Welfare Regimes in Latin America: Capturing Constellations of Markets, Families, and Policies

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ABSTRACT

This article presents both a theoretical framework and a methodology that attempt to capture the complex interactions among labor markets, families, and public policy that currently constitute Latin American welfare regimes. Drawing on cluster analysis based on available data for 18 countries, the study identifies three welfare regimes. Two are state welfare regimes: protectionist (e.g. Costa Rica) and productivist (e.g. Chile); one is nonstate familiarist (e.g. Ecuador and Nicaragua). In a region where people's well-being is deeply embedded in family relationships, closer scholarly attention to how social structures interact with public policy bears not only academic interest but also policy implications, particularly for adapting particular welfare regimes to the local welfare mix.

Is it possible that empirical analysis truly honors the notion of welfare regimes, whether state or nonstate? Can it shed light on the role of labor markets and families, the sexual division of labor behind them, and the qualitatively different roles they play under specific welfare "mixes"? This article presents both a theoretical framework and a methodology that come closer than previous efforts to capturing the complex array of interactions among labor markets, families, and public policy in Latin America. Drawing on cluster analysis based on available data for 18 countries, a preliminary application of this theoretical framework and methodology confirms, refines, and complements previous studies that focused on public policy and, to a lesser extent, labor markets that disregard families and unpaid work. More specifically, the study identifies three welfare regimes. Two are state welfare regimes, one protectionist and one productivist; and one is nonstate familiarist.

In a region where people's well-being is deeply embedded in family relationships and is frequently more dependent on female unpaid labor than on public policy, closer attention to how social structures interact with public policy has not only academic interest but policy implications: policy changes could improve welfare regime "architectures" (Esping-Andersen 2002). Unlike policy prescriptions packaged under the Washington Consensus (Williamson 1990) as "one size fits all," those architectures are likely to be plural and path-dependent. This article demonstrates that an empirical typology of welfare regimes can be a useful tool, at the

very least, to emphasize the need for a more selective emulation of policy lessons across welfare regimes (Martínez Franzoni 2006).

Because Latin America is considered one of the most disparate regions in the world, the notion of welfare regimes often raises skepticism among scholars. To a large degree, skepticism grows out of the deep-rooted notion of welfare states, conceived as those "in which organized power is deliberately used to modify the play of market forces in order to guarantee individuals a minimum income, narrow insecurity, and ensure that all citizens, regardless of status or class, are offered the best standards available in relation to a certain agreed range of social services" (Briggs, quoted in Rudra 2005, 6). Based on the preceding description, it is not surprising that scholars are often skeptical of welfare states in Latin America.

As established by the seminal work of Esping-Andersen (1990), welfare regimes could, but do not necessarily need to include welfare states. Understood as constellations of practices that reallocate resources, welfare regimes may or may not include well-developed public policy (Gough and Wood 2004). Consequently, the study of welfare regimes sheds light on the redistribution of resources, whether or not such redistribution is state-led. If labor markets are well organized and able to absorb the labor force, the less the role of state redistribution, the more dependent on markets and primary distribution the population will become. Yet when labor markets are highly informal and lead to large inequalities in income, nonmarket-based practices, such as family and community ties, expectations, and obligations, become more significant. It is then necessary to use concepts, such as the notion of welfare regimes, to help describe the interaction of various practices for the reallocation of resources.

In addition, the notion of welfare regimes provides a much-needed normative criterion to assess whether countries depart from desirable practices for resource allocation. As Gough clearly describes it, "the idea of a welfare regime is grounded on some independent measure of human well-being with which to evaluate different socioeconomic systems. This can just as well embrace ill-being" (Gough and Wood 2004, 27). The notion of a welfare regime helps describe and explain various "welfare mixes" (Gough and Wood 2004) without giving up a normative criterion, namely that all market economies must, in some way, either free people from sheer economic power or condemn them to slavery imposed by need (Castel 2004 [1997]).

Theoretical Background

In the world of advanced capitalism, welfare regimes do not necessarily differ as much in the amount of resources they invest as in the cri-

teria used to allocate the resources, whether those criteria are needs, citizenship, or contributions (Esping-Andersen 1990). More specifically, public resources might be allocated to the poor (that is, liberal welfare regimes, as found in the United States), universally (social-democratic welfare regimes, as in Sweden), or according to occupation (corporate welfare regimes, as in Germany).

Fernando Filgueira (1998) was the first to adapt Esping-Andersen's work to the Latin American context. He claims that we should focus not only on the amount that countries invest in people's well-being but also the criteria with which the investments are made. Drawing from the study of social policy during the "golden era" (the 1970s), he identifies three regional patterns, conditioned to coverage, benefits, requirements, and stratification of services. The first pattern groups countries with "stratified universalism," such as Uruguay and Argentina, with extended policies but segmented along occupations. Costa Rica, he argues, could be considered part of this cluster, although it shows higher universalism and lower stratification than the other countries in the cluster.

The second group involves exclusionary countries with residual states and almost nonexistent public redistribution of resources, such as El Salvador and Nicaragua. Third, he groups "dual" countries, such as Brazil and Mexico, which combine stratified universalism in urban areas and exclusion in rural ones. Later, gradual or radical management of the economic crises in the 1980s led countries with stratified universalism down one of two roads, either state-oriented (Costa Rica and Uruguay) or market-oriented (Argentina and Chile) (Filgueira and Martínez Franzoni 2002).

Drawing from Filgueira's findings and distinguishing among types of public expenditures, Evelyne Huber and John Stephens (2005) identify social policies aimed at social protection (such as pensions) and the formation of human capital (such as health and education). Based on coverage, level of expenditures, and allocation of social investment, these authors identify four clusters in addition to Chile that show descending degrees of coverage and fiscal effort: Argentina, Uruguay, and Costa Rica; Brazil and Mexico; Bolivia, Ecuador, Peru, Colombia, and Venezuela; and Guatemala, El Salvador, Honduras, and Nicaragua.[1] Huber and Stephens argue that social policies in Chile, Argentina, Uruguay, and Costa Rica (clusters 1 and 2) can be considered successful. However, these countries do show key differences in the allocation of public resources, as we will see.

To this end, Nita Rudra (2005) makes an important contribution. She distinguishes developing countries in Africa, Asia, and Latin America according to whether they rely on public policies that predominantly promote access to the market (productivist regimes) or that predominantly protect people from the market (protectionist regimes).

> *Protective welfare states* have roots in a political economy that has eschewed emphasis on international markets and focused government efforts on decommodification. *Productive welfare states*, in contrast, place high priority on commodification and are located in systems where states have actively encouraged international participation. . . . Put simply, in less developed countries the welfare state will either support a workforce that meets efficient production goals or it will prioritize the system of (re)distribution (although not necessarily from the rich to the poor). (Rudra 2005, 17–18)

This is a key distinction in differentiating countries in terms of how public policy allocates resources.

Unlike scholars who primarily focus on public policies, Ian Gough and Geof Wood (2004) develop a broader typology. Similarly to Rudra, they review Asian, African, and Latin American countries and argue that the regimes studied by Esping-Andersen are actually three variations of welfare state regimes. These can be found in countries that count on legitimate states and extended labor markets, where the majority of the population is, to a large extent, successfully protected by either of these institutions. In many parts of the world, including most Latin American countries, states are practically nonexistent, labor markets often exclude the majority of the population, and a great deal of welfare production rests on families and social support networks (Gough and Wood 2004). The less the relative weight of public policies, the more relevant it is to widen the spectrum of the analysis. Indeed, in informal welfare regimes, as found in Asia and Latin America, most of the population relies on family or community ties (Gough and Wood 2004).[2] A primary limitation of this work, however, is the difficulty of establishing the role of families and communities in empirical and comparative terms.

