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THE 'SOUTHERN MODEL' OF WELFARE IN SOCIAL EUROPE

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Summary

This article tries to identify some common traits of the welfare states of Italy, Spain, Portugal and Greece, with special attention to institutional and political aspects.

The main traits identified are: (1) a highly fragmented and 'corporatist' income maintenance system, displaying a marked internal polarization: peaks of generosity (e.g. as regards pensions) accompanied by macroscopic gaps of protection; (2) the departure from corporatist traditions in the field of health care and the establishment (at least partially) of National Health Services based on universalistic principles; (3) a low degree of state penetration of the welfare sphere and a highly collusive mix between public and non public actors and institutions; (4) the persistence of clientelism and the formation – in some cases – of fairly elaborated 'patronage machines' for the selective distribution of cash subsidies.

A number of factors are then discussed to explain these peculiarities of the Southern model. Among these, the historical weakness of the state apparatus in this area of Europe; the preeminence of parties as main actors for interest articulation and aggregation; ideological polarizations and, in particular, the presence of a maximalist and divided Left.

In the last section, the article addresses the severe problems which are currently confronting – in various degrees – the four southern European welfare states. Both the exogenous challenges, connected with market globalization and EMU, and the endogenous challenges (which as rapid ageing, mass unemployment, etc.) are discussed. It is concluded that the adaptation of the southern model to these challenges will be a very difficult process in the years ahead, in both social and political terms.

Résumé

LE MODÈLE MÉRIDIONAL DE PROTECTION DANS L'EUROPE SOCIALE

Cet article cherche à discerner des traits communs entre les Etats-providence italien, espagnol, portugais et grec, et se penche plus particulièrement sur les aspects institutionnels et politiques de ces derniers.

Les principaux traits identifiés sont: (1) un système de soutien au revenu profondément fragmenté et 'corporatiste', caractérisé par une polarisation interne marquée et des sommums de générosité (par ex. pour ce qui concerne les retraites) accompagnés de manques macroscopiques de protection (par ex l'absence de programmes nationaux de revenu minimal); (2) une déviation par rapport aux traditions corporatistes dans le domaine des soins de santé avec l'établissement (ne serait-ce que partiel) de Services de Sécurité Sociale reposant sur des principes universels; (3) un faible niveau de pénétration de l'Etat dans le domaine de la protection et un amalgame collusoire d'acteurs et d'institutions publics et non publics' (4) la persistance du clientélisme et la formation – dans certains cas – de 'machines à favoritisme' assez élaborées pour la distribution sélective de subventions en espèces.

Divers facteurs sont examinés afin d'expliquer ces particularités du modèle méridional. Parmi ceux-ci figurent: la faiblesse historique de l'appareil statal dans cette région d'Europe; la prééminence du rôle joué par les partis dans l'articulation et l'agrégation des intérêts; la polarisation idéologique avec, en particulier, la présence d'une gauche maximaliste et divisée.

Dans la dernière section, l'article aborde les graves problèmes actuellement connus – à des degrés divers – par les quatre Etats-providence

du sud de l'Europe. Il examine les défis exogènes liés à la mondialisation du marché et à l'Union économique et monétaire, ainsi que les défis endogènes (tels que le vieillissement rapide de la population, le chômage de masse etc.). Il conclut que l'adaptation du modèle méridional à ces défis constituera un processus très difficile pour les années à venir, sur le plan social aussi bien que politique.

In search of the south European model of welfare

With the return of democracy and the entry into the European Community, the visibility of the 'new' southern Europe has been steadily increasing during the last decade. The recent debate about the social dimension of Europe – in contrast to the economic and monetary dimensions – has in turn started to attract the attention of national and supra-national policy-makers towards the specific problems and perspectives of the welfare systems of the southern member states. The idea implicit in this new policy interest is that these systems are characterized by common elements linked to their pattern of development and that they are faced with specific challenges in the current phase of the integration process.

Unfortunately, the academic debate has so far largely neglected the study of the south European welfare state. The literature on the politics and political economy of southern Europe, while programmatically recognizing the distinctiveness of this area, has not so far dealt explicitly with social policy *per se*.¹ Likewise, in spite of its sophisticated statistical exercises on wide cross-national samples and its more recent typological inclinations, the literature on comparative social policy has so far failed to include the Latin countries systematically (with the partial exception of Italy and France) within its scope of observation. None of the great research efforts of the 1980s (e.g. Flora and Heidenheimer 1981; Flora 1986/87; Esp-

ing Andersen 1990; Castles 1989 and 1993a etc.) included for example Spain, Portugal or Greece in their samples. In the few cases where these countries have been taken into consideration, they have mostly been treated as late-comers on the same path as that followed by other continental, 'conservative-corporatist' nations. Only recently has the idea been proposed that south European countries may constitute a separate cluster in the universe of welfare states: a 'family of nations' characterized by common policy traits.²

But what exactly are these traits? The attention of foreign scholars has focused primarily on the 'rudimentary' character of welfare programmes in the 'Latin rim' (Leibfried 1992) and on the influence of Catholicism in moulding these programmes, in a context where the traditional family still plays a prominent role (Castles 1993b). These elements are obviously part of the overall picture. Using them to signify the whole (e.g. by speaking, *tout court*, of *rudimentary* or *Catholic* welfare regimes) may however be misleading. After all, for certain programmes (most notably pensions) southern welfare schemes are far from rudimentary and actually offer the most generous benefits in Europe. Furthermore, the presence of strong and deeply rooted socialist/communist sub-cultures has made a significant contribution towards shaping Latin social policies: at some critical junctures, a more important contribution than the Church and its social doctrine.³

Concentrating on qualitative indicators, this article will try to sketch out a closer profile of south European welfare policy and politics. The objective of our typological effort will be modest: we only aim to compile a preliminary, descriptive checklist of features rather than outline a coherent and rigorous 'type'. We hope nonetheless that this checklist may stimulate further research in this direction and, for the time being, serve as a useful tool for a better understanding of the current problems and future prospects of the welfare state in southern Europe.

In order to avoid a misleading terminology, we will only use geographical adjectives (south

European, Latin or Mediterranean welfare states). Our discussion will draw on the few available comparative sources as well as on various single country contributions. The national debates in the southern countries in fact have started to develop a clear awareness of the specific traits of their own experiences compared with other continental and north European countries. Our analysis will include not only Spain, Portugal and Greece, but also Italy. This latter country is in fact at the heart of southern Europe, and its welfare development has in many respects led the way for the whole area.⁴

Income maintenance: fragmentation dualism and ineffectiveness

Cash benefits (especially pensions) play a very prominent role in south European welfare systems: indeed they constitute extreme versions of the 'transfer centred' model of social protection typical of continental Europe (Kohl 1981; Esping Andersen 1990; Kosonen 1994). As in the other 'Bismarckian' and 'corporatist' countries, southern Europe's income maintenance is based on occupational status and its degree of institutional fragmentation is very marked. There are different schemes for private employees, civil servants and the self-employed, often with widely differing regulations concerning contributions and benefit formulas (MISSOC 1994). The highest degree of fragmentation is to be found in Italy and Greece. In these two countries a real plethora of separate schemes (often 'micro-schemes'), catering for (very circumscribed) occupational collectivities (private and public employees of special sectors, different types of self-employed, the free professions etc.) operate alongside the 'general schemes' of INPS (in Italy) and IKA (in Greece), typically covering industrial workers. Italy and Greece probably constitute, together with France, the extreme examples of fragmented and corporatist

welfare states – at least as regards income maintenance. Spain is characterized by a 'medium' level of fragmentation (quite in line with continental standards), with institutional differentiations reflecting only the basic occupational distinctions: private versus public employees, agricultural versus 'other' self-employed, the free professions. Portugal is characterized by the lowest degree of fragmentation in this area: its public welfare system distinguishes between private and (various categories of) public employees, but includes most of the self-employed within the general scheme for private employees.

