

*Old-Age  
Security in  
Comparative  
Perspective*

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JOHN B. WILLIAMSON  
FRED C. PAMPEL

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in Comparative Perspective

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# Old-Age Security in Comparative Perspective

JOHN B. WILLIAMSON

*Boston College*

FRED C. PAMPEL

*University of Colorado*

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*For my brothers, Bradford, Bruce, Burgess,  
Craig, Glen, Scott, Todd  
and the memory of my sister, Rosanne  
J. B. W.*

*For my parents, Fred Sr. and Joanne,  
and my brother Bill  
F. C. P.*

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# Preface

This book presents an analysis of cross-national differences in old-age security policy. While old-age security programs in the industrial nations have received a great deal of attention in recent years, a number of interesting developments in Third World nations have received much less attention than they deserve. This is one reason that our study is based on three Third World nations (Brazil, Nigeria, and India) as well as four industrial nations (Germany, United Kingdom, Sweden, and the United States). Due to the inclusion of case studies in both categories, we are able to make comparisons among the four industrial nations and among the three Third World nations as well as some comparisons between the industrial and Third World nations. As one illustration, we discuss why Brazil has been so much more successful than India and Nigeria in extending coverage to the rural population. In our chapters on Brazil, Nigeria, and India comparisons are also made with other countries in the region. For example, we contrast Brazil's public pension system with a largely privatized alternative recently introduced in Chile, a model that so far has proven quite popular and is now being seriously considered in several other nations.

We began quantitative research on issues closely related to this book 10 years ago. At the outset we expected to extend and build upon prior studies in the social democratic tradition. The social democratic thesis embodies a widely held belief about the relationship between working-class strength and post-World War II pension (and welfare state) policy developments in the Western industrial nations. Central to this thesis is the view that the expansion of spending on public pensions and the many structural reforms that took place in these countries up through the late 1970s represented victories for organized labor and leftist political parties in their efforts to obtain a larger share of society's resources for the working class and the poor.

Our early work on the social democratic thesis was in large part based on quantitative analysis of public pension spending for a sample of 18 industrial nations. Our findings raised doubts about the thesis, particularly the simple version of the thesis that was current at the time. They also raised doubts about much of the quantitative evidence that had been amassed in support of the thesis. We found that with the introduction of a few key statistical controls that had not been used in prior studies, due in part to their dependence on small cross-sectional samples,



the case for the social democratic thesis (and class theory interpretations more generally) became at best very weak. What emerged from our analysis was evidence suggesting that the postwar increase in public pension spending was more a reflection of an increase in pressure from the middle class and of the elderly, than an increase in pressure from the working class and the poor.

By the mid-1980s, the literature espousing and offering support for the social democratic thesis was extensive. While studies we published between the mid and late 1980s raised doubts about most of the quantitative evidence in this tradition, important questions remained because much of the support for the social democratic thesis was based on qualitative historical evidence. Given the theoretical importance of the issue as well as the profound implications for politics and public policy, we decided to undertake the present study. Our focus on the comparative historical method has allowed us to consider arguments and explanations that do not lend themselves to quantitative analysis. It has also allowed us to consider a much broader time span making it possible to expand the scope of our analysis to include developments in connection with the original old-age pension legislation.

At the outset our goal was to assess the relative influence of organized labor, leftist political parties, and the working class more generally in shaping key developments in old-age security policy over the years. As the study progressed, our focus shifted from an analysis of the evidence pertaining to the social democratic thesis to a more general effort to look at the relative utility of explanations drawn from several different theories of welfare state development. The goal changed from demonstrating that this or that theory was right or wrong to explicating those contexts in which one or another tended to be most useful. What has emerged is a set of conclusions that strongly emphasize context. We emphasize, but do not limit ourselves to explanations that can be linked to each of five general theoretical perspectives: (1) the industrialism perspective, (2) the social democratic perspective, (3) the neo-Marxist perspective, (4) the neo-pluralist perspective, and (5) the state-centered perspective. We find each of these perspectives useful in accounting for some developments, but we have not found that any one of them is by itself sufficiently powerful to account for all or even most of the important developments. We are generally able to provide much more adequate interpretations when we combine explanations drawn from several of these perspectives.

Our historical case study evidence suggests that, with the notable exception of Sweden, support for the social democratic thesis is weak. In our quantitative analysis we qualify this conclusion; it suggests that the social democratic thesis and class theory more generally tend to be useful in accounting for developments in nations with well developed corporatist structures, an interpretation that combines explanations linked to both the state-centered perspective and the social democratic perspective. We find the neo-Marxist perspective most useful in connection with our analysis of developments surrounding the origins of old-age pension policy, particularly in Germany and Brazil. The industrialism perspective, in contrast, tends to be most useful in connection with developments since the end of World War II. The neo-pluralist perspective proves to be particularly useful in the analysis of developments in nations with well developed democratic structures, but with appropriate qualification it is also useful for the analysis of developments in coun-

tries such as Nigeria and Brazil that lacked well developed democratic structures during much of the period being considered.

While our analysis of the importance of context takes many forms, we give particular attention to the relevance of aspects of state structure. In our analysis of developments in the industrial nations we emphasize the role of democratic corporatism. We find that in nations such as Sweden which have well developed corporatist structures, class-based factors are more important and demographic factors less important in determining public pension policy than is the case in nations such as the United States that lack democratic corporatist structures for societal mediation between class groups.

We find historical evidence that another variant of corporatism, authoritarian corporatism, has had an impact on pension policy in some Third World nations. Due to the lack of appropriate quantitative indicators, however, we were unable to test hypotheses involving this variable in our pooled time series analysis of pension spending in Third World nations. Nevertheless, we do find evidence that another aspect of state structure (level of democracy) functions as an important contextual variable for Third World countries. In the more democratic Third World nations percent aged tends to be a relatively strong predictor of spending on public pensions, but in less democratic Third World nations the impact is much weaker. Our interpretation of this evidence is that interest groups such as the aged are able to exert a greater influence on public spending levels when more democratic political structures are in place.

While there have been many quantitative studies and many comparative historical studies of cross-national differences in public pension and welfare state policy, the present book represents an effort to contribute to the much smaller literature made up of studies that combine these two very different approaches. While the decision to combine the two approaches may seem quite reasonable in the abstract, it has not been an easy task. Scholars in these two traditions tend to ask very different questions and having just completed this study, we have come to better appreciate why.