Working under the same typology, Armando Barrientos (2004) argues that in the last two decades, Latin America has shifted from a "conservative-informal" to a "liberal-informal" welfare regime. The first type shared many traits with the corporate-conservative welfare state regimes identified by Esping-Andersen in continental Europe. The primary source of protection was stratified systems of social security, targeted at formal workers and linked to their occupations. Meanwhile, informal workers depended on their income and family strategies to confront risks such as disease and old age. The challenge now, however, is that in the last two decades, collectively shared risks have become few, public policies have diminished, and individuals are increasingly on their own. Thus, the region resembles the liberal regime in developed countries; but unlike them, most countries in the Latin American region lack solid targeted state programs (Barrientos 2004).

One of Barrientos's primary contributions is that he goes beyond the rhetoric of laws and policies and explores actual practices. This per-

mits a more comprehensive focus than with Filgueira's initial typology. Barrientos's main limitation, however, is an overgeneralization that positions all Latin American countries together under one single welfare regime. In this highly heterogeneous region, geographic proximity cannot be expected to account exclusively for welfare regimes. For example, the differences in social expenditure between countries are enormous. In Central America alone, in 2000–2001, social expenditures varied from US$61 in Nicaragua, US$77 in Honduras, and US$88 in El Salvador to US$689 in Costa Rica (ECLAC 2004). While we might find a prevailing liberal policy paradigm driving most public policy reforms during the past two decades, the reality of public policy appears to be more heterogeneous.

Overall, these various studies focus on class, but overlook the sexual division of labor; that is, the expectations, behaviors, and perceptions attached to people's gender. Jennifer Pribble (2004), however, does address the effects of social policy regimes on the sexual division of labor in Chile and Uruguay, based on three programs: family allowances, maternity leave, and child care. These two countries demonstrate a similar level of social investment but different degrees of the sexual division of labor, stronger in Chile and weaker in Uruguay.[3] Pribble's analysis demonstrates the empirical yield of using gender-sensitive theoretical lenses to specify not only the quantity but also the quality of social investment.

However, the sexual division of labor transcends social policy and shapes people's access to resources. Socioeconomic location varies according to whether unpaid work is available. For instance, if a male worker has a housewife, he will allocate less income to purchase food or hire domestic service partly or completely to replace his wife's work. Occupational stratification is therefore deeply entwined with gender. The sexual division of labor also allocates provider and caretaker roles to men and women, respectively. In its traditional form, women are excluded from the workforce, subordinate to their spouses or partners in the access to services, and in charge of unpaid work, including the care of people without the support of the state, economically independent or not (Lewis 1993).

For example, if a heterosexual couple has paid work and leaves their children in a public daycare facility, public policy is "defamilializing" (Orloff 1996) caretaking during a good part of the day. If, on the other hand, the same couple lacks public services or has access to the services but chooses to rely on the market, caretaking becomes commodified. Once again, these examples demonstrate the profound connection between resources allocated by labor markets, families, and public policies. Each has its own practices for resource allocation: markets revolve around money, families around unpaid work grounded on

the gender division of labor, and public policies around some form of "authorized" allocation of collective resources.

The examples also illustrate an important difference between studying welfare regimes in developed and developing countries. As Rudra aptly summarizes it, "it is premature to attach welfare functions solely to Esping-Andersen's notion of 'decommodification' in countries where governments are still focused on encouraging wage labor and developing market economies. Rather, less developed countries' welfare states have a dual role . . . 'commodification' and 'decommodification'" (Rudra 2005, 14–15). In understanding redistribution in Latin America, access to paid work cannot be taken for granted.

Thus the analysis of welfare regimes stands at the intersection of various fields and promises fertile ground for empirical research. How successful are labor markets in absorbing the labor force and paying for it appropriately? That is, how effective are labor markets in "commodifying" labor (Rudra 2005)? And once the commodification of labor is achieved, to what extent do people rely on public and collective goods? In other words, to what extent is welfare decommodified (Esping-Andersen 1990)? When welfare is decommodified, do people turn to families and, more specifically, to female unpaid labor or, on the contrary, do they defamilialize caretaking (Orloff 1996)? Furthermore, to what extent do people depend on community support networks and social ties (Gough and Wood 2004)?

For Latin America, a typology that simultaneously and empirically addresses the interactions between commodification, decommodification, and defamilialization is not yet available. This study begins the effort to develop such a typology to study the various welfare mixes in the region.

METHODOLOGY

Empirical research that adequately reflects conceptual matters concerning welfare regimes requires a comparative analysis. To date, much of what we know about Latin America draws from a sound knowledge of a narrower sample of Southern Cone countries, which, along with Brazil, led welfare state building during most of the twentieth century; somewhat less attention has been given to Central American, Andean, and other South American countries. It is therefore imperative that comparisons and analysis of welfare regimes in the region include the less studied nations, which have distinct types and constellations of labor markets, public policies, and families.

How to compare 18 countries while simultaneously addressing those interactions? To begin with, statistical analysis must be performed. In an attempt to explore the proposed conceptual framework, this study

uses available statistics, rather than developing new ones. To determine available indicators, the strengths and weaknesses of previously used primary statistical indicators are outlined, "ideal" measures are discussed, and the actual indicators utilized are explained.

The review of indicators focuses on the four innovative efforts to study welfare regimes that have been referred to so far: the 1990 Esping-Andersen groundbreaking research, Filgueira's pioneer 1998 study on Latin American welfare states, and the studies by Gough and Wood (2004) and Rudra (2005) on welfare regimes and welfare states, respectively, in the global South. All four studies make an important empirical contribution but also struggle with limitations imposed by available data.

As table 1 demonstrates, the available indicators for decommodification are superior to those for the other dimensions. The indicators in this dimension include expenditures and diverse sector measures, such as coverage. Esping-Andersen uses the most ambitious indicators, which he himself elaborated based on primary data. Sainsbury (1996) also considers entitlements, whether individually or family-based. Scholars reviewing large numbers of developing countries, however, use less ambitious available measures, such as coverage.

For the most part, studies of the welfare mix have not considered the commodification of the labor force. Exceptions are indicators for quality of access to the labor market, as measured by a very weak indicator; namely, ratified International Labor Organization (ILO) conventions; and remittances, a sound "proxy" measure used to capture the role of international labor markets. Since women's access to the labor market cannot be taken for granted, various feminist scholars, such as Sainsbury (1999), look at indicators that go beyond the number of people who enter the labor force and depict the labor force in more comprehensive terms (e.g., wage gaps along gender lines). Generally, indicators concerning the commodification of the labor force pose a particular challenge: how to avoid conflating commodification with decommodification. For instance, while formal employment stresses the former, the economically active populations with social insurance stress the latter.

Feminist researchers also have made important contributions in measuring defamilialization. For developed countries, O'Connor et al. (1999) consider female and male labor participation, controlled by family type (e.g., nuclear or extended). In addition to how many women enter the labor force, they take into account policies that, by defamiliarizing caretaking, create better conditions for women so that they can enter the labor market. Examples are maternity and paternity leaves and child care.

In terms of performance or welfare outcomes, relatively homogeneous living conditions can be assumed for developed countries. However, the same is not true for developing countries. In the latter, indica-

Table 1. Indicators Used to Cluster Welfare Regimes (selected scholars)

Commodification
- Occupational segregation and wage gaps by gender (O'Connor et al.)
- Cumulative number of ILO conventions ratified by countries (Rudra)
- Remittances as a percentage of GDP (Gough)

Decommodification

Social expenditures
- Social as percent of GNP (Filgueira, 1998)
- Public expenditures as percent of total government expenditures (Rudra)
- Public expenditures in primary and tertiary education, health care, housing, wages, and social security (Rudra)
- Per capita expenditures in education (Rudra)
- Expenditures as a percent of GNP for tertiary education (Rudra)
- Public expenditures as percent of GDP in education, health care and social security (Gough)
- International flows as a percent of GDP (Gough)
- Private expenditure on health care (Gough)
- Individual or family-based access to social services (overall and by sectors) (Sainsbury)

Health care services[a]
- Summary index based on:
- 1) benefit replacement rates during the first 26 weeks of illness;
- 2) number of employment weeks required to qualify;
- 3) waiting weeks before benefits are paid;
- 4) number of weeks in which a benefit can be maintained (weighted by the population covered as a percent of the labor force) (Esping-Andersen)
- Percent of children under 12 months old vaccinated against measles (Filgueira)
- Percent of children 12 to 23 months old vaccinated against measles, diphtheria, pertussis, and tetanus (Rudra)

Pensions
- Additive qualities of 1) minimum pension benefits; 2) standard pension benefits; 3) contribution period; 4) individual's share of pension financing (Esping-Andersen)
- Coverage as percent of the economically active and total population (Filgueira)

Education
- Coverage of primary and secondary education as percent of children over total (Filgueira)

Defamilialization
- Female labor participation (O'Connor et al.)
- Maternity and paternity leaves (O'Connor et al.)
- Public and private childcare (O'Connor et al.)