The most distinctive trait of income maintenance in the southern cluster, however, is the dualistic, almost 'polarized' character of the protection which is offered. Here we came across the first significant departure of southern welfare from continental or 'Bismarckian' welfare (including France). On the one hand the schemes of these countries provide generous protection (at least in principle: e.g. pensions) to the core sectors of the labour force located within the regular of 'institutional' labour market; on the other hand, they only provide weak subsidization to those located in the so-called irregular or non-institutional market (a fairly large occupational sector). Italy, Spain, Portugal and Greece are moreover the only member states of the European Union in which there is no national minimum income scheme for individuals and families with insufficient resources.

Table 1 reports the 'theoretical' benefit received at the age of retirement by a typical wage earner who has had a full career in the institutional labour market (covered by what the Italians call *il sistema delle garanzie*). The benefit is expressed as a percentage of average net earnings (1990): the values reflect the combined effect of the pension formula and of current tax rules. As can be seen, the percentages for the four southern countries are by far the highest in Europe: in Greece the net benefit even surpasses the net wage.⁵ In contrast, the amount of minimum retirement benefits (i.e. benefits granted to those elderly people who do

not have matured contributive entitlements) is much lower in southern Europe, remarkably lower in Italy and Greece.

Table 2 reports the benefits foreseen for a young person in search of first employment (a typically weak occupational position). In most continental and north European countries (except for France), such a person is entitled to some form of income maintenance (mostly an unemployment indemnity). However, this is not the case in three of the southern countries: no benefit is available for such a person in Italy, Greece or Spain. It is true that unemployment benefits for those already in the labour market do not deviate as widely from the EC average (and are even set well above the latter in Spain and Portugal) (Table 3). It must be noted, however, that the data presented by the table are only 'theoretical': many workers do not fulfil the requirements for these relatively generous benefits (or are not entitled to them at all, as in the case of first job seekers). For instance, only 25 per cent of the total unemployed population were in fact receiving benefits in Spain in 1989, and only 18 per cent and 6 per cent in Italy and Greece respectively (data are lacking for Portugal) (Room *et al.* 1992).

Another example of the social protection gaps of southern Europe is offered by Table 4 which reports the benefits payable to a single parent with no contributory record. It is to be noted that in this case Greece and Italy fare better than Spain and Portugal.

Finally Table 5 highlights the low levels of south European minimum benefits in the case of old age and invalidity as well as the total lack of a safety net in case of uninsured unemployment. A person who is neither old nor invalid, who has no job, no contributory entitlements and no source of income is not 'covered' at all in southern Europe. In Spain and Italy, however, this person may obtain some sort of minimum benefit by local authorities.

This dualistic system of income maintenance tends to generate a peculiar polarization within the social clientele of the southern

Table 1 Old age benefits (1990)

Benefits received at retirement as a % of average net earnings of manual workers in manufacturing (1990)

Country	Contributory pension	Minimum benefit
	Personal rate	Personal rate
Belgium	73	47
Denmark	60	52
Germany	77	39
France	88	46
Ireland	42	35
Luxembourg	78	46
Netherlands	49	49
United Kingdom	44	31
ERU12	75	36
Greece	107	8
Spain	97	32
Italy	89	19
Portugal	94	30

Source: European Commission (1993)

welfare states. On the one hand we find in these countries a group of hyper-protected beneficiaries who are (or have been) included in the citadels of *garantismo*: typically public employees, white collar workers and private wage-earners of medium and large enterprises working on a full contract, with job security (the *occupazione garantita*). These categories receive generous replacement benefits for short-term risks (sickness, maternity, temporary or partial unemployment, etc.) and very high earnings related pensions when they retire. On the other hand we find large numbers of under-protected workers and citizens, who only (occasionally) draw meagre benefits and may thus find themselves in conditions of severe hardship: typically irregular workers in weak sectors without job security (small enterprises, traditional services and agriculture, etc.), workers of the informal economy, young and long-term unemployed people, etc.

Table 2 Benefits for young unemployed (1992)*Benefits payable to an 18 year-old unemployed person*

Country	% average earnings	
	<i>Living alone</i>	<i>Living with cohabitee</i>
Belgium	47	0
Denmark	35	35
Germany	39	*
France	0	0
Ireland	32	16
Luxembourg	45	45
Netherlands	34	0
United Kingdom	18	0
EUR12	25	12
Greece	0	0
Spain	0	0
Italy	0	0
Portugal	44	44

* Amount payable depends on the individual case

Source: European Commission (1993)

This dualism of protection sets the south European income maintenance systems apart not only from the highly homogenous north European systems based on universal inclusion, but also from other continental, corporatist systems, characterized by a much smaller spread between 'high' and 'low' protection (and also by a much larger proportion of beneficiaries of 'high' protection). It is true that this difference between southern and continental systems can be partly explained in terms of underdevelopment. After all, countries such as France, Belgium or Luxembourg filled the gaps in their safety nets only in the last two decades⁶ and the southern countries may soon catch up with them. This 'stage of development' argument neglects however the first side of the coin: i.e. the unparalleled peaks of generosity reserved for the protected core of the labour market. This selective *iper-garantismo* represents a true peculiarity of the Latin rim.

It must be noted that the description of

southern income maintenance in terms of 'dualism' is itself largely a simplification. Illustrating the Spanish situation of the last decade, Perez Diaz and Rodriquez (1994) have recently advanced the idea of a 'four cornered society', comprising four distinct socio-economic spaces characterized by different job/income and welfare opportunities:

- 1 the protected core of the labour market
- 2 the sector of temporary and irregular employment
- 3 the underground sector
- 4 the ex-employed and unemployed

But even this metaphor – though suggestive – risks being too simplistic: people can in fact combine the different opportunities offered by the four spaces, giving rise to a myriad of different socio-economic figures.⁷

What gives some coherence to this kaleidoscope, somehow extenuating its potential excesses and contradictions, is the 'southern family', still largely operating as a social clearinghouse, mediating the difficult relationships between a variegated labour market and equally variegated income maintenance systems.⁸ If it is true that the south Europeans are all to some extent engaged in a collective 'four corner game',⁹ for each Italian, Spanish, Portuguese or Greek family it is of vital importance that at least one member remain firmly anchored in the corner of *garantismo*. In backward areas, the most sought-after work opportunities are public sector jobs. The deliberate expansion of state employment with a view to alleviating the chronic insufficiency (and territorial disequilibria) of labour demand can in fact be seen as an additional peculiarity of the southern European model of welfare.