The nature of the data to be analyzed has profound implications not only for the methodology used, but also for the questions the researcher is likely to consider worth asking. Our quantitative data made it easy to ask detailed questions about the strength of various interaction effects and allowed us to measure these interaction effects with much greater precision than was possible based on our comparative historical data. Our historical case study data, in contrast, allowed a much richer and more finely textured analysis. It allowed much greater freedom with respect to what questions were asked and what factors were taken into consideration when answering those questions. In the context of our comparative historical analysis we found that the questions we were asking and the explanations we were giving often defied specification in terms of concepts that lent themselves to operationalization as quantitative measures appropriate for comparisons across 32 or even 18 nations. This immersion in both types of data and both types of analysis has been a humbling experience. Simultaneously considering the evidence and conclusions based on two very different methodologies has forced us to starkly confront the reality that each has its very real limitations as well as its strengths.

We have accumulated many debts over the seven years it has taken us to write this book. This includes debts to those who have helped us locate resources and data, those who have commented on preliminary drafts of chapters, those who have served as expert informants, and those who have in other ways made important contributions to our thinking about the issues considered in this book. Of particular note in this context are the contributions of: Peter Baldwin, Robert Bédard, John Blackwell, Clair Brown, Ricardo Campbell, Francis G. Castles, Manoel Costa, Richard Coughlin, Charles Derber, Allen Fairfax, Lisa Fuentes, Fred Groskind, Shari Grove, Leif Haanes-Olsen, Elizabeth Johnson, Martin Kohli, Celso Barroso Leite, Concepcion McNeace, Mike Miller, Ujubuonu Okwologu, Joakim Palme, Gösta Rehn, Martin Rein, Vladimir Rys, Rolf Stadié, Ann-Charlotte Ståhlberg, George Steinmetz, Barbara Boyle Torrey, Evaldo Amaro Vieira, Jill Quadagno, Joseph Quinn, Gretchen Walsh, and William White. While many have helped us in a variety of ways there are a few who we owe special thanks to for feedback on chapters and suggestions for revision that went far beyond what we might reasonably have expected. In this context we mention contributions by Karl Hinrichs to Chapter 2, by James Cronin to Chapter 3, by Sven Olsson and Lars Andersson to Chapter 4, by Andrew Achenbaum and Eric Kingson to Chapter 5, by Thomas LeGrand, James Malloy, and Eliza Willis to Chapter 6, by Kishore Mandhyan to Chapter 7, and by Olatunji Oyeneye and Margaret Peil to Chapter 8. Robin Stryker co-authored a paper with us that formed the basis for Chapter 9, and her influence on our ideas in that chapter remains strong. We want to express our thanks to Henry Pratt, Christine Day, and Richard Tomasson who served as Oxford's outside reviewers for this project. Their efforts were very much appreciated and their insights have made this a much stronger book than it would otherwise have been. We wish also to express our appreciation to all of those at Oxford who have been of assistance with particular thanks to David Roll, Stanley George, Mary Garrison, Sharon Lahaye, and Wendy Driscoll. While we want to share the credit for this book with all of those who have in one way or another facilitated our work, we take full responsibility for any and all errors that remain.

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Chestnut Hill, Mass.  
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J.B.W.  
F.C.P.

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# 1

## Introduction

The arguments and evidence presented in this book challenge what many consider the current orthodoxy with respect to the causes of old-age security policy development. We call into question the conventional view that policy developments in this sphere inevitably reflect the outcome of conflict between labor and capital.<sup>1</sup> Various class theorists differ in their views as to the relative influence of labor and capital, and they disagree in their assessments of the redistributive impact of various old-age security programs, but they generally share the assumption that capital and labor are the major actors driving these policy developments. We do not deny the relevance of class actors, rather we specify the contexts in which these actors are important, and we introduce evidence that a number of other actors defined by such ascriptive attributes as age, ethnicity, language, religion, and region are also very important.

One of the most widely held perspectives on old-age security policy is embodied in the social democratic thesis that social security policy as it has evolved in the industrial nations, particularly since the end of World War II, reflects the outcome of a struggle between organizations and political parties representing the interests of capital and those representing the interests of labor (Castles 1982; Esping-Andersen 1985; Hewitt 1977; Korpi 1983; Myles 1984; Shalev 1983; Stevens 1979). Much of the evidence presented in this book challenges the conventional social democratic perspective on old-age security policy developments. One of our central arguments is that the social democratic thesis does not adequately take into consideration the influence of a number of nonclass factors that have had a major influence on the historical evolution of old-age security policy. It does not give adequate attention to the influence of a number of nonclass interest groups, and it does not give sufficient attention to the role played by characteristics of the state such as the presence or absence of democratic corporatist structures for mediation between labor and capital.

Our previous work presents quantitative evidence that calls into question conventional class theory views with respect to the determinants of public pension spending and of social security spending more generally (Pampel and Williamson 1985; 1988; 1989; Williamson and Pampel 1986). As much of the class theory evidence in the literature is based on historical case studies, we wanted to test some of our most important findings using historical evidence, and we designed the present study with that goal in mind.



While many historical case studies have been done that deal with pension policy or welfare state policy more generally, the analysis presented in this book is distinctive in its effort to include both industrial and Third World nations. Four industrial nations (Germany, United Kingdom, Sweden, United States) were selected, one for each of four different types of welfare state regimes identified by previous scholars as providing distinct differences in contexts for welfare state development (Esping-Andersen 1990; Castles and Mitchell 1990). In addition, we include case studies for three Third World nations (Brazil, India, Nigeria) selected so as to represent diversity with respect to level of development and democratic institutionalization. With this selection of countries it is possible to make comparisons among our industrial nations, among our Third World nations, and between our Third World and our industrial nations.

The focus of this book is on assessing the utility of explanations derived from class theories. To this end we find it useful to make comparisons with explanations derived from other theoretical perspectives. As a result the book provides an assessment of how each of five general theoretical perspectives can be used to shed light on the historical evolution of old-age security policy in the nations considered. The growth of explanations of the welfare state in general and of pension policy in particular has led to a huge and contentious literature. There has been a tendency in this literature to pit competing theories or variables against one another, implying that the success of one view implies the failure of the other. The goal of our analysis is not so much to show that this or that perspective offers valid or invalid explanations as it is to specify the conditions under which the various perspectives offer the most insight. The diversity of our case studies provides a great deal of variation with respect to level of democracy and level of development as well as with respect to state structure, ethnic homogeneity, and cultural context. The broad time spans considered also allow for a great deal of contextual variation within individual countries. This diversity helps us specify those contexts in which each of the several theoretical perspectives considered is most useful.