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Table 1. (*continued*)

Performance
Adult literacy rate (Rudra and Gough)
Infant mortality (Rudra)
Human Development Index (Gough)
Human Poverty Index (Gough)
Life expectancy (Gough)
Poverty gap (Gough)
Human rights (Freedom House scores for political and civil liberties) (Gough)

[a]Esping-Andersen uses the same indicators for unemployment programs.
Sources: Esping-Andersen 1990; Filgueira 1998; Gough and Wood 2004; O'Connor et al. 1999; Rudra 2005; Sainsbury 1996.

tors tackle basic living conditions, such as literacy, life expectancy, infant mortality, and poverty; or indexes that comprise several of these indicators, such as the United Nations Development Program (UNDP) Human Development Index.

How adequate are these measures for the empirical analysis of various dimensions of welfare regimes? How do they compare to ideal indicators? For commodification, it would be best to establish overall access to labor markets (whether national or international, as reflected in remittances) according to wages and a characterization of whether jobs are formal or informal. Ideal measures for decommodification in developing countries would involve collective allocation of resources at the community, regional, and international levels, rather than merely the national level. Ideal measures for defamilialization would involve time use, such as hours devoted to unpaid work, both domestic chores and caretaking, by women and men (Martínez Franzoni 2005). Given that the countries being studied are extremely inequitable, it is necessary to rely on variances as well as averages for all three dimensions.

With regard to the empirical basis for cluster analysis, the contribution made is twofold: the set of indicators is more comprehensive and systematic for each of the three dimensions, yet it relies on sources that are public, readily available, and the most legitimate in each field.

To consider all relevant measurements, all available indicators for each of the three dimensions considered were consolidated and the availability of each of these was assessed according to year and country. To improve the probability of gathering data for all 18 Latin American countries, data from a six-year period, 1999–2004, were used. The initial database comprised 37 variables and 100 indicators drawn from specialized and prestigious institutions (see appendix, table 5). Redundancies were eliminated by selecting the best indicator for each of the 37 variables. Then the most recent years with the largest number of

Table 2. Welfare Regimes in Latin America, 1999–2004: Dimensions, Indicators, Sources, and Years for Cluster Analysis

Dimension	Indicators	Source	Year
Commodification	Labor market participation (gross national, years 15–64)	IDB	1999
	Unemployment (national rate)	IDB	1999
	Female economically active population (years 15–64)	IDB	1999
	Children participating in the labor force (ages 10–14)	IDB	1999
	Occupied salaried EAP (%)	ECLAC	2002
	Unqualified independent workers (%)	ECLAC	1999
	GNP (per capita, US$ 1995)	ECLAC	2003
	Poverty (as % of population under poverty line)	ECLAC	1999
	Income inequality (as Gini coefficient)	ECLAC	1999
	Remittances (as % of the GNP)	WB	2003
	Rural population	ECLAC	2000
Decommodification	Private expenditures on health care (per capita US$)	PAHO	2001
	Enrollment in private education (%)	UNESCO	2001
	Private consumption (as % of total consumprtion)	ECLAC	2002
	Public servants (% urban occupied population)	ECLAC	2002
	Expenditures in health care (per capita US$ 1997)	ECLAC	1999–2001
	Expenditures in education (per capita US$ 1997)	ECLAC	1999–2001
	Overall social expenditure (per capita US$ 1997)	ECLAC	1999–2001
	Overall social expenditures (as % of GNP)	ECLAC	1999–2001
	Salaried workers with social insurance (%)	UNDP	1990s
Defamiliarization	Extended and compound families (%, urban)	Arriagada	1999
	Economically active women in reproductive years (15–34)	ILO	2003
	Female heads of households	ECLAC	2002
	Nuclear families, spouses with unpaid work (%)	Arriagada	2002
	Domestic servants (as % of urban employment)	ECLAC	2002

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Table 2. (*continued*)

Dimension	Indicators	Source	Year
Defamiliarization (*continued*)	Population under 12 yrs old (%)	CELADE	2000
	Population over 65 yrs old (%)	CELADE	2000
	Dependent population 12–64 yrs old (%)	CELADE	2000
Performance	Infant mortality (under 5 years old)	UNICEF	2003
	Homicides (per 100,000 people)	UNDP	2001
	Gender Human Development Index	UNDP	2002
	School life expectancy	UNESCO	2001

Source: Author's calculations, supported by Juan Diego Trejos and Luis Angel Oviedo.

countries available were selected for the study. Finally, 32 indicators remained for use in the analysis.[4]

Relationships between indicators and dimensions are conceptual and hypothetical rather than empirical. For future studies, it would be prudent to test this theoretical model by conducting a factorial analysis that empirically demonstrates whether indicators effectively correspond to each of the three conceptual dimensions. For the purposes of this study, however, and in light of the primary goal of this article—namely, to reconstruct the constellation of labor markets, public policy, and families behind the allocation of resources—further methodological complexity was avoided. Indicators selected to measure each dimension are presented in table 2.

Table 3 summarizes the direct and indirect relationships between indicators and dimensions. For instance, the higher the unemployment, the lower the commodification of the labor force (inverse correlation). Yet the higher the social expenditures, the more decommodification (direct correlation).

To measure commodification, 11 indicators that address the degree to which domestic labor markets absorb, provide salaried jobs, and remunerate the labor force were used. The first aspect was measured in terms of labor market participation (direct correlation), female labor market participation (direct correlation), child participation in the labor force (inverse correlation), and unemployment (direct correlation).[5] The capacity to provide salaried jobs was measured in terms of occupied salaried (direct correlation) and unqualified independent workers (inverse correlation). The proportion of unqualified informal workers provides a proxy measure of self-employment; that is, for the transformation of households into productive units to compensate for labor markets that fail to provide (formal) paid jobs. Wages were measured in terms of per capita gross national product (direct correlation), income inequality as measured by the Gini coefficient (inverse correlation), population below the poverty line (inverse correlation), and remittances

Table 3. Welfare Regimes in Latin America: Dimensions, Indicators, and Direct or Indirect Relation Between Dimensions and Indicators

Dimension	Indicators	Relation to dimension
Commodification	Labor market participation (gross national, years 15–64)	+
	Unemployment (national rate)	–
	Female economically active population (years 15–64)	+
	Children participating in the labor force (ages 10–14)	–
	Occupied salaried EAP (%)	+
	Unqualified independent workers (%)	+
	GNP (per capita, US$ 1995)	+
	Poverty (as % of population under poverty line)	–
	Income inequality (as Gini coefficient)	–
	Remittances (as % of the GNP)	–
	Rural population	Control
Decommodification	Private expenditures in health care (per capita US$)	–
	Enrollment in private education (%)	–
	Private consumption (as % of total consumprtion)	–
	Public servants (% urban ocupied population)	+
	Expenditures in health care (per capita US$ 1997)	+
	Expenditures in education (per capita US$ 1997)	+
	Overall social expenditure (per capita US$ 1997)	+
	Overall social expenditures (as % of GNP)[2]	+
	Salaried workers with social insurance (%)	+
Defamiliarization	Extended and compound families (%, urban)	–
	Economically active women in reproductive years (15-34)	+
	Female heads of households	Control
	Nuclear families, spouses with unpaid work (%)	–
	Domestic servants (as % of urban employment)	+
	Population under 12 yrs old (%)	Control
	Population over 65 yrs old (%)	Control
	Dependent population 12–64 yrs old (%)	–

Source: Author's calculations.