Unfortunately, some families (and some individuals with no family) lose the 'four corners' game. As Table 6 shows, Spain, Portugal and Greece (together with Ireland) display the highest incidence of poor households in the European Union. Italy's figures are relatively lower: less than those of the UK and of France. It must be remembered, however, that there

Table 3 Unemployment benefits (1992)

Country	1st period % earnings	Duration (months)	2nd period % earnings	Duration (months)
Belgium	79	12	55	indef.
Denmark	73	30	63	indef.
Germany	63	12	56	indef.
France	80	12	67–33	indef.
Ireland	41	12	32–35	indef.
Luxembourg	85	12	46	indef.
Netherlands	74	24	49	indef.
United Kingdom	23	12	23	indef.
EUR12	61	14	42	–
Greece	28	12	0	n.a.
Spain	80	6	70	18
Italy	26	6	0	n.a.
Portugal	81	21	44	21

Source: European Commission (1993)

Table 4 Benefits for single parents (1992)

Country	% average net earnings
Belgium	59
Denmark	60
Germany	55
France	50
Ireland	44
Luxembourg	54
Netherlands	63
United Kingdom	38
EUR12	40
Greece	32
Spain	3
Italy	16
Portugal	0

* In Greece, the benefit is only payable to single mothers

Source: European Commission (1993)

are two Italies in socio-economic terms: in the centre-north the average poverty rate is only 9 per cent, while in the south it reaches a rate of 26.4 per cent (Saraceno 1992). In many backward areas Southern Italy and, more generally,

the south European periphery, poverty in the mid-1990s still constitutes a real social emergency.

National health care: (near) universalism, with extended scope for private provision

While displaying high institutional fragmentation along occupational lines in their income maintenance systems, the south European welfare states are characterized by a universalistic approach in their health care systems. This mix between income maintenance occupationalism and health care universalism is a second, quite peculiar trait of southern welfare states. Explicit reference to health care as a basic citizen's (rather than workers') right is made by the Italian, Spanish, Greek and Portuguese constitutions, and although the historical legacy of their health systems has been (as in income maintenance) occupationally fragmented, all four countries have striven to reform these systems in the last two

decades, with a view to establishing full-fledged national health services, characterized by open and free access for all residents, standardized rules and organization, and tax financing.

This strive for universalism has been most successful in Italy, where the 1978 reform did suppress all the existing occupational schemes and included the whole resident population within the new *Servizio Sanitario Nazionale* (National Health Service), offering relatively standardized services to everybody through a single (though highly decentralized) organizational structure throughout the country (Ferrera 1989a and 1995a).

Portugal formally jumped from occupation to universal coverage in 1976, after the revol-

ution. Contrary to Italy this country did not however sweep away the pre-existing compulsory insurance schemes, so that its so-called *Servicio Nacional de Saude* (National Health Service) has actually remained a dual structure in which the better off workers (especially in the public sector) enjoy privileged access and conditions of care (basically thanks to a higher freedom of choice granted by special public insurance schemes) and the NHS circuit is mostly used by 'the more vulnerable groups of the population . . . aged persons, handicapped, children, illiterate, poor people, the immigrants from the ex colonies, drug addicts, unemployed and people with chronic diseases' (Pereirinha 1992: 91).

Spain formally introduced universal cover-

Table 5 Social minima in EU countries (1992)

Country	Old-age*		Invalidity†		Unemployed‡	
	ECU/month	% GDP per head	ECU/month	% GDP per head	ECU/month	% GDP per head
Belgium	442.7	32	924.4	67	442.7	32
Denmark	599.7	34	967.4	55	699.7	40
Germany	506.7	29	506.7	29	506.7	29
France	447.5	30	447.5	30	322.1	22
Ireland	329.3	38	329.3	38	329.3	38
Luxembourg	607.8	36	863.9	51	607.8	36
Netherlands	552.3	41	552.3	41	552.3	41
United Kingdom	363.2	30	376.3	31	263.4	22
EUR12	377.03	28.75	511.51	38.00	310.33	21.67
Greece	49.1	10	79.3	16	0	0
Spain§	272.8	28	272.8	28	0	0
Italy§	230.5	16	695.4	49	0	0
Portugal	122.8	21	122.8	21	0	0

Notes

* A single person who has reached the age of retirement with no entitlement to contributory benefits and no other source of income

† A single person aged 40 with no entitlement to contributory benefits, no other source of income and who is unable to work

‡ A single person aged 40 with no entitlement to contributory benefits, no other source of income and who is available for work

§ In Italy and Spain, there is no formal minimum level of income support, but in a number of regions, people can receive social assistance from regional and local authorities

Source: European Commission (1993)

Table 6 Poverty in EU countries (1980–85)

*Poverty incidence compared for 1980 and 1985
(Poverty line taken as 50% of National Average
Equivalent Expenditure)*

Country	Households		Persons	
	1980	1985	1980	1985
Belgium	6.3	5.2	7.1	5.9
Denmark	8.0	8.0	7.9	8.0
Germany	10.3	9.2	10.5	9.9
France	18.0	14.8	19.1	15.7
Ireland	18.5	17.4	18.4	19.5
Netherlands	6.9	7.9	9.6	11.4
United Kingdom	14.1	18.9	14.6	18.2
Greece	20.5	17.4	21.5	18.4
Spain	20.3	17.8	20.9	18.9
Italy	12.0	14.7	14.1	15.5
Portugal	31.4	31.7	32.4	32.7

Source: European Commission (1993)

age in 1986, but the principle became effective only in 1990. Spanish universalism is not however completely 'full', as very high incomes (approximately 0.5 per cent of the population) are exempted from NHS membership. Moreover, organizational standardization has not been fully achieved throughout the country: the system is managed by various agents, including INSALUD, the autonomous communities, old *mutualidades*, etc. Almost 2.4 million public employees are covered by special schemes, enjoying a more favourable treatment than that offered by INSALUD (Freire 1993).

The Greek health care system is the more distant from the NHS model based on universal membership, uniform regulations and structure. Though Greece is usually considered to be equipped with a national service based on universal coverage, access to care is in fact still mediated by the occupational insurance schemes; those citizens who are not members of any scheme receive care through the public assistance network.

It is to be noted that none of the south Euro-

pean health systems share the tax-financing approach typically followed by the British and Scandinavian health services. Though all four countries have repeatedly stated the objective of shifting fully from contributions to taxes, none of them has (yet) accomplished this shift. The persisting occupational differentiations regarding access and treatment (especially in Portugal and Greece), the large territorial disparities and the mixed form of financing generate quite extensive distributive distortions in the structure of health care opportunities in southern Europe, despite their universalization endeavours and overall universalistic 'rhetoric'.