Although this book will be read by some as a Weberian critique of the neo-Marxist and social democratic class theories of old-age social security policy development, it is important to keep in mind that we do find the class theories useful in accounting for some developments in some countries. In our case studies we find support for a version of class theory that takes into consideration national and historical context. Furthermore, in our quantitative analysis we find evidence that supports a variant of class theory that takes into consideration contextual factors such as the presence of democratic or corporatist state structures. While our quantitative evidence does not support the conventional version of class theory, it does support a qualified version that takes into consideration the role of corporatist state structures.

The present analysis represents a marriage of quantitative and qualitative analysis in two important respects. While we have not limited ourselves to hypotheses and explanations derived from our prior quantitative research, the comparative historical analysis presented here was motivated by the desire to cross-validate some of the more controversial conclusions of that research.<sup>2</sup> Given the vast number of prior studies that claimed to offer empirical support for the social democratic

thesis and given our dramatic findings to the contrary, we wanted to determine which findings could be replicated using comparative historical data. A second respect in which the present study integrates the two modes of analysis is the inclusion of a quantitative analysis (Chapter 9) that builds upon, extends, and in important respects qualifies the findings of the historical case studies presented earlier in the book.

There have been many previous studies of social security policy development based on historical case studies and many based on the multivariate analysis of national level aggregate data, but there have been very few studies to date that have attempted to integrate the two approaches. We believe that this is unfortunate as there are insights to be gained from such an integration. In the present volume we explore issues in our historical case studies that were impossible to consider in the context of our multivariate statistical analysis.<sup>3</sup> Similarly, we deal with issues in our quantitative analysis that we were unable to deal with in our historical case studies.<sup>4</sup> Consideration of evidence from both approaches makes this a much more comprehensive study than it might otherwise have been.

In summary, the goals of this book are several. First, it attempts to provide a more integrative view of the validity of competing explanations of old-age security policy by considering the national and historical context of program development. Second, it studies both advanced industrial and Third World nations. Although the processes differ greatly across groups, comparisons of the processes provide a broader frame-work for understanding old-age security policy. Third, it relies on both qualitative and quantitative analysis. To capture contextual influences, the emphasis is on the qualitative studies, but quantitative models that confirm, extend, or qualify various findings from the historical case studies are presented as well.

## Theories of Old-Age Security Policy Development

In this section we review five general theoretical perspectives that we will be making extensive use of in the chapters that follow. These theories of old-age security policy are derived from closely related theories of welfare state development. This is possible because old-age security policy is generally a major component of social welfare policy. While many of the interpretations and arguments offered in the following chapters can be linked to one or another of these theoretical perspectives, we will not be limiting ourselves to explanations that can be derived from them. Some arguments will emphasize factors that are unique to a particular country at a specific point in time and explanations that do not derive from these or any other general theories of welfare state development.

### *The Industrialism Perspective*

The industrialism perspective<sup>5</sup> can be traced back to the late nineteenth century. For example, Wagner's ([1883] 1983) law of increasing state activity asserts that the size of the public sector relative to the private sector increases as real per capita

income increases. In short, public sector spending, including spending on pension programs and other old-age security programs, grows because the demand for services as well as the willingness to pay for such services increase with economic development. The need for public pensions and other social welfare programs occurs simultaneously with the increased economic resources which make it possible to fund such programs.

While the industrialism perspective can be traced back to the nineteenth century, it is most strongly associated with the work of Kerr et al. (1964), Wilensky (1975), and a number of other theorists who were interested in the causes and consequences of economic development in the industrial nations during the post-World War II era. Theorists in this tradition have been particularly interested in evidence of convergence in a number of institutional spheres among all industrial nations, socialist as well as capitalist, due to the imperatives of the industrialization process (Inkeles 1981; Form 1979; Williamson and Fleming 1977; Pryor 1968). One aspect of this convergence has been the introduction of a similar set of social insurance programs across nations. Another has been the dramatic increase in spending on public pensions and other social insurance programs in all industrial nations, socialist as well as capitalist.

The industrialism perspective explains the introduction of public pensions and other social welfare programs as a necessary result of technological development. These programs are viewed as helping to maintain social equilibrium, as meeting the functional necessities (or requirements) of modern economies, and as responding to the technological imperatives of the industrialization process. State spending on public pensions is viewed as a more or less automatic response to the needs generated by industrialization. The functionalist origins of the perspective are quite explicit, particularly in the early formulations of the perspective (Kerr et al. 1964; Wilensky and Lebeaux 1965).

According to this perspective the root cause of spending on public pensions and other social programs is economic development (Wilensky 1976, p. 13); however, much of the impact of economic development on pension spending is indirect. For this reason indicators measuring some of the consequences of industrialization are considered as well. For example, industrialization is viewed as producing an older age structure, as leading to the establishment of public bureaucracies devoted to social insurance needs, and as producing other such changes which in turn are often the more proximate causes of increases in spending on public pensions and other forms of pension policy development (Wilensky 1975).

Industrialization transforms the labor force. Workers are drawn away from the agricultural sector into the industrial and service sectors. Self-employment is replaced by wage labor making an increasing proportion of the labor force vulnerable to swings in the business cycle. There are sharp increases in urbanization as well as much geographical and social mobility. Fertility rates drop contributing to a graying of the age structure. Industry increasingly wants young recently educated workers. As families become smaller and the number of siblings fewer, the burden on adult children of providing for dependent elderly parents becomes greater. These changes undercut the traditional forms of social support, the extended family and the local community. They create a need that the govern-

ment must respond to so as to promote social harmony and economic growth (Kerr et al. 1964, p. 152). The introduction of pension programs is one such response as is increased spending on existing pension programs.<sup>6</sup>

Industrialism theorists tend to de-emphasize the independent role of political factors in shaping the major institutions and policies in industrial nations. Many studies just ignore political factors. Others explicitly consider political factors and then present evidence that they are not useful in accounting for the dependent variable of interest, such as social security effort (Wilensky 1975). Among the political factors that have been considered and rejected as adding little if anything to the variance accounted for by various industrialism related indicators are: political structure,<sup>7</sup> elite ideology,<sup>8</sup> degree of political democracy, socialist party strength, and union strength.<sup>9</sup>

As is the case with most of the perspectives we will consider, in most research applications industrialism theory is simplified, some would say oversimplified. In its most simplified form it reduces to what is sometimes referred to as the *developmental hypothesis* that the dependent variable of interest (e.g., pension quality or pension effort) is in large measure determined by the level or rate of development. Some studies use a richer more complex version of industrialism theory in which an effort is made to include other aspects of social structure and social change typically associated with the industrialization process, such as urbanization, literacy rate, birthrate, and percent aged. A few studies also check the prediction that political factors will have little if any independent impact (Pampel and Williamson 1988; 1989; Williamson and Weiss 1979).