(inverse correlation). Remittances are also a proxy measure for emigration and the domestic incapacity to absorb the labor force. In addition, rural households were considered as a control variable for the proportion of households that could produce nonmarket goods.

To measure decommodification, nine indicators related to coverage and expenditures, whether public or private, were reviewed. For the role of private services, expenditures on health care, enrollment in private education, and overall private consumption were considered. For the role of public social services, the proportion of public servants among the economically active population (EAP), per capita social expenditures, social expenditures as a percentage of the GNP, per capita expenditures on education and health care, and salaried workers with social insurance were considered. Indicators of private expenditures and enrollment are inversely correlated to decommodification (i.e., the higher they are, the less decommodification there is), while indicators of public expenditures are directly correlated.

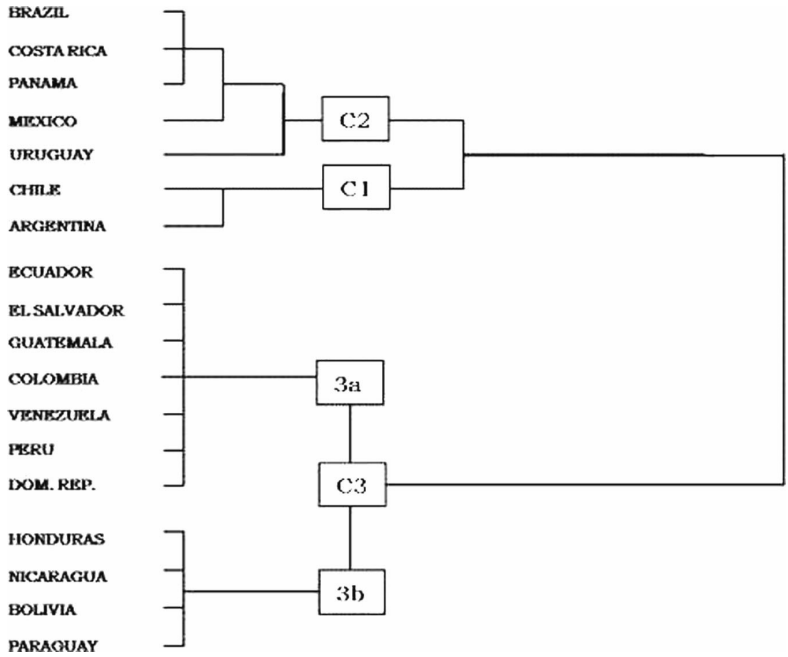
To measure defamilialization, eight indicators were considered: extended and compound families (inverse correlation), economically active women in reproductive years (direct correlation), nuclear families with spouses with unpaid work (inverse correlation), and domestic servants (direct correlation). In addition, children under 12, adults over 65, and the ratio between economically dependent and economically independent people, as control variables for the type and amount of caretaking required, were considered.

For people's well-being (i.e., performance), which could be the outcome of various welfare mixes, four indicators were selected. Child mortality reflects education (particularly female); public infrastructure, such as sanitation and potable water, provides a summary measure for human development. In addition, school life expectancy was considered; that is, average years of education achieved. The Gender Human Development Index addresses the gender gap in terms of human development as measured by income, health, and education. Homicide rates provide a proxy measure of whether people's lives are at risk.

Once all the necessary indicators were gathered, cluster analysis was conducted. This technique identifies groups of countries that are relatively homogeneous when compared to other groups. If the classification is successful, the object will be very similar in each cluster, and the various clusters will be quite different. This statistical technique is ideal for the purpose of this article, as groupings are identified inductively, without imposing predetermined ideas on the data. Once the grouping is accomplished, theory and interpretation can be carried out and reintroduced to the study.[6]

After clusters were identified, the statistically significant variables were determined. Variables that were not statistically significant at 5 per-

Figure 1. Welfare Regimes in 18 Latin American Countries



Dendogram with results from hierarchical cluster analysis (using average linkage between groups). Horizontal lines denote distance between countries in the same cluster. Vertical lines represent clusters that converge when progressively dissimilar countries are merged. The shorter the horizontal lines to the left of the vertical line that joins countries, the more homogeneous the cluster.
Source: Author's calculations.

cent were not considered relevant to the identification and understanding of each group (with the exception of remittances, which were considered with a much lower statistical significance). The analysis was completed by reviewing average values of all significant variables.

FINDINGS

The next step is to determine the number of clusters that maximizes internal homogeneity and external heterogeneity.[7] To this end, a graphic representation (dendogram), as presented in figure 1, provides valuable input. The dendogram represents the three identified clusters. Cluster 1 is relatively homogeneous, and comprises two countries, Argentina and Chile. Cluster 2 is the most heterogeneous of the three, and includes Costa Rica, Brazil, Mexico, Panama, and Uruguay. The third cluster is

highly homogeneous and consists of two subgroups of countries. Subgroup 3a includes seven countries, subgroup 3b consists of four.

Table 4 shows indicators that were statistically significant to cluster countries, followed first by an explanation of findings for each dimension, and then by an overall interpretation of each cluster.

Commodification

Five indicators were found to be statistically significant: occupied salaried EAP; unqualified independent workers; per capita GNP; people below the poverty line; and a control variable, the proportion of rural population. The first two indicators measure formalization of the labor force. Remittances were statistically significant at 11 percent, and four indicators were not found to be statistically significant: gross national participation in the labor market, unemployment, female EAP, and child participation in the labor force. Average values show that the effectiveness of labor markets to incorporate and remunerate the labor force is highest in cluster 1 and lowest in cluster 3.

Countries in the first cluster show the highest formalization of the labor force (occupied salaried workers reach 73.54 percent, while unqualified independent workers are 16.10 percent), as well as the highest income levels (more than US$6,000 per capita GNP with "only" 22.7 percent of the population below the poverty line). The reverse occurs in countries in the third cluster. On average, occupied salaried workers total at least 20 percent less than in cluster 1 (50.22 percent and 43.69 percent in subgroups 3a and 3b, respectively), while unqualified independent workers are less than half of those in cluster 1 (33.80 percent and 34.30 percent). Average per capita GNP in cluster 3 is at most a third of the average per capita GNP in cluster 1 (US$2,080.26 and $928.77 in subgroups a and b, respectively).

Countries in cluster 2 have two-thirds of salaried workers among the economically active population and 21.34 percent of unqualified independent workers. Per capita GNP is twice as much as in cluster 3 yet a third less than in cluster 1. However, in cluster 2, people below the poverty line are 28.86 percent, only slightly above cluster 1 and about half of cluster 3.

Remittances, and thus the importance of transnational commodification of the labor force, are much less statistically significant (at .104 percent). However, they progressively increase from cluster 1 (.10 percent of GNP) and 2 (1.05 percent of GNP) to cluster 3 (more than 6 percent of GNP).

The first two clusters are predominantly urban (close to 90 percent and three-quarters, respectively), while cluster 3 is predominantly rural (one-third and more than 40 percent of the rural population, respectively).