Another significant peculiarity of south European health care regards its public/private mix. In Britain and Scandinavia the establishment of a national health service has not only implied full universal coverage and structural standardization, but also a crowding out of private providers (especially private clinics or hospitals) from the health sector – or at least a clear separation between the spheres and roles of public and private medicine. The public/private mix has evolved differently in southern Europe. Here the establishment of a national health service (Italian or Iberian style) has not promoted a strengthening of the public sphere and the crowding out of private provision, but a peculiar *collusion* of public and private – often with great advantages and profits for the latter (Paci 1987). In southern Europe, the NHS staff (even hospital doctors) are allowed great margins of freedom to render services on a private basis, even within the public structures. More significantly, the NHS itself contracts out to private health centres (the Spanish *conciertos*, the Italian *centri convenzionati*) the provision of a wide array of services: from diagnostic tests to minor and medium surgery. In Portugal almost 40 per cent of public expenditure on health flowed through private centres of provision in 1987 (Mozzicafredo 1992); in Italy the proportion was 37.5 per cent in 1989 (Censis 1991). As the recent *malasanit* (corrupted health care) scandal have shown for Italy, this peculiar blend of public/private mix

has resulted in an enormous waste of public money as well as collusive manipulations between private providers/suppliers on the one hand, and health administrators/ politicians on the other (Ferrera 1995b).

A particularistic-clientelistic welfare state

Particularistic appropriations of welfare resources are not exclusive to the health sector, but rather constitute an endemic feature of the whole range of south European social policies, including income maintenance. The Mediterranean welfare states are characterized by a double deficit of 'stateness'.¹⁰ On the one hand, they display a low degree of state penetration of welfare institutions – as just illustrated in the case of health care. On the other hand, however, they also display a low degree of state power proper¹¹ – public institutions in these countries are highly vulnerable to partisan pressures and manipulations. The mode of functioning of the southern welfare state is thus somewhat distinct from that of other European systems – with significant allocative and distributive implications. South European 'particularism' often takes the form of outright political corruption (i.e. illegal 'favours' in exchange for private bribes), as testified by the periodic upsurges of 'scandals' in all four countries. Most typically and systematically, however, welfare manipulation takes the form of political clientelism, i.e. favours exchanged for support to a public organization, such as (preference) votes for a given party.¹²

The electoral manipulation of welfare benefits is a well known phenomenon in all democratic countries and has been extensively explored – with richness of empirical evidence – by the literature on the so-called 'political business cycle'.¹³ Within this literature, however, the relationship between welfare and voting is commonly understood in general and impersonal terms and not as an immediate/

personal one, i.e. as a 'real' exchange of individual votes for individual benefits. In southern Europe, however, the latter type of relationship (the so-called *voto di scambio*) has indeed provided a rationale as valid as the former one for the electoral, and more generally political use of the welfare state. The weak sectors of the south European labour markets (i.e. those characterized by a structural lack of employment demand and therefore by irregular and often 'black' employment) have offered a favourable ground for the emergence and expansion of a 'clientelistic market' in which state transfers to supplement inadequate work incomes are exchanged for party support, often through the mediation of trade unions, at the individual level.¹⁴

The vast scope and the specific modes of operation of this clientelistic welfare market have been highlighted and documented most systematically for the Italian case.¹⁵ It is probably worth making a short digression on the Italian experience, in order to illuminate the specific dynamics of southern welfare clientelism.

Italian parties (specially the former DC and especially in the south) can largely be seen as 'mass patronage parties'. In order to gain votes, these type of parties provide their clients with individual benefits in a number of ways: for instance granting them job opportunities in the public sector or assisting them in obtaining a subsidy from the welfare bureaucracy. The 'control' of the exchange on the side of the party mainly occurs – or rather, used to occur¹⁶ – through the market of preference votes, in ways which are not necessarily illegal.¹⁷ The extended area of *sottogoverno* (i.e. the various spoils represented by state enterprises, public agencies of different sorts, social security funds, etc.) has been the main locus of these particularistic exchanges, and welfare benefits are one of their privileged currencies. The clientelistic use of the welfare state for electoral purposes has been implemented in two ways:

- 1 through the partisan penetration of the

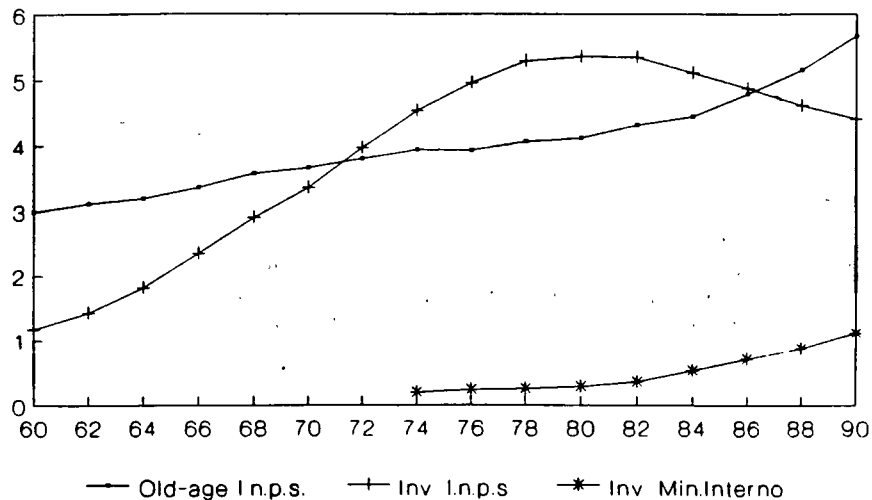


Figure 1 Number of old-age pensions and invalidity pensions (millions) (Italy)

Source: ISTAT *Annuario della Previdenza e dell'Assistenza Sociale*, Roma, anni vari.

- welfare administration (not only the upper end of the administrative echelon, but especially the lower end, i.e. at the point of discretionary provision of benefits);
- 2 through the by-passing of the welfare administration via the creation of special committees/commissions (of political recruitment), entrusted with discretionary powers with respect, again, to the provision of single benefits.

Agricultural sectors in the backward South have been the preferred (though not the sole) grounds of operation of such a clientelistic market. In these sectors state subsidization is often the only opportunity to gain income and unemployed or under-employed workers are well prepared to 'sell' their votes to political entrepreneurs capable of supplying some sort of subsidy, especially an invalidity pension.

As shown by Figures 1 and 2, the growth of invalidity pensions (INPS schemes) since the 1960s has been really spectacular, especially in Southern Italy. Their number almost trebled between 1960 and 1971 and came to overtake the number of old age pensions in 1972. The peak was reached in 1982, with 5,379 million pensions in payment (i.e. almost one pension

for every ten Italians). During the 1980s the number of INPS invalidity pensions started to decline, due to the introduction of stricter regulations aimed specifically at preventing clientelistic abuses. However, the number of 'civilian' invalidity benefits paid by the Ministry of Interior according to more relaxed criteria started to surge in the same period, clearly substituting for INPS benefit and virtually leaving the overall numbers unaltered.