The industrialism perspective has most typically been used in the analysis of trends in the industrial nations. But the emphasis on the importance of industrialization and economic growth makes it appropriate to test hypotheses derived from this theory in studies that include developing nations as well (Mishra 1977). A number of studies have used the theory in the analysis of samples that have included developing nations or focused on developing nations (Williamson 1987; Pampel and Williamson 1985; Jackman 1975; Wilensky 1975).

### *The Social Democratic Perspective*

The social democratic perspective (also referred to as the working-class strength or working-class mobilization perspective) can be traced to the work of Karl Marx and some scholars classify this perspective as neo-Marxist (Hicks 1991, p. 211; Myles 1984, p. 82). However, it is common to make a distinction between the social democratic perspective as reflected in the work of Esping-Andersen (1985), Myles (1984), Shalev (1983), Korpi (1983), Stephens (1979), and Hewitt (1977) and the neo-Marxist perspective as reflected in the work of Gough (1979), Poulantzas (1973), O'Connor (1973), Offe (1972), and Miliband (1969). Both perspectives emphasize class structure and class conflict, but they offer fundamentally different interpretations of the welfare state.

Although the social democratic perspective can be traced back to Marx himself, in its contemporary form it emerged during the 1970s in response to the neo-Marxist ambivalence about the welfare state, which ranged from an attitude of

skepticism about how much progress had been made and about how much more was likely given the imperatives of capitalist economies, to an attitude of hostility toward such programs due to their social control aspects.<sup>10</sup> The social democratic perspective, in contrast, views the introduction of various social welfare programs and increases in spending, particularly redistributive spending, on such programs as real gains for the working class.

Marx had relatively little to say about social welfare legislation, but what he did say on related issues suggests that he was ambivalent. This ambivalence has characterized the Marxist perspective on the topic ever since. Marx was skeptical about how far social legislation could advance in a capitalist society; however, he did view the English factory legislation enacted between 1833 and 1853 as a major victory for the working class that did improve their welfare (Marx [1867] 1967, pp. 381–382). This acknowledgment of the possibility of meaningful social policy reform in response to working-class pressure is consistent with the social democratic perspective.<sup>11</sup> However, his more general and frequent expression of skepticism about the prospects for meaningful long-term reforms based on social legislation enacted in capitalist states is consistent with the neo-Marxist perspective which we will return to in the next section.

Advocates of the social democratic perspective tend to be optimistic about the potential long-term outcome of social welfare legislation enacted by social democratic governments. Many see such legislation as a possible route by which at least some capitalist democracies will eventually make the transition to democratic socialism (Stephens 1979, p. 200). Sweden is often mentioned in this context as a country that may be among the first to make such a transition.

According to the social democratic perspective, government spending on public pension programs and other social welfare programs is an outcome of class conflict. Evidence that more of a nation's gross national product (GNP) is being spent on such programs is interpreted as support for the claim that labor has been successful in its class struggle with capital (Shalev 1983, p. 319). The welfare state is viewed as very much a class issue. The relative level of expenditure on such programs tells us something about the balance of power between capital and labor.

The social democratic perspective emphasizes the role of organized labor and leftist political parties as determinants of how much influence the working class is likely to have. A strong labor movement helps elect leftist governments, and leftist governments are more likely to enact progressive social welfare legislation including progressive pension legislation (Myles 1984, pp. 83–89; Shalev 1983, p. 323; Stephens 1979, pp. 99–103). This in turn improves the lot of the working class and reduces the extent of economic inequality. Level of spending on public pensions and other welfare state programs is viewed as an outcome of a democratic class struggle in which parties representing the interests of the working class compete with those representing the interests of capital.

Explanations for why labor is stronger in some countries than in others often emphasize unique historical circumstances. However, there is agreement that labor tends to be stronger when a high proportion of the labor force is unionized, when there are a relatively small number of unions, and when the unions are centralized (Myles 1984; Stephens 1979). In contrast, labor tends to be weak when a

relatively small proportion of the labor force is unionized, when there are a very large number of small unions, and when the unions are highly competitive with one another (Korpi 1983). If union power is decentralized and there is very little coordination at the national level, labor tends to be weak and unable to exert much control over the state.

Social democratic theorists view the state as much more subject to the independent influence of political power than do neo-Marxists.<sup>12</sup> While it is assumed that capital controls the state in the absence of a strong working class, it is also assumed that it is possible for labor to wrest substantial control of the state from capital through democratic class struggle. Labor can come to control the state apparatus if a large well organized working class is successful in electing leftist governments and keeping them in office.

Theorists in this tradition point out that in capitalist democracies workers are under the control of the owners of capital in the economic sphere, but labor can obtain power in the political sphere that can be used to counteract the harmful effects of markets through spending on public pensions and other welfare state programs (Esping-Andersen 1985). In the economic sphere labor's lack of capital ownership is a disadvantage, but in the political sphere labor's relatively large numbers are an advantage.

The social democratic perspective was formulated to explain developments in the industrial democracies. The perspective is most appropriately applied to nations in which there is sufficient political democracy that it is possible for labor to compete with capital in the electoral arena for control over state resources. Another precondition is that there be sufficient state economic resources available to support the introduction of welfare state programs. Due to these preconditions we should not expect the perspective to be of much utility for the analysis of policy developments in Third World nations.

### *The Neo-Marxist Perspective*

The neo-Marxist (or monopoly capitalism) perspective can be traced to the work of Marx and Engels, but it is more typically associated with the extensive literature in the Marxist tradition that emerged during the 1960s and 1970s.<sup>13</sup> The neo-Marxist perspective shares with the traditional Marxist and the social democratic perspectives an emphasis on class structure, class conflict, and class determinants of social welfare policy.<sup>14</sup> Of the various theoretical perspectives we consider this one comes the closest to the traditional Marxist perspective, but it differs in some important respects, one of which is the degree of autonomy attributed to the state.

