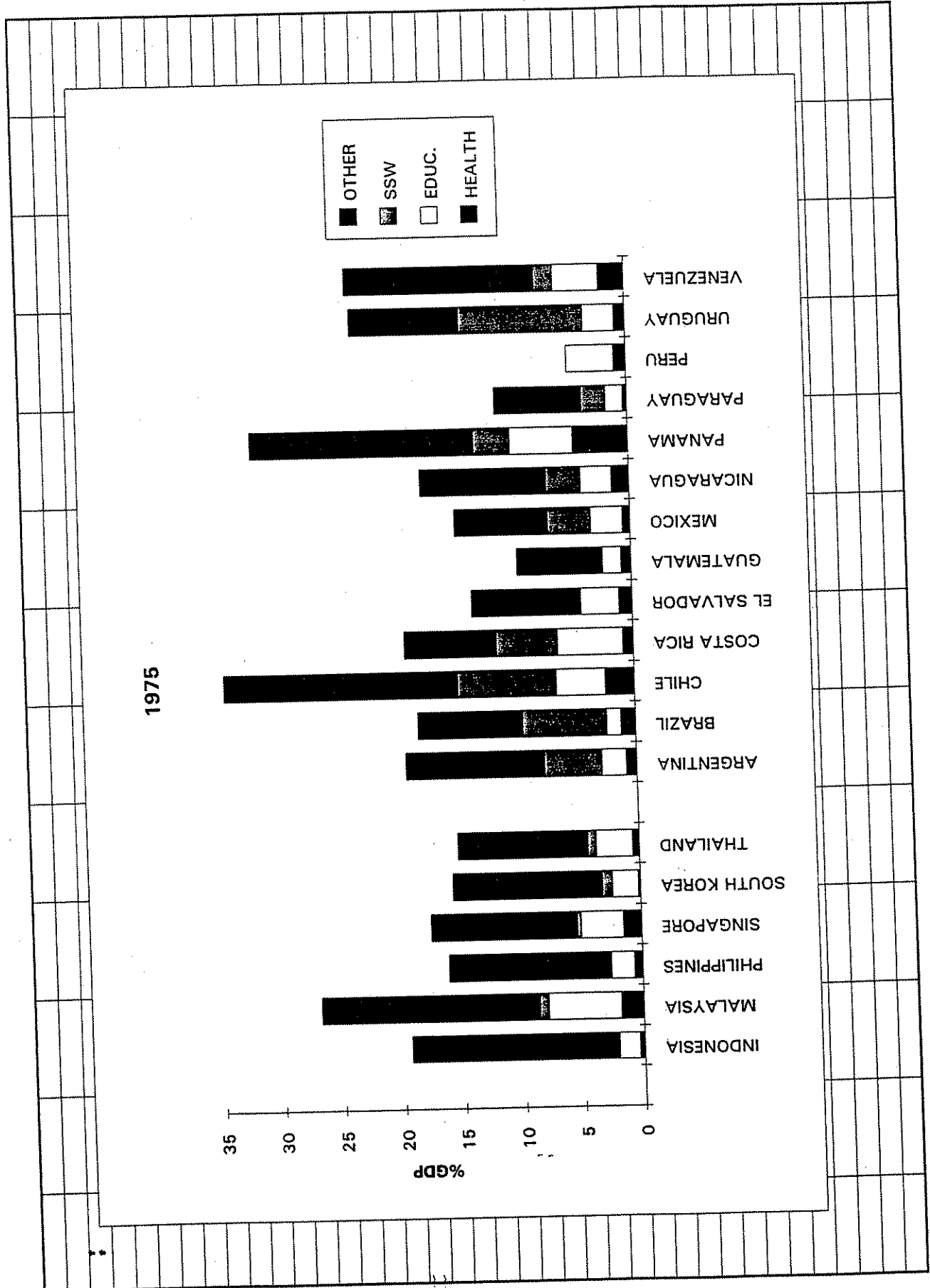


CHART 3D

YEAR	1975		1975		1975		1975		1975		1975		1975	
	SSW (%G)	HEALTH (%G)	EDUC (%G)	G (%GDP)	COUNTRY	HEALTH (%GDP)	EDUC. (%GDP)	SSW (%GDP)	OTHER (%GDP)	HEALTH (%GDP)	EDUC. (%GDP)	SSW (%GDP)	OTHER (%GDP)	
INDONESIA		2.06	8.88	19.42	INDONESIA	0.400052	1.724496		0	17.29545				
MALAYSIA	2.75	6.88	22.77	26.83	MALAYSIA	1.845904	6.109191	0.737825		18.13708				