Such a massive growth of benefits has been the product of a sophisticated 'political machine' based on specialized structures both within the party-union organizational network and within the welfare administration network. At the party-union end, the demand for invalidity benefits on the side of 'weak' occupational figures has been articulated and aggregated by the *patronati*, the quasi-partisan and/or union affiliated organs offering personal assistance to welfare applicants (such as information on opportunities and procedures; preparation of the necessary documents; urging competent administration in cases of delay; administrative and court actions in case of rejected applications, etc.). At the welfare administration end, in this author's opinion, the particularistic 'capture' of benefits has been secured either via the

connivance of the party-loyal bureaucrats or (more systematically) via the establishment of separate political committees within INPS entrusted with the competence to adjudicate on appeals (made by the *patronati*) against rejected applications. These committees have been able to satisfy the increasing demand for invalidity benefits thanks to the high margins of discretion left by the law, which defined invalidity broadly as 'a reduced ability to gain income' (rather than 'working' *tout court*), taking also into consideration 'the socio-economic conditions of the area of residence' of the applicant.¹⁸

The Italian clientelistic market has been operating at extreme levels of sophistication in the field of disability; similar syndromes have also developed in the field of unemployment insurance and of social assistance subsidies at the local level. Figure 1 offers a schematic outline of the main transactions which characterize this type of market. The most typical transactions are comprised in the lower part of the figure. Voters in need of income supplementation 'sell' their votes to political parties, through the mediation of patronage institutions. Benefits are provided through a manipulation of the supply side which can follow three distinct ways: patronage insti-

tutions exert pressures on special political committees competent to adjudicate actions against INPS; these pressures are mediated by parties themselves (or by trade unions); parties exert direct pressures upon the welfare bureaucracy, within which they have placed their own personnel. The choice of the most suitable form of manipulation depends on many contextual factors, such as the scope and intensity of personal links, of party loyalties, etc. A given form may also predominate in one period and then be replaced by another, due to institutional changes.

Italian social scientists in the 1980s have coined the expression 'particularistic-clientelistic model of welfare' to describe all these phenomena (Ascoli 1984; Ferrera 1984; Paci 1984). Although no comparative systematic evidence is available, there are many indications that similar syndromes have developed also in the other three south European countries. The presence of articulated client-patron networks as well as a 'patrimonial' conception of the state have been and still largely are structural features of the Spanish, Portuguese and Greek political systems, and they had doubtlessly affected the institutional development and the mode of functioning of the welfare state (Eisenstadt and Roniger 1984).

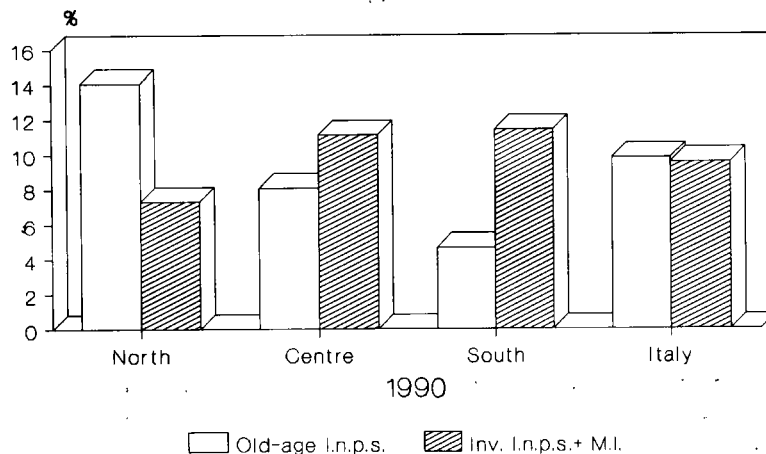


Figure 2 Number of pensions/resident population (Italy)

Source: ISTAT *Annuario della Previdenza e dell'Assistenza Sociale*, Roma, anni vari.

The expansion of welfare benefit is reported to have played a prominent role in smoothing the transition from authoritarianism to democracy since the mid-1970s and in consolidating the electoral roots of the new parties (including the socialists) (Maravall 1992; Moreno and Sarasa 1992). This expansion has created (or refined pre-existing) particularistic circuits of distribution, especially – as in Italy – in rural and backward areas.

In Spain, the number of disability benefits for example, almost doubled between 1976 and 1982 (Guillen 1992) and since then has continued to grow rapidly. As in Italy, these benefits are 'routine supplements of the incomes derived from the underground or semi-underground economy, [used] on a large scale and with the complicity of local authorities, parties, unions and the Church (and distributed *de facto* compensations for deferent votes)' (Perex Diaz 1990: 16). In some regions (most notably Andalusia and Extremadura) a clientelistic system of income support for agricultural labourers (the *braceros*) has developed which presents many similarities with the situation of the Italian *Mezzogiorno*. Temporary (e.g. seasonal) labourers are entitled to a fairly generous benefit for six months if they have worked at least 60 days in the preceding 12 months; while on benefit, they have the obligation to participate in the employment programmes set by the plan de Empleo Rural (PER). In the backward regions, the number of recipients of benefits and PER participants rose very rapidly throughout the 1980s – despite a significant decline of the labour force in agriculture. It is well known that this rise was promoted by deliberate mechanisms of social and political clientelism. Certain 'employers' sell their signatures on the official journals for fictitious work, so that their clients can fulfil the 60 days requirement; at the same time, certain local mayors certify their client's compliance with the PER obligations so that the benefit can be paid (Cazorla 1992 and 1994). In some Andalusian villages, it is estimated that in certain seasons the number of workers who are really unemployed constitutes only 10 per cent

of the total number of those receiving benefits (Cazorla 1992: 35). The PSOE has been the main political agent in this clientelistic market both through the activism of its locally elected officials (most of the Andalusian city mayors are socialist) and through the penetration of state institutions, such as the INEM (the unemployment insurance institute). As a result of this system, 'instead of becoming a political weapon against the governing party (at the local level), unemployment becomes a power resource, which is very effectively exploited through the party-political machine' (Cazorla 1992: author's translation). The socialist control of the rural vote in the south of Spain is virtually complete.

Also, in Greece, public welfare institutions are extensively manipulated for partisan purposes. In this country

'the bureaucracy ... is penetrated by political clientelistic networks. Administrative requests [can] be granted through intercession with top political leaders or through connections with bureaucrats, either direct or mediated by urban "expeditors", that is by people who specialize in obtaining routine decisions from governmental offices where they [know] the right person and the steps to be taken to beat the intricacies of the administration'

(Eisenstadt and Roninger 1984: 77).

Particularistic contacts (especially within the party-union network) seem highly relevant in order to fully exploit the complication regulations of the Greek pension system. Without the information and help supplied by these contacts, people may not be able to find their way through the legal and bureaucratic maze.