The traditional Marxist view of the capitalist state is presented in *The Communist Manifesto* where it is described as "but a committee for managing the common affairs of the whole bourgeoisie" (Marx and Engels [1848] 1955, pp. 11–12).<sup>15</sup> That is, in each Western industrial nation the government is viewed as being controlled by a ruling class. The traditional Marxist view is that the state recruits from and is controlled by the dominant (capitalist) class. From this perspective a major role of the state is to control labor and protect the economic interests of the capitalist class.

Neo-Marxists differ among themselves with respect to how much autonomy to accord the state, but all attribute more autonomy than is assumed by the traditional Marxist view. Miliband (1969) and O'Connor (1973), for example, allow for relatively little state autonomy. In contrast, Gough (1979), Offe (1972), and particularly Block (1977) allow for a greater degree of autonomy.<sup>16</sup>

The social democratic perspective views labor and capital as competing for control of the state and interprets spending on social welfare programs as a reflection of the relative strength of these two contending groups. In this sense the state may potentially be controlled by either capital or labor. From the neo-Marxist perspective while the state has some autonomy, it is viewed as an institution that does not come under the control of labor. While the state may from time to time make decisions that in the short-run favor labor, the long-run agenda is to foster the interests of capital (Przeworski 1985, p. 201). From the neo-Marxist perspective spending on public pensions and other social insurance programs is viewed more as a mechanism to control labor than as a victory for labor (Offe 1972).

From the neo-Marxist perspective spending on public pensions and other social welfare programs is viewed as having little impact on inequality (Miliband 1969, p. 22; Szmanski 1978). One argument is that pension spending represents transfers within classes rather than between classes; that is, pension spending involves transfers from one group of people to another within the same social class.<sup>17</sup> A related argument is that spending on various social welfare programs produces a modest amount of redistribution in the short-run so as to control labor unrest in the face of serious unemployment. It represents an effort to co-opt labor so as to reduce the pressure for a much more comprehensive redistribution of economic resources (Piven and Cloward 1971). This contrasts with the social democratic view that spending on public pensions and other social welfare programs tends to have an egalitarian impact.<sup>18</sup>

According to the neo-Marxist perspective it is not necessary to assume that the important positions in the government are filled by representatives of capital or that the state is directly manipulated by the dominant (ruling) class (Block 1977). Rather the state functions as a partner with capital in the effort to foster long-term economic growth and capital accumulation (O'Connor 1973). While the state is assumed to have some short-term independence, it is also assumed to function in the long run within certain constraints linked to the imperatives of capital accumulation (Przeworski 1985, p. 201).

The mounting evidence that Keynesian economic policy was not functioning as expected during the 1970s stimulated a great deal of theoretical debate (Mishra 1984, p. 69). Theorists in the neo-Marxist tradition began to refer with increasing frequency to the contradictions of modern capitalism and to the fiscal crisis of the state (Offe 1984; Frank 1980; O'Connor 1973). There are many differences among scholars concerning the exact nature of the contradictions. Basically the reference is to policies that are designed to promote social harmony (legitimation) while at the same time contributing to long-term economic growth (capital accumulation). According to O'Connor (1973), a fiscal crisis results in part because the state attempts to socialize the costs of production while privatizing profits. The state pays many of the costs associated with the promotion of economic growth and

capital accumulation, but it does not appropriate a sufficiently large proportion of the surplus during the good times to pay for the infrastructure and social welfare expenses during the negative phase of the business cycle or during a decline in the world economy more generally.

Similarly, Offe (1984) argues that the state must preserve the commodification of labor in an effort to foster economic growth. But it must also decommodify labor to deal with the harmful effects of the market. Both of these processes are assumed to be necessary for the long-term functioning of a capitalist economy, but they are viewed as being inherently contradictory. This contradiction contributes to the recurrent fiscal crises of capitalist states. Gough (1979) points to the inherently contradictory nature of social welfare programs in capitalist states. They provide essential social welfare benefits and at the same time function as a mechanism of social control. Poulantzas (1978) argues that the state must neutralize the contradictions of the capitalist state in order to reproduce capitalist structures.

Neo-Marxists have in general been ambivalent about public pensions and the welfare state more generally. They have often criticized such programs as having little egalitarian impact and as serving to co-opt labor. They felt particularly free to criticize these programs during the late 1960s and early 1970s when there was a great deal of public support for them. It would be reasonable to conclude from much of the early 1970s literature that neo-Marxists would support policies aimed at eliminating or at least substantially cutting back many of these programs. But when efforts were made in this direction during the late 1970s and early 1980s by conservative governments in the United States, Britain, and in several other industrial nations in response to inflation, slow growth, and budget deficits, some neo-Marxists scholars strongly opposed efforts to cut back the same programs they had a few years earlier described as tools of social control (Gough 1979, p. 11).<sup>19</sup> One reflection of the ambivalence about welfare state programs is the general reluctance of neo-Marxists scholars to deal with this issue. Gough's ambivalence is implicit in his conclusion that such programs serve some positive social welfare functions while at the same time serving other undesirable social control functions.

The neo-Marxist perspective has been most extensively used in the analysis of developments in the industrial nations, but it has also been used in the analysis of Third World nations. Dependency theory and world system theory<sup>20</sup> can be viewed as variants of the neo-Marxist perspective that have emerged for the analysis of the impact of colonialism, foreign trade, foreign investment, and foreign aid on economic growth and inequality in Third World nations.

Theorists in the dependency theory tradition argue that relationships between the industrial nations and the Third World are structured in such a way as to favor the industrial nations. This was most obvious during the colonial era, but it also continues today through various forms of neocolonialism. While most of these countries are now formally independent, for many, internal affairs continue to be strongly influenced by a relatively small number of industrial nations in the "core" of the world economy by large multinational corporations and international financial institutions such as the World Bank.

Marx himself was not consistent on the issue of colonialism. In the case of Ireland, which he was most familiar with, he concluded that English domination



had only adverse consequences with respect to the nation's economic development and standard of living. In the case of India, by contrast, he took the position that British colonial policy was a positive influence.<sup>21</sup> Marx was a Victorian and as such shared many notions of that era about non-Western backwardness (Carnoy 1984, p. 175). The traditional Marxist view of colonialism would be more accurately described as the Leninist perspective.<sup>22</sup> Lenin's ([1917] 1939) views on colonialism were consistent and unambiguous; the colonial nations were exploited by the advanced capitalist nations. He argued that imperialism was the logical extension and a necessary phase of capitalist development.