PHILIPPINES		4.12	12.18	16.13	PHILIPPINES	0.664556	1.964634		0	13.50081				
SINGAPORE	1.83	8.5	20.24	17.56	SINGAPORE	1.4926	3.554144	0.321348		12.19191				
SOUTH KOREA	5.22	1.02	14.03	15.64	SOUTH KOREA	0.159528	2.194292	0.816408		12.46977				
THAILAND	4.47	3.66	20.13	15.15	THAILAND	0.55449	3.049695	0.677205		10.86861				
ARGENTINA	25	4.48	10.71	19.28	ARGENTINA	0.863744	2.064888	4.82		11.53137				
BRAZIL	38.62	6.48	6.81	18.18	BRAZIL	1.178064	1.238058	7.021116		8.742762				
CHILE	23.96	7.01	12.08	34.31	CHILE	2.405131	4.144648	8.220676		19.53955				
COSTA RICA	26.53	4.5	28.78	19.14	COSTA RICA	0.8613	5.508492	5.077842		7.692366				
EL SALVADOR		8.17	23.78	13.45	EL SALVADOR	1.098865	3.19841		0	9.152725				
GUATEMALA		8.64	16.14	9.55	GUATEMALA	0.82512	1.54137		0	7.18351				
MEXICO	24.69	4.21	18.19	14.69	MEXICO	0.618449	2.672111	3.626961		7.772479				