'The result is that many individuals who are entitled claim no benefits, while other individuals, who are better informed or better initiated into the workings of state bureaucracy, may claim multiple benefits ... Individuals who have extensive particularistic networks or acquaintances in prominent

positions have an important advantage over those who are entitled to benefits but have no such access to individuals who can expedite their claims'

(Karantinos *et al.* 1992: 34).

In sum: the south European welfare state is characterized by a peculiar mode of political functioning which distinguishes it not only from the highly homogeneous, standardized and universalistic welfare states of northern Europe, but also from the more fragmented continental systems. The social policy institutions of Italy, Spain, Portugal and Greece may formally resemble those of other, 'corporatist' (and Catholic) countries; however the 'socio-political etiquette' which inspire their functioning is hugely different. Welfare rights are not embedded in an open, universalistic, political culture and a solid, Weberian, state impartial in the administration of its own rules. Rather, they rest on a closed, particularistic culture and on a 'soft' state apparatus, both still highly imbued with the logic of patron-client relationships which has been a historical constant in this area of Europe. It is true (as many foreign observers often remark) that a certain degree of cultural and institutional particularism also characterizes other advanced societies and their social policies. It is also true that since the crisis of the mid-1970s, in other countries as well, certain types of welfare benefits have become more discretionary. For example, in countries such as the Netherlands or the United States, disability benefits have been granted throughout the 1970s and early 1980s with considerable largesse, reflecting discretionary interpretations of legal requisites on the part of both medical professionals and administrative officials (Stone 1984). There is, however, a difference in scope and intensity which cannot be neglected or minimized. To put it in the words of Perez Diaz, 'the question is whether [particularistic rules] condition the greatest part ... of the real strategies of actors or only a marginal part' (Perez Diaz 1990: 15). Moreover, discretion based on professional or bureaucratic

evaluation is not the same as political discretion based on systems of patronage. The southern model of welfare constitutes – as illustrated above – a combination of occupationalism and universalism (micro-corporatist solidarities in income maintenance, national solidarity – or a strive for it – in the case of health care); we must, however, add at this point that this model is embedded in a socio-political environment in which, for various reasons, cultural and institutional universalism still have to reach full maturation. It must be noted that, from a purely functional perspective, welfare clientelism in southern Europe has traditionally fulfilled very important tasks. Without the income from disability pensions and unemployment benefits the backward regions of Italy and Spain would have faced dramatic socio-economic problems. However – and this is the crucial point – the same problems could also have been dealt with through other policy instruments: for example through a serious unemployment insurance scheme (especially in Italy) or through the establishment of 'universalistic' minimum income schemes. Welfare patronage was not the only strategy. Why then have these countries resorted to this (so massively in Italy)? To find an answer to this question we must now pass from descriptions to explanations.

Explaining the southern road: towards a politico-institutional perspective

How can we account for the specific profile of the south European model of welfare? If the preceding analysis is correct, four elements should form the objects of explanatory attention:

- 1 the peculiar 'excesses' in income maintenance: peaks of generosity accompanied by vast gaps of protection
- 2 the departure from institutional corpora-

- tism in the field of health care and the (partial) establishment of national health services, based on universalistic principles
- 3 the low degree of state penetration of the welfare sphere, in a broad sense, and the peculiar mix between public and non-public actors and institutions
 - 4 the persistence of clientelism and the formation – in some cases – of fairly elaborate ‘patronage systems’ for the selective distribution of cash subsidies.

These four elements certainly do not exhaust the catalogue of south European peculiarities. They appear to constitute, however, a rather coherent set of ‘*explananda*’, which invites a preliminary venture from a descriptive to a theoretical discussion.

Adopting a developmental perspective, a number of socio-economic and cultural-political factors immediately offer themselves as plausible factors. Persisting ‘backwardness’, marked sectoral and territorial dualism, amoral families and civic parochialism, a strong Catholic church and a weak Left traditionally excluded from government and actually suffocated by long spells of authoritarianism: all the typical ingredients of the south European path to modernization offer a useful explanatory base for the social policy traits illustrated above.¹⁹ Thus the presence of a strong Catholic Church and the resilience of corporatist traditions for instance, bear obvious responsibility for the low level of state welfare, whole segmented labour markets and a family-centred social fabric (again connected with Catholic subsidiarity) have in turn unquestionably contributed to the uneven development of income maintenance. One promising strategy for explaining the south European model of welfare would therefore be to modify the existing theories on the genesis of ‘conservative-corporatist’ or ‘social capitalist’ welfare regimes (à la Esping-Andersen 1990, or Van Keesbergen 1995) in the light of the specific historical configurations of the Latin rim countries.

An equally promising strategy however,

could be, to focus the explanation of the southern syndrome on politico-institutional factors and interpret it primarily in the light of the ‘power games’ resulting from the specific structure of the south European polities. Though the playing fields of these polities has historically shared many of the ‘conservative-corporatist’ ingredients typically illustrated for continental European countries, it has also presented some distinctive traits, which definitely contribute to explaining the peculiar profile of the southern model of welfare. More precisely, three traits appear as particularly relevant in this perspective:

- 1 the weakness of state institutions (a ‘soft’ state), especially in terms of bureaucratic professionalism and autonomy. The failure of these nations to modernize the civil service in a ‘Weberian’ sense prior to the mass expansion of welfare programmes has offered a fertile ground for the persistence of clientelistic relations, possibly contributing to their further consolidation and sophistication. In this respect, southern European developments constitute another relevant historical example of the syndrome illustrated by Orloff (1993) and Skocpol (1992) with reference to the patronage system which emerged around widows’ and veterans’ pensions in the USA at the end of the XIX century²⁰
- 2 the prominence of parties as main actors for the aggregation of social interests – an element connected both with the traditional atrophy of southern Europe’s civil societies and with the specific modes of post-authoritarian democratic instaturations
- 3 ideological polarization and, in particular, the presence of a radical-maximalist and divided Left. These two elements have made the ‘conservative-corporatist’ political scenario typical of continental Europe much more complicated in the South, significantly altering the strategies of the various actors.

While the first two elements largely explain the emergence of clientelist markets for the distribution of welfare benefits, under the control of political parties, the third element contributes to explaining the institutional architecture of the southern model: work related, dualistic income maintenance coupled with health care universalism. This latter causal relationship can be summarized as follows.