The major thesis of theorists in the dependency theory tradition is that colonialism in the past and various forms of neocolonialism today (based on foreign trade, foreign investment, and foreign aid) have created obstacles to development (Frank 1978). These various forms of dependency tend to drain much of a nation's economic surplus away as profits and interest are repatriated to industrial nations. The local economy becomes oriented around a highly specialized export industry which has adverse consequences for long-run economic development (Galtung 1971). A number of empirical studies suggest that dependency tends to have an adverse impact on economic growth and inequality (Nolan 1983; Bornschier 1981; Bornschier et al. 1978).

How can we link dependency theory to pension policy and social welfare policy more generally? To the extent that spending on pensions and other social programs represents an effort to control certain key sectors of the labor force, a neo-Marxist analysis would lead us to expect, all other things being equal, more spending in those nations in which there has been more foreign investment. Where there is more foreign involvement in the economy, there will be more need to control labor and this will be reflected in greater spending on pensions and other social programs. In many Third World nations public pension benefits go disproportionately to more affluent groups such as civil servants, military officers, and a few relatively well-paid workers in modern sector industries (Neysmith and Edwardh 1984, p. 35). To the extent that benefits go to a narrow segment of more affluent workers while being paid for directly or indirectly out of a surplus generated by low wages for other workers, these pension benefits may increase rather than decrease the nation's level of economic inequality.

### *The Neo-Pluralist Perspective*

The pluralist perspective can be traced back to Alexis de Tocqueville's *Democracy in America* ([1840]1976). Tocqueville was impressed by the immense number of voluntary associations in America and concluded that the formation of and competition among these associations (a process we today refer to as interest group competition) was a key to the maintenance of democracy. Pluralism has been described as the official ideology of capitalist democracy (Carnoy 1984, p. 10). It is the average citizen's model of how government should and does work. Much of the most influential work in this tradition was done in the 1950s (Dahl 1956; Lipset 1959; Nisbet 1953; Galbraith 1952), but the tradition continues strong particularly among political scientists.

In pluralist theory social policy is assumed to be the outcome of competition among various groups that have an interest in influencing decision making on a particular issue. Which interest groups participate and how hard each pushes will vary from one issue to another. Central to pluralistic theory is the assumption that the way citizens can influence government policy is by joining with others to form an association or interest group. Of particular note in connection with the traditional version of the pluralist perspective is the assumption that a population category such as an occupational, ethnic, or age group will have relatively little influence on social policy unless it is organized as an interest group.

Interest groups serve both representative and defense functions. They help the group pursue its goals by advocating policy changes the group favors and by resisting policy changes being proposed by other interest groups that are viewed as contrary to the group's interests. The typical structure of a democratic society that involves a large number of crosscutting interest groups helps reduce conflict, encourage compromise, and foster equilibrium. Traditionally pluralists have assumed that competition among a variety of interest groups keeps one group from taking exclusive control and provides a mechanism for the formulation of social policies that most adequately meet the needs of society as a whole.

At a time when many scholars accepted traditional pluralism uncritically, some began to question how accurately it described the actual policymaking in capitalist democracies, and others began to ask questions about possible negative consequences of the process of interest group pluralism. In *The Lonely Crowd* David Riesman (1950) argued that government policy in the United States was often stalemated due to the existence of numerous "veto groups" that were able to block the introduction of needed new programs and policies. During the 1960s and 1970s a less optimistic version of pluralism began to take shape, a version we refer to as neo-pluralism.<sup>23</sup> In the work of scholars such as Mancur Olson (1965) and Morris Janowitz (1976) questions were raised about the possible negative long-run consequences of interest group politics particularly with respect to welfare state development.

Commenting on the sharp rise in spending on welfare state programs in the United States during the post-World War II era Janowitz (1976, p. 75) argues that this growth reflects much more the pressure of a variety of nonclass-based interest groups than that of class-based interest groups. He views the expansion of political rights and the incorporation of formerly excluded groups into the political system in the industrial democracies as contributing to a proliferation of nonclass-based interest groups that are tending to replace class-based interest groups as the dominant political actors in shaping government social policy.

The emergence of the aged as a major political force in the industrial nations illustrates this trend (Wilensky 1976, pp. 3–13). The aged represent a nonclass-based group defined by an ascriptive characteristic. The group has emerged in part as a response to the demographic changes (particularly the decrease in fertility) that economic growth has produced.

Mancur Olson (1965) is one of the most important contributors to the neo-pluralism perspective.<sup>24</sup> He emphasizes the disproportionate influence that small well organized groups have in democratic societies (M. Olson 1982, pp. 29–34);

this observation will prove germane for the analysis of the small but influential organizations formed by the nineteenth century social reformers who were the early advocates of public pensions in Britain. He points to the accumulation of interest groups that takes place in democratic nations during prolonged periods without political upheaval. He argues that due to the free-rider problem<sup>25</sup> it is difficult to get an interest group organized, but once organized such groups tend to persist and to advocate policies in their own interest which may or may not be in the best interest of society more generally (M. Olson 1982, p. 37). Similarly, once a program benefiting an interest group is implemented such as a provident fund or pension program for retired workers, it too tends to persist.

Political democracy is seen as greatly facilitating interest group politics. Political parties are viewed as loose coalitions designed for the purpose of winning elections rather than formulating policies. The assumption from the neo-pluralism perspective is that in liberal democracies voting is often based on economic self-interest. Latent interest groups as well as formally organized interest groups may demand support for particular programs, such as an increase in social security benefits, in return for votes.<sup>26</sup> Thus government spending is viewed as an inherently political process. This form of collective political action is influenced by what various groups perceive to be their own self-interest.

This emphasis on voting links the perspective to public choice theory.<sup>27</sup> When applied to pension policy and welfare state policy more generally, public choice theory provides a set of assumptions about human behavior that imply a need to take into consideration the government response to voter demand for more spending on pensions and other social programs.

Discussions of interest groups and of interest group politics typically refer to organized groups that share certain goals and seek to influence public policy (Berry 1984, p. 5). However, Olson (1965, p. 8) refers more broadly to groups of individuals with common interests who stand to share the benefits of group action to influence government policy. He points out that such groups may advance their interests through the formation of formal organizations or through voting and other means. The term *latent interest group* is sometimes used when referring to those groups that function as interests groups even though they have not been formally organized.