NICARAGUA	16.74	8.43	14.74	17.49	NICARAGUA	1.474407	2.578026	2.927826		10.50974				
PANAMA	9.63	14.49	16.88	31.6	PANAMA	4.57884	5.33408	3.04308		18.644				
PARAGUAY	18.52	2.77	13.34	11.11	PARAGUAY	0.307747	1.482074	2.057572		7.262607				
PERU		5.11	20.47	19.4	PERU	0.99134	3.97118							
URUGUAY	45.13	3.94	11.45	22.99	URUGUAY	0.905806	2.632355	10.37539		9.076452				
VENEZUELA	6.72	9.06	16.53	23.3	VENEZUELA	2.11098	3.85149	1.56576		15.77177				

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CHART 3E

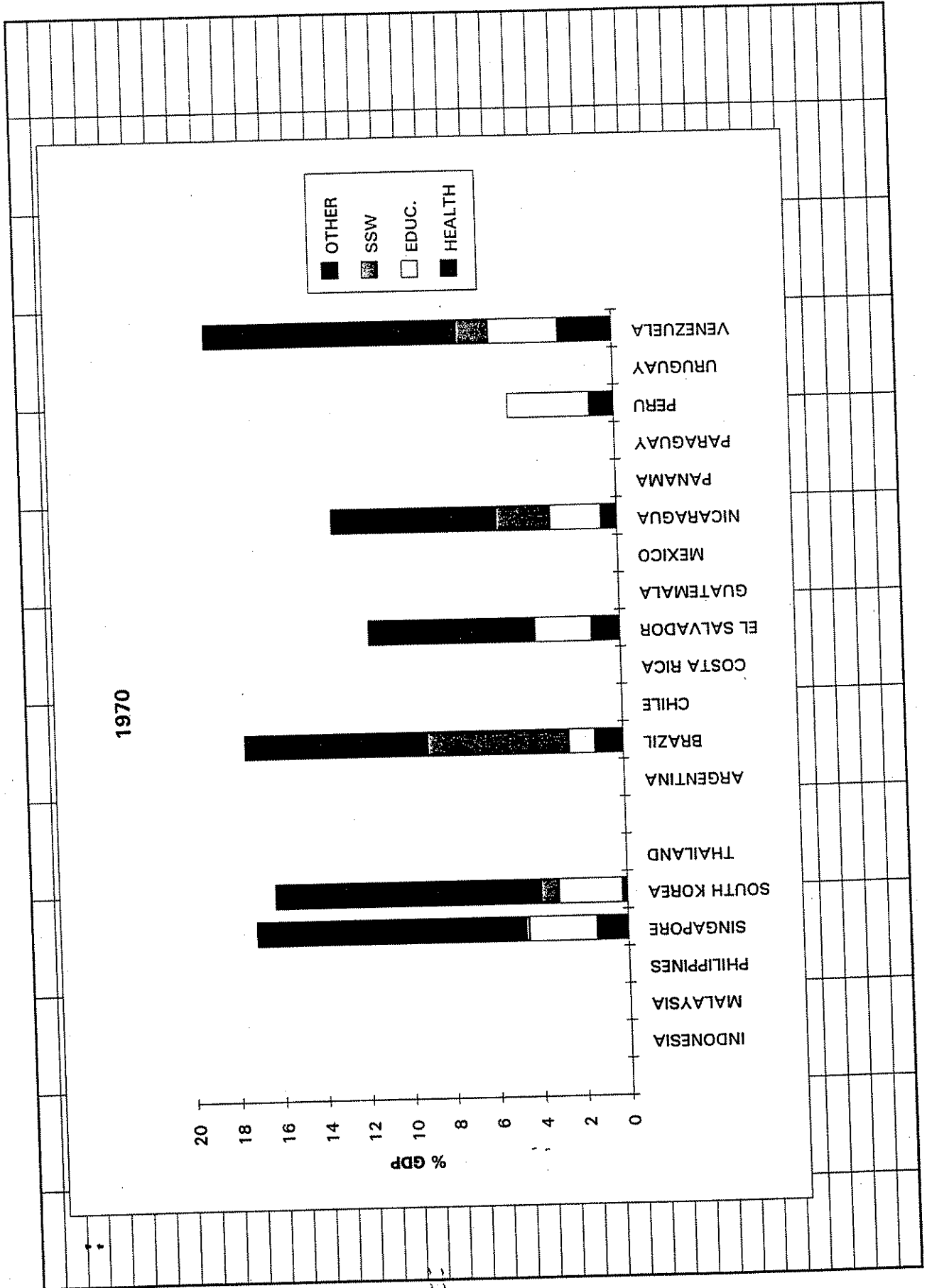
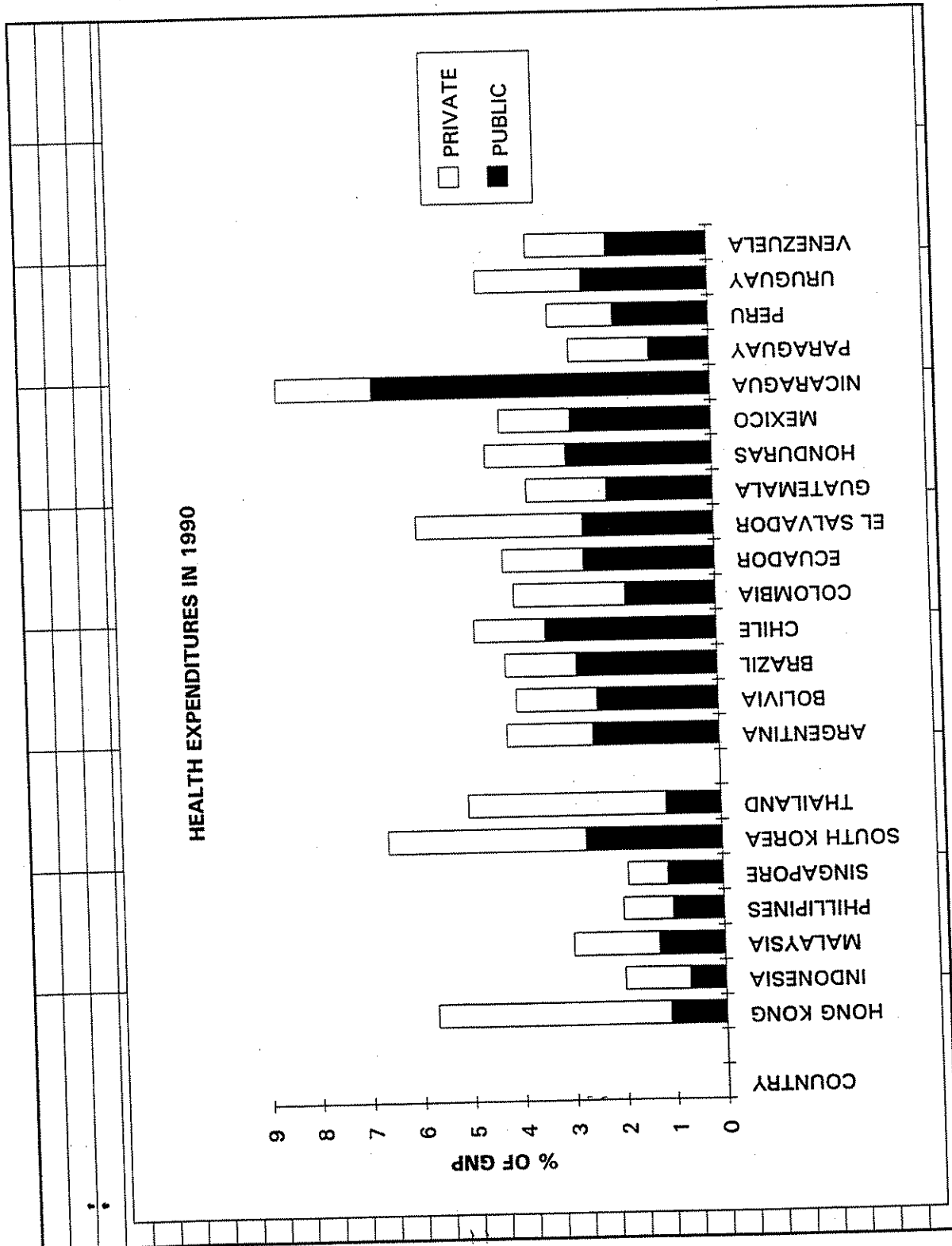
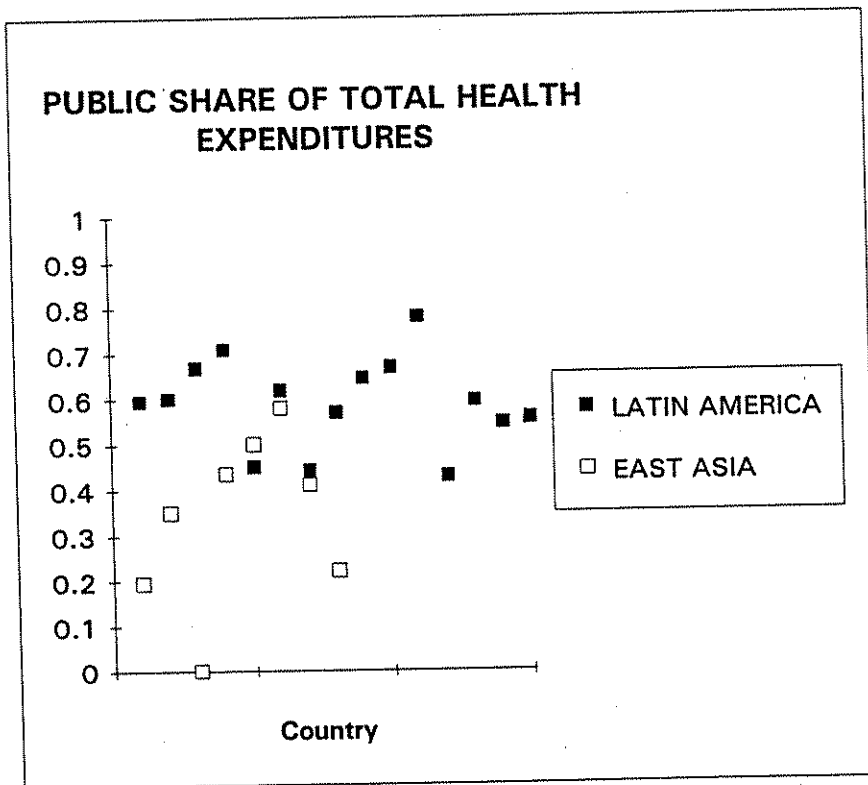


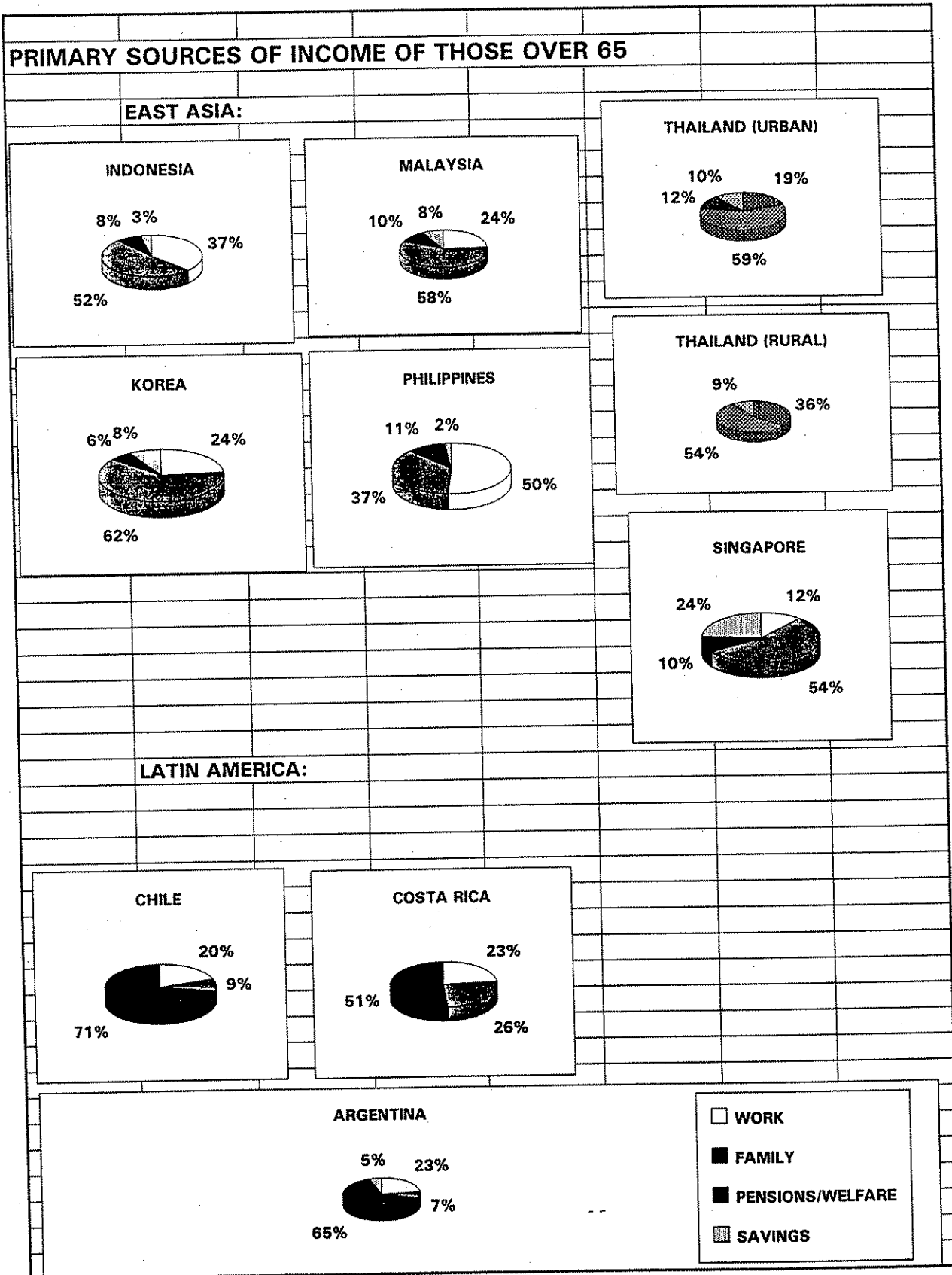
CHART 36

CENTRAL GOVERNMENT EXPENDITURE ON THE SOCIAL SECTORS, AS A PERCENTAGE OF BUDGET AND OF GDP									
SOURCE: GFS									
NOTE: DATA REFER IN SOME CASES TO CLOSEST YEAR FOR WHICH IT IS AVAILABLE.									