The southern Left has fought hard (since the 1950s in Italy, since the 1970s in the other three nations) in order to promote broad welfare reforms in 'socialist' directions (universal coverage, generous benefits, extensive role for the state, etc.). Owing precisely to the pressures of the Left, the Italian, Greek, Spanish and Portuguese constitutions, for example, have included very ambitious prescriptions on the social duties of government. In the field of health care, the (whole of the) Left has indeed pursued with great determination its universalistic project: the reforms of the 1970s and 1980s can largely be seen as materializations of the constitutional promises and as 'political victories' over conservative-corporatist interests (including the Catholic church). In the field of transfer benefits (especially pensions), the 'workerist' inclinations of south European socialism and its internal divisions – in a context of harsh confrontation with the opposing camp – have, however, operated in favour of the maintenance of corporatist fragmentation. At some crucial moments (for example in Italy in the late 1960s and in Spain in the early 1980s) socialist parties tried to push for a dismantlement of occupational 'separatism' in social insurance and for the introduction of a Scandinavian style universal pension system (Ferrara 1993b and Lopez Novo 1990). These attempts obviously met with resistance from the traditional 'conservative' establishment. But they failed primarily because of opposition from the extreme Left (the Communist party in Italy and the CC.OO. in Spain), which was more interested – also for purely tactical reasons – in defending the specific position of its own core constituency, i.e. industrial workers. The ex-

posure to this competition from the extreme Left made pension universalization risky for both the PSI and the PSOE. Thus these two parties abandoned the project and instead pursued a dualistic policy: a policy of amelioration (or at least defence) of the benefits for core industrial workers coupled with a policy of particularistic attraction of marginal workers via the patronage system. The internal unbalances of Italy's and Spain's income maintenance system can thus partly be seen as the by-product of party competition both within the Left and between the Left and conservative, patronage-oriented parties.

This line of argument obviously needs further theoretical elaboration and empirical corroboration. Elsewhere we have shown how the focus on politico-institutional dynamics can bring new light for the understanding of the Italian welfare state (Ferrara 1993b). A systematic extension of this perspective to the other three south European cases is – we believe – an effort definitely worth pursuing.

Social protection in southern Europe: a structural crisis

The southern welfare states do not only share similar characteristics and a similar genesis, but also are currently confronted by similar developmental challenges of both external and internal nature.

The external challenges stem from the process of European economic and monetary Union (EMU) and, more generally, from the increasing 'globalization' of the world economy. In the southern member states these developments are exerting pressures for budgetary discipline, bureaucratic rationalization and the containment of non-wage labour costs in order to maintain 'systemic' competitiveness. In 1993 the four south European member states (together with the UK) displayed the highest public deficits in the European Union, way above the Maastricht convergence criteria

Table 7 Public debts and deficits in EU countries*Gross government debt and general government net borrowing as percentage of GDP*

<i>Country</i>	<i>Gross government debt</i>			<i>Government net borrowing(-)</i>	
	<i>1980</i>	<i>1993</i>	<i>% change</i>	<i>Average 1980–1992</i>	<i>1993</i>
Belgium	78.8	142.2	63.4	-8.8	-7.0
Denmark	39.9	80.4	40.5	-2.5	-4.6
Germany	31.8	48.9	17.1	-2.2	-3.3
France	20.1	43.9	23.8	-2.3	-5.7
Ireland	70.8	99.0	28.2	-7.7	-2.3
Luxembourg	13.8	6.8	-7.0	2.7	1.4
Netherlands	47.6	81.2	33.6	-4.9	-2.9
United Kingdom	54.3	48.2	-6.1	-2.7	-7.7
EUR12*	39.0	66.0	27.0	-4.4	-6.0
Greece†	28.8	145.2	116.4	-11.9	-16.3
Spain	17.5	55.9	38.4	-4.4	-7.3
Italy	57.8	118.3	60.5	-10.7	-9.5
Portugal	37.2	66.6	29.4	-7.4	-7.1

* 1980: including West Germany; 1993: including Germany

† The data for Greece are based on GDP figures calculated before the revision of the Greek national accounts system

Source: European Commission (1995)

(Table 7). These deficits are largely connected with the dynamic of social (especially pension) expenditure. Greece and Italy (with Belgium) also have the highest public debts in Europe (see Table 7). It is true that there may be some room for tax increases (rather than expenditure cuts) in all the four countries: as shown by Table 8, tax revenues as a percentage of GDP are still below the EU average – especially in Portugal and Spain. It must be noted however, that revenues have already been increasing very rapidly during the last decade; moreover, due to the size of the informal sector, the tax pressure on the formal share of the GDP is more ‘intense’ in these countries. According to some recent estimates, the hidden economy would constitute for example some 15 per cent of Italy’s GDP, thus elevating the aggregate tax pressure on the formal economy from c. 43 per cent to c. 55 per cent.²¹ Further tax increases may thus produce dangerous backlash reactions on the part of tax-payers. Labour costs

are still relatively low by European standards (especially in Greece and Portugal). But if productivity is taken into account, the competitive advantage of these countries virtually disappears, leaving little or no room for further increases of social burdens on employment. These external constraints are increasingly forcing the southern welfare state to restrict their social programmes – thus jeopardizing their chance of fully catching up with the rest of Europe, at least in terms of aggregate expenditure levels.

Equally strong internal challenges are also pushing in the same ‘austerity’ direction. On the one hand, sluggish economic growth and very high levels of unemployment lower revenues and exert heavy claims on the overall social budget. Demographic ageing – in Italy and Spain fertility rates are now the lowest in the world (Table 9) – makes increasing demands on the pension and health care sectors. In Italy and Greece public spending on elderly

Table 8 Tax revenues in EU countries*Total tax revenues as percentage of GDP*

Country	1970	1980	1992
Belgium	35.7	44.4	45.4
Denmark	40.4	45.5	49.3
Germany*	32.9	38.2	39.6
France	35.1	41.7	43.6
Ireland	31.0	33.8	36.6
Luxembourg	30.9	46.0	48.4
Netherlands	36.7	44.7	46.9
United Kingdom	36.9	35.3	35.2
EUR12	30.9	36.8	41.4
Greece	25.3	29.4	40.5
Spain	16.9	24.1	35.8
Italy	26.1	30.2	42.4
Portugal	23.1	28.7	33.0

* Unified Germany beginning in 1991

Source: OECD (1993)

Table 9 Fertility in EU countries*Total fertility rate by member state*

Country	1960	1992	% change
Belgium	2.56	1.56	-1.00
Denmark	2.54	1.76	-0.78
Germany	2.37	1.30	-1.07
France	2.73	1.73	-1.00
Ireland	3.76	2.03	-1.73
Luxembourg	2.28	1.64	-0.64
Netherlands	3.12	1.59	-1.53
United Kingdom	2.72	1.79	-0.93
EUR12	2.61	1.48	-1.13
Greece	2.28	1.39	-0.89
Spain	2.86	1.23	-1.63
Italy	2.41	1.25	-1.16
Portugal	31.0	1.55	-1.55

Source: Eurostat (1994)

Table 10 The efficiency of health care: public attitudes*'Health services available to the average citizen are inefficient and patients are not treated as well as they should be'*

Country	Agree	Disagree	Don't know
Belgium	37	57	6
Denmark	46	50	4
Germany	27	65	7
France	36	61	3
Ireland	58	32	10
Luxembourg	32	62	6
Netherlands	32	61	7
United Kingdom	43	50	4
EC12	50	44	6
Greece	82	9	10
Spain	72	18	9
Italy	82	14	4
Portugal	80	16	4

Source: Ferrera (1993a)

people (mostly pensions) has already reached the highest levels in the OECD area: 15.3 per cent, and 12.8 per cent of DP respectively in 1991. With their modest 7.9 per cent and 5.5 per cent, Spain and Portugal still lag significantly behind: given their generous pension formulas, however, system maturation in these two countries has already been triggering an alarming acceleration of expenditure growth since 1991 (OECD) 1994).