Table 4. Welfare Regimes in Latin America, 1999–2004: Dimensions, Statistically Significant Indicators, and Values

			Welfare Regime			
			Cluster 1	Cluster 2	Cluster 3	
Dimension	Indicators	Statistical Significance	Argentina Chile	Brazil Costa Rica Mexico Panama Uruguay	3a. Colombia Dominican Republic Ecuador El Salvador Guatemala Peru Venezuela	3b. Bolivia Honduras Nicaragua Paraguay
Commodification	Occupied salaried EAP (%)	0.000	73.54	66.04	50.22	43.69
	Unqualified independent workers (%)	0.001	16.10	21.34	33.83	34.30
	GNP (per capita, US$ 1995)	0.000	6,326.07	4,243.40	2,080.26	928.77
	Poverty (as % of population under poverty line)	0.000	22.70	28.86	53.46	67.70
	Remittances (as % of the GNP)	(0.104)[a]	0.10	1.05	6.63	6.52
	Rural population	0.000	0.031	11.45	26.50	34.47
Decommodification	Enrollment in private education (%)	0.011	36.10	13.46	25.66	28.49
	Public servants (% urban occupied population)	0.009	16.11	14.10	8.70	7.63
	Expenditures in health care (per capita US$ 1997)	0.000	272.00	177.00	43.43	25.75
	Expenditures in education (per capita US$ 1997)	0.000	311.50	195.20	77.43	52.25
	Overall social expenditures (per capita US$ 1997)	0.000	1,293.00	885.60	202.57	117.25
	Overall social expenditures (as % of GNP)	0.005	18.80	19.16	8.53	12.40
	Salaried workers with social insurance (%)	0.000	56.46	59.28	29.54	20.97

Table 4. (*continued*)

			Welfare Regime			
			Cluster 1	Cluster 2	Cluster 3	
Dimension	Indicators	Statistical Significance	Argentina Chile	Brazil Costa Rica Mexico Panama Uruguay	3a. Colombia Dominican Republic Ecuador El Salvador Guatemala Peru Venezuela	3b. Bolivia Honduras Nicaragua Paraguay
Defamiliarization	Extended and compound families (%, urban)	0.017	17.65	19.42	29.20	28.10
	Nuclear families, spouses with unpaid work (%)	0.001	51.55	46.54	40.59	38.50
	Population under 12 years old (%)	0.001	24.46	26.11	30.82	36.08
	Population over 65 years old (%)	0.029	8.43	6.68	4.53	3.50
	Dependent population 12 to 64 yrs old (%)	0.007	49.05	48.87	55.02	65.58
Performance	Infant mortality (under 5 years old)	0.028	14.50	22.20	31.57	43.50
	Gender Human Development Index	0.000	0.84	0.80	0.72	0.68

[a]Indicator statistically signficant at 10%. This and the following indicators showed a .80 correlation and were used alternatively but not simultaneously with similar results.
Source: Author's calculations, supported by Juan Diego Trejos and Luis Angel Oviedo.

Overall, countries in cluster 1 and 2 have higher domestic capacity to absorb their labor force and to do it in a salaried fashion. The primary difference has to do with levels of per capita GNP. Countries in cluster 3 have a higher reliance on self-employment and transnational labor markets. Nevertheless, with between 16 and 20 percent of independent unqualified workers, labor markets in clusters 1 and 2 are also unable to provide sufficient jobs and lead to self-employment. Therefore, although the clusters differ considerably in terms of commodification of the labor force, they are all, to some extent, informal.

Income distribution is not significant enough to differentiate clusters. There are countries with highly inequitable income distribution in all three clusters. The Gini coefficient was therefore not statistically significant. For instance, in cluster 2, Brazil has the greatest income inequality in the entire region. In the same cluster, Costa Rica and Uruguay show the least income inequality in the region. In the remaining clusters, the countries have medium to high income inequality.

Decommodification

In this category, seven indicators were found to be statistically significant: coverage of private education, salaried workers with social security, public servants, and all four indicators of social public investment (social expenditures; social expenditures as a percent of GNP, and expenditures on health care and education). Two indicators were not statistically significant: private expenditures on health care and overall private consumption, which are both fairly homogeneous.

The proportion of the EAP occupied in the public sector is highest in cluster 1 and somewhat lower in cluster 2. Public expenditures are consistently higher in cluster 1 than in cluster 2, whether considering overall social expenditures, on education, or on health care. However, the fiscal priority of public policy is slightly higher in cluster 2 than in cluster 1. The proportion of salaried workers with social insurance is higher in cluster 2 than in cluster 1.

In cluster 2, Mexico shows varied results: its values are consistent with other countries in the cluster in terms of the proportion of public servants (11.2 percent), salaried workers with social security (52.5 percent), and enrollment in private education (12.5 percent). However, values are much lower and lie between clusters 2 and 3 for social expenditures (US$456 devoted to social programs, in contrast to US$885.60 for cluster 2). Values are found to be even lower than some countries in cluster 3 for fiscal effort devoted to social policy (9.8 percent in comparison with an average of 19.16 percent in cluster 2).

Private educational enrollment varies widely between clusters 1 (36.10 percent) and 2 (13.46 percent). This proves to be the only indi-

cator that places these two clusters on opposite ends of the spectrum. In this case, cluster 1 has the highest percentage of private enrollment and cluster 2 the lowest of all three clusters. This suggests that cluster 2 has more extended and universal educational services than cluster 1, where targeted services prevail and where a higher proportion of the population relies on private services.

In cluster 3, the proportion of the EAP occupied in the public sector is half or less than half of what is found in clusters 1 and 2 (8.7 percent and 7.63 percent in subgroups a and b, respectively). Moreover, percentages for salaried workers with social insurance are found to be quite low. Public expenditures are also consistently much lower than in clusters 1 and 2. When considered as a whole, social expenditures reach US$202 and $117 in each subgroup. Expenditures on education are US$77.43 and $52.25 and on health care, US$43.43 and $25.75. However, the fiscal effort on social expenditures is higher in subgroup 3b than in subgroup 3a (12.40 and 8.53 percent, respectively). Nicaragua and Bolivia individually show very high percentages of their small GNP devoted to social programs (13.2 percent in Nicaragua and 17.9 percent in Bolivia). With the exception of Colombia (13.6 percent), these percentages are considerably higher than all other countries in subgroup 3a, where most countries are found to devote less than 10 percent of their GNP to social programs. It is noteworthy that in cluster 3, where the population has much lower income levels, between 25.66 and 28.49 percent relies on private education.

Overall decommodification is higher in clusters 1 and 2, except for education and social insurance. Enrollment in private education indicates a higher role of targeted services in the former than in the latter. Interpretation of the somewhat higher proportion of salaried workers with social insurance in cluster 2 than in cluster 1 needs to consider the type of social insurance in each set of countries. With the exception of Mexico, all countries in cluster 2 have been "reluctant adjusters," particularly in terms of maintaining pension systems (and in some cases, such as Costa Rica, health care systems) organized around collective rather than individual accounts. It appears that countries in cluster 2 have a stronger presence of stratified labor-related social protection, while countries in cluster 1 have a stronger presence of individual labor-related social protection. Decommodification is therefore more pro-poor in countries in cluster 1 and pro–formal labor (and therefore more likely to reach middle-income groups) in countries in cluster 2. In either case, decommodification is limited by criteria used to allocate resources, whether by need or contributions made by salaried workers.

In cluster 3, decommodification is very low when compared with clusters 1 and 2. Access to private education is higher than in cluster 2 yet lower than in cluster 1. In addition, a small number of individuals in

cluster 3 are salaried workers with social insurance. Since almost all countries have privatized their social security systems, there is a strong presence of individual labor-related social protection, yet without the level of coverage these systems reach in the countries in cluster 1.

Defamilialization

Five indicators were statistically significant here: extended and compound families, nuclear families in which spouses have unpaid work, and three control variables: population under 12 and over 65, and ratio between care-dependent and nondependent household members. Three indicators were not statistically significant: economically active women in reproductive years, female heads of households, and domestic servants.

Extended and compound families are lowest in clusters 1 and 2 and the highest in clusters 3a and 3b. Full-time female unpaid work plays a central role in all three clusters. However, nuclear families with spouses devoted to full-time unpaid work are higher in clusters 1 and 2 than in cluster 3. Here, the traditional "male breadwinner" family model is more prevalent in clusters 1 and 2 than in cluster 3.