The neo-pluralism perspective being outlined here uses the term *interest group* in a broad sense. It includes class as well as nonclass-based interest groups and it includes organized as well as latent interest groups. The neo-pluralism perspective differs from the industrialization perspective in its emphasis on the importance of political democracy and interest group politics. It differs from the social democratic perspective in its focus on nonclass as well as class-based interest groups and its emphasis on the growing importance of the nonclass-based interest groups.

Neo-pluralism differs from traditional pluralist theory in that no assumption is made that all groups are represented in the political process, that the competition among interest groups contributes to equilibrium, or that the process leads to policy decisions that are in the long-run in the best interest of society (M. Olson 1982, p. 37). There is an acknowledgment that interest group politics may yield policy decisions that in the long run have an adverse impact on economic growth and

tend to increase inequality (Mishra 1985, p. 7). The interest group process may lead to policy decisions that would be more accurately described as catering to powerful special interests than as efficiently meeting the general social welfare needs of society.<sup>28</sup>

While the perspective has emerged primarily to describe trends in the industrial nations, with appropriate modifications it can be applied to the analysis of developments in Third World nations as well.<sup>29</sup> In this context the theory leads to an emphasis on the role of nonclass-based interest groups in the shaping of old-age social security policy and social welfare policy more generally. Again the perspective does not assume that policies that emerge from the interest group process are in the best interest of society as a whole. The policies that emerge may do little to reduce inequality or to foster economic growth, and they may do little to help the poorest segment of the population. As countries democratize, the assumption is that an increasing share of national resources will be allocated to various social welfare programs due to greater pressure from the larger number and the increased strength of the various interest groups.

To sum up, the neo-pluralist perspective offers two key insights which differentiate it from the others. First, it asserts that multiple groups—not only organized labor or monopoly capital—are central in the growth of the welfare state. The perspective is thus in part defined by its opposition to the class-reductionist views of the social democratic and neo-Marxist perspectives. It argues that diverse groups and multiple actors including, but not limited to, those defined by region, ethnicity, religion, occupation, age, voluntary organization, and gender are crucial to the expansion of the welfare state. Classes are important as well; yet, the neo-pluralist perspective gives special weight to middle-class groups that are less clearly defined by their relationship to the means of production than by their education, status, and income. The proliferation of such varied groups in modern societies must be considered along with the more commonly identified actors, union members and business owners, in understanding the emergence and growth of pension systems.

The second insight of the neo-pluralist perspective is that pension policy is inherently political. Democratic political competition, in particular, facilitates group interests. Groups have their most influence on policy when politicians and political parties compete for their votes in democratic elections. The neo-pluralist attention to politics contrasts with that of the more functionalist theories of the industrialist and neo-Marxist variety which see pensions as a more or less automatic response to industrial and demographic changes or changes in productive relations.

It is not possible to set forth a simple argument concerning the impact of group influence and democratic competition. Depending on the constellation of groups and their influence, they may hinder or facilitate expansion of the pension system. During the early stages of pension program development, democratic competition among interest groups may retard the introduction of centralized systems. The existence of widespread and specialized programs for diverse groups creates resistance to a more centralized public program that distributes benefits to a larger part of the population. Hence, national public pension systems have often been adopted

earlier in less democratic nations. Once in place, however, a centralized pension system directs interest group activity in the opposite direction—toward expansion of public benefits. As political parties compete for support, interest group activity in democracies fuels spending for dominant programs. The proliferation of diverse groups with interests in higher spending drives pension policy in more mature welfare states.

Although the neo-pluralist perspective focuses primarily on demands from societal groups and the existence of means to express and realize those demands, it also recognizes that the organization of interests may depend on the state. Democratic procedures that influence the way interest group activity influences pension spending depend on state-based constitutional arrangements. Further, state-based corporatist structures, which formally recognize and legitimize monopolistic representatives of labor and employers, shape the nature of interest group activity.

### *The State-Centered Perspective*

In this section we consider several arguments which emphasize the autonomous impact of the state on pension and social welfare policy more generally.<sup>30</sup> While it is possible to draw links between some of the different perspectives we consider here, the various arguments outlined cannot be combined into even a loosely structured overall theory of how state structures have influenced the development of pension policy. The various state-centered theories do share, however, the assumption that the influence of the state cannot be entirely accounted for in terms of pressure from societal groups such as a ruling class, a mobilized working class, or various interest groups. The state is viewed as more than a neutral structure mediating between various class or nonclass interest groups.

Some of the arguments considered emphasize the impact of certain structural characteristics of states such as the degree of democratization, the structure of the tax system,<sup>31</sup> or how centralized the government is. Some emphasize the role of history considering such factors as the influence of past social policies, how developed the civil service was at the time the nation became democratic, or the nation's colonial background (Williamson and Pampel 1991, p. 36). Other arguments emphasize the role of small groups of appointed or elected officials, for example, the role of the civil service, or even the role of a single leader. The reasoning here is that important pension policy decisions are sometimes strongly influenced by the personal agenda of a specific powerful individual or by the agenda of a small influential group of civil service technocrats.

Democracy<sup>32</sup> (or level of democracy) is an aspect of state structure that has received much attention over the years. One of the most frequently cited versions of the theory that democracy tends to affect the distribution of the social product is outlined by Lenski (1966, pp. 313–325). A number of empirical studies have presented evidence in support of the thesis that level of democracy has a positive effect on social security spending (e.g., Williamson and Pampel 1986; Richter and Parrish 1983; Cutright 1965; 1967). Other studies report evidence of interaction between level of democracy and other determinants of pension spending such as the proportion of the population over age 65 (Pampel and Williamson 1985).

A variant on this thesis is that the spending will be greater in nations in which political competition is more intense (Pampel and Williamson 1988). Another variant of this argument is that democratic nations tend to introduce social security programs earlier (Cutright 1965). The electoral business cycle thesis is another state-centered argument. The thesis is that spending on public pensions and other social welfare programs tends to increase just prior to elections (Tuftes 1978). The legislation is aimed at enhancing the electoral prospects of incumbents due in part to good will from those who benefit directly and in part to the short-term benefits to the overall economy and the general population that such an economic stimulus often produces.

Another state-centered argument is that nations with more centralized government decision-making structures tend to enact more generous pension policies and social welfare policies more generally (DeViney 1983). Some countries such as Sweden and Britain have a unitary form of government with social welfare policy decisions being made by the central government. Other countries such as the United States, Canada, and Switzerland have a federal governmental structure in which responsibility for much social welfare legislation is split between the central government and a subnational unit of government such as the state, province, or canton. Nations with a unitary as opposed to a federalist structure tend to have more generous public pension programs and more generous social welfare programs more generally (Castles 1982). The existence of a second level of government decision making often means resistance to generous (expensive) social welfare legislation as it provides more opportunities to block proposals for policy liberalization.

