Social Protection and the Market in Latin America

*The Transformation of Social Security Institutions*

Social security institutions have been among the most stable post-war social programs around the world. Increasingly, however, these institutions have undergone profound transformation from public risk-pooling systems to individual market-based designs. Why has this “privatization” occurred? Why, moreover, do some governments enact more radical pension privatizations than others? This book provides a theoretical and empirical account of when and to what degree governments privatize national old age pension systems. Quantitative cross-national analysis simulates the degree of pension privatization around the world and tests competing hypotheses to explain reform outcomes. In addition, a comparative analysis of pension reforms in Argentina, Brazil, Mexico, and Uruguay evaluates a causal theory of institutional change. The central argument is that pension privatization emerges from political conflict rather than from exogenous pressures. The argument is developed around three dimensions: the double bind of globalization, contingent path-dependent processes, and the legislative politics of loss imposition.

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