The demographic transition is advanced in the first cluster, somewhat less in the second, and incipient in the third. There are two-and-a-half times as many individuals over 65 years old in cluster 1 than in cluster 3. The population of children under 12, by contrast, is 30 percent or more in cluster 3 and drops to one-quarter of the population or less in clusters 1 and 2. The dependency rate is therefore greater and constitutes a higher proportion of young people in cluster 3, and lower with a higher proportion of the elderly in cluster 1. This suggests a higher demand for unpaid work in cluster 3 than in clusters 1 and 2. There seems to be a higher demand for caretaking in a cluster where the nuclear family, which has a more traditional sexual division of labor with full-time female unpaid work, is lower, but the presence of extended families is higher.

Overall, we see high degrees of defamilialization in all three clusters. However, in clusters 1 and 2, nuclear families play a more important role, while in cluster 3, extended families do. While in clusters 1 and 2 families are less burdened by dependent family members, in cluster 3 there is a greater number of dependent people who need to rely on the commodification of fewer available people.

Performance

Two indicators are statistically significant: infant mortality and the Gender Human Development Index. Two indicators were not statistically significant: homicides and school life expectancy.

The variations for infant mortality are marked between clusters 1 and 2 and cluster 3. This indicator is very useful as a summary measure for human development, as it reflects education as well as public infrastructure, such as sanitation and drinking water. In terms of gender outcomes, the index shows a smaller gap between women and men in cluster 1 and 2 (.84 and .80, respectively) than in clusters 3a and 3b (.72 and .68, respectively).

INTERPRETATION

Based on available data, all three clusters show limitations in terms of commodification of their labor force and their ability to decommodify social risks. They are, to some extent, informal, in that a large proportion of the population cannot reasonably expect to cope with social risks by accessing services from the state or participating in labor markets (Gough and Wood 2004). At the same time, variations across clusters are significant.

Various differences between clusters 1 and 2 were not found to be qualitative. For example, cluster 1 performs better in the supply of salaried work. Other differences, however, are indeed qualitative, and reflect the variations in social policy reforms carried out by countries in either cluster. Compared to the rest of the region, both sets of countries can be considered state welfare regimes. However, they do demonstrate variations in the allocation of social public expenditures. In cluster 1 there is more targeting to the poor (as reflected in the enrollment in private education) and more individually funded social security. In cluster 2 there is less targeting to the poor and more collectively funded social security that reaches formal salaried workers.

Cluster 3, by contrast, shows that low commodification of the labor force and transnational labor markets play a major role. Countries of this regime type demonstrate a worst case scenario: they are unable to succeed in commodifying labor, while social protection and the formation of human capital are minimally decommodified. For education, as an example, commodification is the second-highest after state welfare regimes, while wages are among the second-lowest. This means that although the population relies significantly on wages, it has fewer opportunities to earn a living than in other regimes. Countries in this cluster have a largely informal labor market, and families play a central role. As Gough and Wood argue, the vast majority of the population depends on familial and communal strategies in the context of exclusive labor markets and residual public policy. Only a small part of the population successfully commodifies the labor force domestically; very few have access to public social services and transfers; and those who do access them confront scarce services and low transfers. Due to the nature of the residual social programs, nonstate agencies, such as civil

society organizations and international agencies, play a significant role in the collective allocation of resources.

Labeling welfare regime types in order to capture constellations of variables is challenging. A comparison of clusters 1 and 2 with cluster 3 shows that most of the differences are qualitative in nature: the constellation of markets, states, and families is remarkably different. Therefore, when labeling each welfare regime type, for clusters 1 and 2 the role of social policy must be emphasized, and for cluster 3 the role of family strategies needs to be stressed. Cluster 1 will be referred to henceforth in this study as state-targeted, cluster 2 as state-stratified, and cluster 3 as informal-familialist welfare regimes.

With the exception of Mexico, countries with a state-stratified regime have been reluctant adjusters (Thorp 1998), whether they were early industrializers (such as Brazil and Uruguay) or not (Costa Rica) and whether they were initially socially homogeneous (such as Costa Rica and Uruguay) or not (Brazil). The confluence of Brazil and Mexico on the one hand and Uruguay and Costa Rica on the other corroborates that this regime is the most heterogeneous of the three. It combines countries that in the golden era showed stratified universalism (Costa Rica and Uruguay) and countries that during that time were dual (Brazil and Mexico) (Filgueira 1998). Income distribution is very unequal in the state-targeted regime and very heterogeneous in the state-stratified. The latter includes Brazil, which is the most inequitable country in the world. However, it also includes Uruguay and Costa Rica, which are the two most equitable countries in the region.

With a few exceptions, such as Ecuador and Venezuela, countries of the informal-familialist regime type were late industrializers and adjusted their economies radically. They were highly stratified at that time, and they continue to be so today. As one of the consequences, the proportion of spouses with paid work reflects family strategies that are deployed to compensate for low wages and weak or nonexistent public policy. To a larger degree than in state-stratified and state-targeted regimes, female paid work comes with longer hours of unpaid household chores. For these women, the simultaneous performance of income provision and caretaking reaches its peak.

Research and Policy Implications

This article has offered a conceptual and methodological approach to better understand welfare regimes in a region where states do not necessarily play the same central role in defining welfare regimes as they do in the global North. By drawing from available data, the article has demonstrated the empirical reward of this approach in the relevant distinctions among specific welfare mixes across Latin America.

Findings broadly confirm previous policy-based typologies elaborated by Filgueira (1998, 2004) and Huber and Stephens (2005). In addition, findings complement previous analyses by incorporating families and the sexual division of labor while drawing from available national statistics. As Gough (2004) previously has argued, Latin American countries are, to some extent, informal: most citizens are unable to cope with social risks by accessing state services or by participating in labor markets. Individuals therefore are required to rely heavily on family and communal arrangements.

Drawing from the combination of all three dimensions, relevant differences among countries are also demonstrated. Indeed, in two of the three clusters, informal arrangements interact with public policy that either emphasizes targeted policy or more universal yet stratified social protection. This demonstrates two variations of state regimes. In the third cluster, however, the population largely relies on family arrangements, as social public policies are inadequate or nonexistent. The latter is a true familialist welfare regime. As the regime becomes more informal, the need increases to investigate beyond public policy and consider defamilialization as a central dimension of the welfare mix.

The cluster analysis presented in this article strengthens comparative analysis and helps to overcome empirical limitations faced by previous studies. Progress has been made toward statistically capturing the role of families and the sexual division of labor. Several proxy measures were considered in order to overcome the lack of available indicators for this dimension. Specifically, the presence of extended and compound families, the absence of robust labor and state institutions, the relevance of international remittances, and the importance of female spouses with paid work were all used to establish the role of families. Incorporating additional and stronger data should not only improve empirical analysis but should also nourish a conceptualization that truly gives gender, unpaid work, and families a central role in the understanding of welfare regimes.

Methodologically, there is a trade-off between the number of countries considered and the data sources available. To achieve ideal measures of commodification, decommodification, and defamilialization, it is necessary to relinquish greater numbers of countries and rely on microdata. Microdata allow us to analyze in greater detail the various welfare mixes within each welfare regime. Drawing from national household surveys for selected countries, further research is looking at welfare "worlds" and explores the characteristics of the welfare mix when controlling by occupations and the sexual division of labor in the household (Martínez Franzoni 2007). But regular household surveys, unfortunately, while relatively useful to explore commodification and somewhat less so for decommodification, do not provide substantial information for assessing the role of families and unpaid work. Proxy

measures are equally important here as for the comparative analysis already described. Therefore, the study of welfare regimes, at least in selected countries, would be more effective if two types of surveys were utilized: income and expenditures, and time use.

From these identified welfare regimes, what can be determined in terms of policy implications and more equitable allocation of resources? Overall, each of the three welfare regimes identified in this article provides diverse scenarios to alter the current architecture of social policy. Far from settled, all welfare mixes are subject to controversy, as reflected in public policies that are in constant motion.