Corporatist theory is one of the most developed and extensively used of the state-centered perspectives (Western 1991; Williamson 1989; Wilensky and Turner 1987; Malloy 1979; Schmitter 1974).<sup>33</sup> It is useful to distinguish between two quite different forms, democratic corporatism and authoritarian corporatism. Both forms call for an integration or coordination of social welfare policy and economic policy. Both point to the strong impact on economic and social welfare policy of committees made up of government officials, the leaders of highly centralized labor unions, and the leaders of highly centralized employers' associations. Central to corporatism is the idea that a very limited number of interest groups are allowed to participate in the formulation of national economic and social welfare policy. Basic to the corporatist model of decision making is the emphasis on cooperation and interdependence as opposed to conflict. Also central to corporatism is the state-based, legitimized monopoly of labor and business organizations over their members.

The democratic form of corporatism<sup>34</sup> is illustrated by countries such as Austria and Sweden. Democratic corporatism refers to formal or informal state-sanctioned structures that foster collaboration between labor and capital. In these countries labor has been organized at the national level into very powerful union centrals. Employers are also organized into highly centralized organizations representing their interests. When the leaders of labor, capital, and the government meet to discuss public pension policy as well as other economic and social policies, those representing labor are selected by labor and fully accountable to labor.<sup>35</sup> Labor's participation in democratic corporatism is voluntary, not imposed. Both labor and

capital participate in the process because they view it to be in their mutual best interest to do so. The assumption is that a certain amount of give and take by both labor and capital is necessary to assure the best long-run outcome for both groups.<sup>36</sup> In this process the representatives of labor are assumed to have as much say as the representatives of capital.<sup>37</sup>

The authoritarian form of corporatism<sup>38</sup> emerged in several fascist European countries during the 1920s and 1930s. Of particular note was the corporatist influence in Italy and Portugal (Williamson 1989, p. 34). It also emerged at about the same time in many authoritarian Latin American countries, including Brazil and Argentina (Erickson 1977, p. 4; Malloy 1979).<sup>39</sup> In the context of authoritarian and totalitarian states, corporatist structures are typically imposed by the government as mechanisms of social control. Labor is represented in such structures, but those "representing" labor have typically been selected by the government (or from lists of candidates approved by the government). These fascist and authoritarian regimes saw in corporatist ideology a rationale for substantially increasing the power of the state while at the same time decreasing the influence of various interest groups, particularly organized labor (Schmitter 1974, p. 103). In contrast to democratic corporatism, in the context of authoritarian corporatism, labor representatives are in reality more accountable to the central government than to rank-and-file union members.

A case can be made that both the democratic and authoritarian forms of corporatism contribute to increases in spending on public pensions and to pension policy development more generally. In the case of authoritarian corporatism such policies are designed to co-opt workers. In the case of democratic corporatism the assumption is that such policies promote industrial peace and labor-management cooperation. This in turn tends to foster economic growth and thus in the long run generate more by way of resources that can be allocated to public pensions and other forms of social welfare. However, it is possible that in the short run corporatism will result in less pension spending (or less of an increase in spending) as part of an agreed upon effort to stimulate economic growth or reduce inflationary pressure.

Many of the state-centered arguments emphasize historical context and the impact of prior legislation and programs dealing with the same problem (Skocpol and Amenta 1986; Skocpol 1985). Heclo (1974) argues that policymaking is an inherently historical process. He emphasizes the impact of prior legislation pointing out that current legislation often builds upon or represents a reaction against prior policies. He discusses the role of timing with respect to when civil service bureaucracies emerged relative to when democracy emerged. In countries such as the United States in which democratization took place prior to the emergence of an impartial civil service, political parties promised supporters various forms of patronage including patronage jobs. In contrast, in countries such as Germany and Sweden in which democratization came much later and after a highly developed civil service bureaucracy had evolved, the option of offering patronage jobs was not available. An alternative strategy to attract electoral support in these countries was to promise liberalization of pension benefits and other social policies aimed at a wide segment of the electorate.

A number of scholars making state-centered arguments have emphasized the role of civil servants (Skocpol 1985; Heclo 1974). Civil service bureaucracies are sometimes described as interest groups that seek to maximize their budgets through increased government spending on old-age social security and other social welfare programs. Civil servants are important as links to their counterparts in other countries. They serve as facilitators for the diffusion of policy models from one country to another. These civil servants become the technocratic experts who have a substantial impact on program formulation and reform due to their specialized knowledge. A similar role is played by those elected officials who take a special interest in social welfare legislation.

In some instances one individual has an enormous impact as in the case of Bismarck's impact on the German public pension system. While he had in mind the interests of the traditional elite, the pension idea was basically his. It is not as if there was strong pressure from the ruling elite to institute his various social insurance programs. They did, however, back the effort once they were convinced of the social control potential of old-age pensions and other social insurance programs. The more general point is that a national leader or a small number of civil service technocrats sometimes have their own agendas that cannot be reduced to the preferences of various class or nonclass interest groups. Government officials often initiate new policies well ahead of pressure from various interest groups. This is particularly true with respect to a new program; once a program is in place it tends to generate an associated interest group that does exert pressure for increased benefits and other policy reforms.

### Structure of the Book

We started our study with the idea that the relative utility of the different theoretical perspectives outlined earlier might well vary depending on national and historical context. To test this idea we selected a sample of seven very diverse nations for our historical case studies. This sample of four industrial and three Third World nations gave us a great deal of contextual variation to work with and provided a way to test the generalizability of explanations derived from each of the general theoretical perspectives outlined.

In each of these case studies we begin with an historical narrative in which we review the evolution of old-age security policy developments from the introduction of the nation's first program up through the present. As part of this narrative we discuss a variety of factors that contributed to the way in which policy developed in that particular country. As we have found that the historical context from which the first program emerged has always had a substantial impact on subsequent developments, we typically start the narrative a number of years prior to the introduction of the nation's first old-age security program. We conclude each chapter with a theoretical analysis of old-age security policy developments in that particular country. One goal of this discussion is to explain why policy evolved as it did. Another is to assess the relative utility of explanations linked to the different theoretical perspectives.