G = CENTRAL GOVERNMENT EXPENDITURE, SSW = SOCIAL SECURITY AND WELFARE EDUC = EDUCATION									
YEAR	1970		1970		YEAR	1970		1970	
COUNTRY	SSW (%G)	HEALTH (%G)	EDUC (%G)	G (%GDP)	COUNTRY	HEALTH (%GDP)	EDUC. (%GDP)	SSW (%GDP)	OTHER (%GDP)
INDONESIA					INDONESIA	0	0	0	0
MALAYSIA					MALAYSIA	0	0	0	0
PHILIPPINES					PHILIPPINES	0	0	0	0
SINGAPORE	0.87	8.38	18.02	17.13	SINGAPORE	1.435494	3.086826	0.149031	12.45865
SOUTH KOREA	5.08	1.38	17.66	16.25	SOUTH KOREA	0.22425	2.86975	0.8255	12.3305
THAILAND					THAILAND	0	0	0	0
ARGENTINA					ARGENTINA	0	0	0	0
BRAZIL	37.43	7.31	6.73	17.45	BRAZIL	1.275595	1.174385	6.531535	8.468485
CHILE					CHILE	0	0	0	0
COSTA RICA					COSTA RICA	0	0	0	0
EL SALVADOR		10.95	22.3	11.62	EL SALVADOR	1.27239	2.59126	0	7.75635
GUATEMALA					GUATEMALA	0	0	0	0
MEXICO					MEXICO	0	0	0	0
NICARAGUA	18.7	5.42	17.6	13.21	NICARAGUA	0.715982	2.32496	2.47027	7.698788
PANAMA					PANAMA	0	0	0	0
PARAGUAY					PARAGUAY	0	0	0	0
PERU		6.64	22.54	16.64	PERU	1.104896	3.750656	0	0
URUGUAY					URUGUAY	0	0	0	0
VENEZUELA	7.81	12.97	17.06	18.8	VENEZUELA	2.43836	3.20728	1.46828	11.68608

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SOURCES OF INCOME IN OLD AGE				
SELECTED COUNTRIES IN THE MID-1980s				
PERCENTAGE OVER 65 RECEIVING INCOME FROM:				
	WORK	FAMILY	PENSIONS/	SAVINGS
INDONESIA	46	63	10	4
	WORK	FAMILY	PENSIONS/	SAVINGS
KOREA	24	64	6	8
	WORK	FAMILY	PENSIONS/	SAVINGS
MALAYSIA	34	83	14	11
	WORK	FAMILY	PENSIONS/	SAVINGS
PHILIPPINES	63	45	13	2
	WORK	FAMILY	PENSIONS/	SAVINGS
SINGAPORE	18	85	16	37
	WORK	FAMILY	PENSIONS/	SAVINGS
THAILAND (URBAN)	18.5	56	11	10
	WORK	FAMILY	PENSIONS/	SAVINGS
THAILAND (RURAL)	32.5	50	1	8
	WORK	FAMILY	PENSIONS/	SAVINGS
ARGENTINA	26	8	74	6
	WORK	FAMILY	PENSIONS/	SAVINGS
CHILE	20	9	73	
	WORK	FAMILY	PENSIONS/	SAVINGS
COSTA RICA	21	23	46	
	WORK	FAMILY	PENSIONS/	SAVINGS
SWEDEN			100	
	WORK	FAMILY	PENSIONS/	SAVINGS
USA	20		94	
	WORK	FAMILY	PENSIONS/	SAVINGS
UK	13		100	
	WORK	FAMILY	PENSIONS/	SAVINGS
FRANCE	4		96	
(DISTRIBUTION OF THE ELDERLY BY MAIN SOURCES OF SUPPORT.				
SOME INDIVIDUALS MAY BELONG TO MORE THAN ONE CATEGORY).				
NOTE: PENSION CATEGORY INCLUDES SOCIAL ASSISTANCE/WELFARE				
SOURCES: DEATON AND PAXSON (1991), ENG (1981), HAAGA et al (1993),				
JU AND JONES (1989), KENDIG et al (1992), OECD (1992), WORLD BANK (1994),				
UN ESCAP (1987, 1989a, 1989b, 1989c), UN (1994)				

LIVING ARRANGEMENTS OF THOSE OVER 65			
SELECTED COUNTRIES IN THE 1980s			
(IN SOME CASES ESTIMATED FROM AVAILABLE DATA)			
PERCENTAGE LIVING:			
(EAST ASIA:)	WITH FAMILY	ALONE	OTHER
INDONESIA	76	8	17
THAILAND	92	5	4
MALAYSIA	82	6	12
PHILLIPPINES	92	3	5
SINGAPORE	87.2	1.7	10.5
TAIWAN (1980)	70	3	27
(FEMALES ONLY)	81.7	17	1.3
KOREA (URBAN)	73.5	25.3	1.2
KOREA (RURAL)			
(LATIN AMERICA:)	WITH FAMILY	ALONE	OTHER
URUGUAY	53	16	31
ARGENTINA	25	11	64
CHILE	59	10	31
COSTA RICA	56	7	37
COLOMBIA	80.71	10.20	9.09
PANAMA	76	10	14
MEXICO	78	7	15
(OECD:)	WITH FAMILY	ALONE	OTHER
AUSTRALIA	7	30	62
CANADA	16	21	63
JAPAN	69	8	23
USA	13	30	57

SOURCES: DEATON AND PAXSON (1991), ENG (1981), HAAGA et al (1993), JU AND JONES (1989), KENDIG et al (1992), OECD (1992), WORLD BANK (1994), UN ESCAP (1987, 1989a, 1989b, 1989c), UN (1994)