There are specific challenges, however, which vary depending on the type of welfare regime. For example, the state-targeted welfare regime does well among the poor, but the nonpoor largely rely on the market. Many individuals, particularly in middle-income sectors, fall between the cracks of targeted public policies and ineffective markets. In Chile, public discontent and changing political conditions have led, during the last center-left administrations, to policy reforms that re-establish solidarity and universal access to a minimum set of services, regardless of income level and contribution and regardless of whether people access private or public services. A good example is the AUGE Plan (*Acceso Universal y Garantías Explícitas de Salud*, Universal Access to Explicit Health Care Guarantees), approved during the Ricardo Lagos administration (2000–2006) (Castiglioni 2006).[8] Although in this case and others, several universal and solidarity-based policy tools were not approved, Chile (and also Argentina) is seeing a trend toward rectifying the most regressive and inequitable reforms that took place under the influence of the Washington Consensus.

The state-stratified welfare regime reaches the nonpoor but remains highly stratified between occupations and formal and informal jobs. Public social services have shown disparities in quality across the public-private divide in terms of both education and health care. Contrary to what occurs in state-targeted welfare regimes, in state-stratified regimes a large proportion of policy resources are not targeted to the poor, and the countries are therefore pressured toward further commodification of social risks. For example, in Costa Rica, public services still reach middle- and upper-middle-income sectors. During the past two administrations, individually defined contributions, along with benefits, have increased, and a higher proportion of middle-income groups have left public schools and health care in search of better-quality alternatives (Martínez Franzoni and Mesa-Lago 2003).

Although these changes are still relatively minor, strong movements have advocated increased commodification and retrenched public intervention (Martínez Franzoni and Castro 2007). Nevertheless, countries with a protectionist welfare regime are highly heterogeneous, and policy trends are currently influenced not only by path dependency linked to

previous dualism or stratified universalism, as Filgueira (1998) points out, but also by the ideology of ruling political parties. This is seen in the clear distinction between Mexico and Uruguay or Brazil, for example.

In countries with an informal-familialist welfare regime, social programs are residual in terms of services, coverage, and functions, while most of the population falls below the poverty line and is in extreme need of sound social policies. In the context of the political transitions initiated in the 1990s, even right-wing governments have sought and usually managed to expand expenditures on targeted social assistance programs. El Salvador is a good example: from 2000 to 2004, social expenditures increased from US$108 to $150 (in constant dollars). However, social policy remains residual in terms of the services provided (very basic), their coverage (very limited), and the amount and source of resources programs receive (largely contingent on international cooperation or loans, unpaid work, and copayments by recipients).

In addition to establishing patterns in the region's welfare mix, the conceptual and methodological approach presented here also provides clues to understanding distinct environments for policy design and directions for policy change. If policy emulation takes place across welfare regimes, emulation would need to be highly selective to adapt policy tools to the actual constellation or welfare mix where those tools are to be used. Although this notion may appear commonsensical, up to now the welfare mix has not been present in policymaking or used as a relevant "filter" to adapt policies emulated from other countries, particularly across welfare regimes. As policymakers and policy advisers become more specialized, moreover, adaptation of a sound analysis of the welfare mix as a relevant conceptual notion to reconstruct policy environments is less likely to take place.

Conditioned cash transfers are a good example. The Guatemala Solidaria program inadequately attempts to imitate policy measures packaged under the Chile Solidario program. Whereas Guatemala has one of the lowest proportions of salaried and formal work in the region, Chile has among the highest; while Chile has a solid supply of public and private services, Guatemala struggles to build a basic network of schools and health care centers. While Chile has a large proportion of nuclear male-breadwinner families and women devoted full-time to unpaid work, Guatemala has a large proportion of extended families and dual earners. In short, Guatemala will need a great deal of creative adaptation to reproduce successfully the Chilean state productivist-welfare regime in its nonstate, familialistic welfare context. Beyond this example, bridges between analyzing and designing welfare regimes in the region are still fairly weak. The arguments presented in this article should have an impact on environments for policy design and analysis and place social policy and social programs in the context of welfare regimes.

APPENDIX: PRIMARY DATABASE FOR STATISTICAL ANALYSIS

Table 5. Welfare Regimes, Primary Database: Variables, Indicators, Sources, Years, Number of Countries for which Data Available

Dimensions	Variables	Indicators (as percentages except coefficients)	Source	Recent Years	Countries w/ data
Commodification	1. Economically Active Population (EAP)	Net Urban Participation	ILOa	2000–2003	17
		Gross National Participation	IDB	1990–2001	18
		Occupied Population (gross national, 5–64)	IDB	1990–2001	18
	2. Salaried EAP	Salaried Occupied Urban EAP	ECLAC	2000–2003	18
		Salaried Occupied Rural EAP	ECLAC	2000–2003	16
		Salaried Occupied EAP Weighted by Rural/Urban Population	Own	2002	18
	3. Unemployment	National Unemployment Rate	IDB	1990–2001	18
		Urban Unemployment Rate	ECLAC	2000–2002	18
		Urban Unemployment Rate	ILOa	2000–2003	16
		Urban Sub-Utilization Rate	ECLAC	1990–2003	18
		Urban Sub-Utilization Rate	IlOa	1990–2003	18
	4. EAP with Social Insurance	Salaried Urban Workers Contributing to Social Security	ILOa	2000–2003	14
		Employees with Social Security	IDB	1990–2001	15
		Salaried Workers with Social Insurance	IDB	1990–2001	17
	5. Infant Labor Force	Employment Rates ages 10–14	IDB	1999–2001	18
	6. EAP in the Public Sector	Public Servants as % of Urban Occupied Population	ECLAC	2000–2002	18
		Public Servants as % Rural Occupied Population	ECLAC	2000–2002	16
		Public Employment as National Rate (years 15–64)	IDB	1990–2003	13

Table 5. (*continued*)

Dimensions	Variables	Indicators (as percentages except coefficients)	Source	Recent Years	Countries w/ data
	7. Flexibility in Labor Relations	Efficiency Index	IDB	1990–2001	14
		Labor Flexibility Index (Lora)	LORA	1985–99	18
	8. Informal EAP	Urban Population Occupied in Low-Productivity Activities	ECLAC	2000–2002	17
		Urban Population Occupied in the Informal Sector	ILOa	2000–2003	17
		Unqualified Independent Workers (%)	ECLAC	1990–2003	18
		Independent Workers in the Informal Sector	ILOa	1990–2003	17
	9. Per Capita Gross National Product	Per Capita Gross National Income (US$ 1995)	ECLAC	2000–2003	18
		Per Capita GNP (in PPP)	WB	2000–2001	18
		Per Capita GNP (Regular US$ 2000)	WB	2000–2001	18
		Per Capita GNP (Constant US$ 2000)	WB	1998–2003	18
	10. Income	Population Under the Poverty Line	ECLAC	2000–2003	18
		Population Under the Poverty Line	WB	1997–2000	10
	11. Income Inequality	Gini Coefficient	ECLAC	2000–2003	18
	12. International Remittances	Remittances (as % of the GNP)	WB	2000–2003	17
	13. Self-Consumption	Rural Population	ECLAC		
Decommodification	14. Private Expenditures in Health Care	Private Expenditures in Health Care (per capita US$)	PAHO	1995–99	18
		Private Expenditures in Health Care as a Percentage of GNP	WB	1997–2002	18
		Per Capita Expenditures in Health Care (US$)	WB	1997–2002	18

Table 5. (*continued*)

Dimensions	Variables	Indicators (as percentages except coefficients)	Source	Recent Years	Countries w/ data
	15. Private Expenditures in Education	Private Expenditures in Education	OECD	2001	6
		Enrollment in Pre-primary Education	UNESCO	2000–2001	18
		Enrollment in Primary Education	UNESCO	2000–2001	18
		Enrollment in Secondary Education	UNESCO	2000–2001	18
		Private Enrollment in Education (25% prim; 25% sec.; 50% terc.)	Constructed	2001	18
	16. Private Consumption	Private Consumption as a Percentage of Total Consumption	ECLAC	1990–2001	18
	17. Public Expenditures in Health Care	Total Expenditures	PAHO	1995–99	18
		As Proportion of the GNP	WB	1997–2002	18
		As Proportion of the GNP	ECLAC	2000–2001	18
		As Proportion of Public Expenditures	ECLAC	2000–2001	18
		Per capita (US$ 1997)	ECLAC	1990–2001	18
	18. Public Expenditures in Education	As Proportion of GNP	ECLAC	2000–2001	17
		As Proportion of Public Expenditures	ECLAC	2000–2001	18
		Per capita (US$ 1997)	ECLAC	1990–2001	18
		As Proportion of GNP Per Student in Primary, Secondary, or Tertiary Education	WB	2000–2001	15
		As Propotion of GNP Per Student in Primary Education	WB	2000–2001	16
		As Proportion of GNP Per Student in Secondary Education	WB	2000–2001	16
		As Proportion of GNP Per Student in Tertiary Education	WB	2000–2001	14

Table 5. (*continued*)

Dimensions	Variables	Indicators (as percentages except coefficients)	Source	Recent Years	Countries w/ data
	19. Social Consumption	As Proportion of GNP	ECLAC	1990–2001	18
		As Proportion of Public Expenditures	ECLAC	2000–2001	18
		Per capita income (US $ 1997)	ECLAC	2000–2001	18
	20. Allocation of Social Expenditures	Social Expenditures Targeted at Human Development	ECLAC	1990–2001	18
		Perception of Corruption in Heath Care	TI	2004	10
		Perception of Corruption in Education	TI	2004	10
		Perception of Corruption in Public Services	TI	2004	10
		Knowledge of Clientelistic Networks	Latinobarometer	2004	18
	21. Economically Active Women in Reproductive Years	Net Female Urban Participation (15 years old or more)	ECLAC	2000–2002	18
		Net Female Participation (years 15–64)	IDB	1990–2001	18
		Female EAP (years 15–64)	IDB	1990–2001	18
		Women Unwiillingly Working Less than 30 Hours	IDB	1990–2001	15
Defamiliarization	22. Sexual Division of Labor	Rate Female/Male Working Hours	IDB	1990–2001	15
		Believe Women Must Stay Home and Men go to Work	Latinobarometer	2004	18
	23. Extended and Compound Families	Extended and Compound Families	Arriagada	1997–99	17
	24. Domestic Servants	Domestic Servants as % of urban employment	ECLAC	2000–2002	18
		Domestic Servants as % of urban employment	ILOa	2000–2003	16

Table 5. (*continued*)

Dimensions	Variables	Indicators (as percentages except coefficients)	Source	Recent Years	Countries w/ data
	25. Maternity Leave	Length, Target Population, Funding and Wage Replacement (Index)	Laws	Current	18
	26. Child Care	Target Population, Elegibility, Coverage, and Funding (Index)	Laws	Current	18
	27. Female Partners without Paid Work	Nuclear Families w/ Spouses w/ Unpaid Work	Arriagada	1998–2002	18
	28. Part-time Female EAP	Women Willingly Working Less than 30 hours	IDB	1999–2001	14
	29. Female EAP in Reproductive Stage	Economically Active Women Ages 15–34	ILOb	1999–2003	18
		Urban Female Participation Ages 15–34	ECLAC	2000–2002	18
	30. Female Heads of Households	Female Head of Households among Total Heads	ECLAC	1999–2004	18
	31. Care Demand	Children under 12 and elderly above 65 years old	CELADE	2000–2005	18
		Economic Dependency	CELADE	2000–2005	18
Performance	32. Health	Life Expectancy at Birth	WB	1997–2002	18
		Infant Mortality Rates Children Under 5 years old	UNICEF	2002–2003	18
		Infant Mortality Rates	WB	1997–2002	18
	33. Human Capital	School Life Expectancy	UNESCO	2000–2001	17
		Iliteracy Rates among Adults	UNESCO	2000–2001	18
		Percentage youth 15–19 years old with complete primary education or more	ECLAC	2000–2001	18

Table 5. (*continued*)

Dimensions	Variables	Indicators (as percentages except coefficients)	Source	Recent Years	Countries w/ data
		Average Years Education Rural EAP 15 years old or more	ECLAC	2000–2001	15
	34. Satisfaction of Consumption Needs	Population with Unsatisfied Basic Needs	Countries	1998–2005	17
		Gender Human Development Index	UNDP	2004	18
		Human Development Index	UNDP	2000–2003	18
	35. Citizen Safety (*seguridad ciudadana*)	Homicides every 100,000 people	WHO	2001	14
		Homicides every 100,000 people	Interpol-UNODC-ONU	1994–2001	18
		Population that has experienced deliquency	Latinbarometer	2004	18
	36. Protection of Rights	Jailed Persons Every 100,000	Carranza	2004	17
		Jailed Persons Every 100,000	CELS	1999–2002	18
		People on Probation or in Jail w/o Charge	CELS	1999–2002	18
	37. Satisfaction with Institutions	Satisfaction with Market Economies	Latinbarometer	2004	18
		Satisfaction with Democracy	Latinbarometer	2004	18

Note: Gray highlights selected indicators for cluster analysis.
Source: Author's calculations, supported by Juan Diego Trejos and Luis Angel Oviedo.

NOTES

This article is part of a larger research project on welfare regimes in Latin America, conducted at the Institute of Social Research at the University of Costa Rica and supported by the Center for Latin American Studies (CEALCI) at the Carolina Foundation. For contributions to previous drafts I am grateful to Merike Blofield, Michelle Dion, Christine Ewig, Fernando Filgueira, Evelyne Huber, Rubén Lo Vuolo, Juan Pablo Pérez Sáinz, Jennifer Pribble, Isabel Román, and Linda Stevenson. Jeremy Seekings and three anonymous reviewers provided extremely valuable contributions to the article in its current form. All shortcomings obviously remain mine.

1. In their analysis a fifth cluster includes the English-speaking Caribbean.

2. In addition, when focusing on Africa, these authors also distinguish insecurity welfare regimes, wherein most of the population depends on highly personalized politicomilitary relationships.

3. Family allowances, for instance, have similar requirements for men and women in Uruguay, but Chile does not acknowledge men as dependent husbands or unemployed partners.

4. Indicators were eliminated for a number of reasons: data were missing for three variables for more than one country; data were lacking for just one country but also lacked criteria that allowed extrapolation for another country. Indicators on maternity leave and day care services were dropped because data were lacking on public expenditures that help control the gap between the legislation and its actual enforcement. In addition, data were extrapolated concerning four variables for which one country was missing. Public opinion data were eliminated, as there was a lack of previous studies that would facilitate the understanding of how public opinion relates to actual practices. When all these decisions were made, the database was ready for statistical analysis.

5. Notice that female and child participation in the EAP are considered directly and inversely correlated with commodification of the labor force, respectively. The assumption is that children enter the labor force after adult family members, yet wages are still insufficient and need to be complemented.

6. Various classification methods are available to incorporate all variables into the model. Following Rudra 2005, hierarchical conglomerates were used for the purposes of this study. The technique takes each single case and progressively aggregates dissimilar cases, as opposed to starting with predefined clusters and breaking them down until single cases are reached. In terms of allocating countries to groups, between-group linkages were utilized. Another option that the Statistical Package for the Social Sciences (SPSS) makes available was also attempted: the Ward method, based on variances. It estimates means for all variables in each cluster. Then, for each object, it estimates the squared Euclidian distance for the groups' means. Results obtained were very similar. The method of simple linkage relied on here is based on the minimal distance, or the rule of the closest neighbor. The first two objects clustered are those that have the least distance between them. The next shortest distance is identified, be it that the third object clusters with the other two or that it forms a new cluster of two objects. In each stage, the distance between two clusters is the dis-

tance between the two closest points. To identify the clusters, this study uses a conservative criterion: it requires that distances between countries and within each cluster be minimal.

7. SPSS does not provide a "stop rule" or coefficient that points to the optimal number of clusters. Instead, a combination of theoretical and empirical criteria is used.

8. This policy reform was launched in 2002 with 3 pathologies and was gradually extended until it reached 57 in 2007 (Castiglioni 2006).

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