All these socio-economic challenges to the southern welfare status quo are exacerbated by a number of contradictions generated by the politico-institutional features of the Mediterranean model outline above. The extent of economic insecurity and exclusion produced by the dualism of income maintenance and by the labour market crisis has reached the level of a real social emergency in certain areas of these countries – as already mentioned. Budgetary constraints and the recent pressures towards 'political moralization' have put severe limi-

Table 11 The cost of social security: public attitudes

'Social security is too costly for society. Benefits should be reduced and contributions should be lowered'

Country	Agree	Disagree	Don't know
Belgium	47	47	6
Denmark	41	56	2
Germany	25	68	7
France	46	51	4
Ireland	32	55	13
Luxembourg	33	66	11
Netherlands	40	54	6
United Kingdom	17	73	7
EC12	36	55	8
Greece	27	57	16
Spain	48	36	16
Italy	50	38	12
Portugal	47	44	9

Source: Ferrera (1993a)

tations on the old particularistic-clientelistic forms of subsidization, de-stabilizing the traditional patterns of welfare-mediated social integration. The 'Southern family' itself is showing signs of diminishing resilience, strained by a 'four cornered' attack on its traditional security. The half-hearted universalism in health care – especially on the financial side – has created increasing equity dilemmas, especially with the introduction of costly forms of co-payment at the point of service utilization (Ferrera 1995b). The waste associated with collusive practices between public and private sectors in health and social services are no longer compatible with the new austerity climate, while the level of user dissatisfaction with service organization has reached impressive levels, as testified by opinion surveys (see Table 10). There are worrying signs that all these developments may have started to erode the basic support for the welfare state in Italy and the Iberian countries. As Table 11 shows,

Spain, Portugal and Italy display a relatively high attitudinal potential for a tax-welfare backlash. In Italy, this potentially has already been clearly exploited by some of the new parties emerging after the 1992/1994 electoral earthquakes: the Lega Nord and Forza Italia. In Spain, this attitudinal potential is providing fertile ground for the *Partido Popular* – the emerging challenger to the PSOE hegemony. The structural crisis of south European social protection will not be easy to overcome. More equitable redistribution of benefits (less benefits for the privileged non-needy; more benefits to the needy, possibly through a universal safety net) and an organizational and financial restructuring of their health sectors (more efficient provision, more equitable financing) are very delicate operations: the increasing external pressures will make it difficult to perform them smoothly.

Within national debates, some voices have started to lament explicitly that perhaps the 'deeper and wider' European Union has arrived too early for the new southern Europe, which is therefore doomed to remain a second rate periphery. Others argue that the constraints posed by the integration process represent a good chance for a 'big' modernising 'bang', capable of finally aligning the still under-developed Mediterranean littoral with the more civilized European inland. The next decade is very likely to show which scenario will prevail.

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Notes

- 1 The 'state of the art' of this strand of research can be found in the volumes of the series on 'The New Southern Europe' edited by Gunther, Diamandouras and Puhle. One of the volumes is Gunther *et al.* (forthcoming). This huge project has reserved only marginal attention, for example, to the development of the welfare state in the area.
- 2 On the 'family of nations' concept, cf. Castles (1993a) and (1994). As with all metaphors of this kind, this notion must be used with caution, i.e. only as an heuristic tool for identifying relevant dimensions of commonality across historical cases which may group differently along other dimensions.
- 3 The influence of socialist ideals on welfare policies could obviously manifest itself only after the return to democracy in Spain, Portugal and Greece. On the other hand, in Italy the PCI's and PSI's social policy orientations have been relevant ever since the 1950s (Ferrera 1993b).
- 4 We will not, however, include France. Although this country presents some affinities with respect to the other four (e.g. Catholicism) it is also characterized by marked differences both as regards the morphology of its welfare state (e.g. a much more even system of income protection, the resilience of corporatism in health care, an effective and strong state administration) and the overall context of welfare development (earlier modernization, absence of authoritarian interruptions, etc.). For a general discussion of the historical cases comprised under the notion of 'southern Europe', see again Gunther, Diamandouras and Puhle, (forthcoming).
- 5 In 1992 the Greek pension system was reformed and a less generous formula was introduced, which will gradually decrease the ratio reported in the table. Restrictive reforms have also recently been introduced in Portugal (1993) and Italy (1995).
- 6 In France, the *Revenue Minimum d'Insertion* was introduced in 1988, in Belgium the *minimex* was introduced in 1974 and the *Revenue Minimum Garanti* was introduced in Luxemburg in 1986.
- 7 As recognized by Perez Diaz and Rodriguez themselves.
- 8 On family trends in southern Europe see the annual reports of the European Observatory on Family Policy (European Commission, Brussels, various years). A historical overview of the south European family is contained in Kertzer and Brettell (1987). For a discussion on Italian 'familism', see Ginsborg (1995). It must be noted that the other side of the 'high solidarity' coin of southern familism is the high burden falling on women's shoulders. On the gender implications of southern European familism and social policies (with specific reference to Italy) see for instance Saraceno (1994).
- 9 'In this game, four children are located in four corners of a room or a garden, watched by a fifth one standing in the middle. The four children play around and feel safe so long as they stay close to their spots. But of course they move and run from one corner to another, switching places. And the moment any of them moves, and leaves this spot unguarded, the fifth child runs into it and tries to take his place. The name of the game is to stay in any of the safe corners and move around swiftly and carefully while the unlucky child in the middle tries to replace one of the runners. Spanish workers do play around from one safe corner to another, with unlucky watchers in the middle who have just dropped out of the safety net, for one reason or another ... and with more and more foreign immigrants playing the game, and starting as unlucky watchers' (Perez Diaz and Rodriguez 1994: 32).
- 10 As is known, the ideas that 'stateness' (i.e., broadly, the degree of decision making autonomy of state officials vis-a-vis non-state actors as well as their capacity to implement decisions) matters for the development and functioning of the welfare state is a fairly recent aspect in the comparative debate and has been mainly illustrated, so far, with reference to the US experience (see Orloff 1993 and Skocpol 1992). We believe that the southern European experience provides new interesting illustrations of the relevance of this dimension. On the notion of welfare stateness (conceptualized primarily in the sense of state penetration of the welfare sphere), see also Flora's Introduction in Flora (1986/87).
- 11 We use here the notion of 'state power' in Mann's sense to indicate both 'the range of actions which the [state] elite is empowered to undertake without routine, institutionalized negotiation with civil society groups' (*despotic power*) and 'the capacity of the state actually to penetrate civil society, and to implement logistically political decisions throughout the realm' (*infrastructural power*) (Mann 1986: 113).
- 12 For a characterization and distinction between corruption and clientelism (with specific reference to the Italian case) and a review of the literature, see Della Porta (1992).
- 13 For a survey of this literature in the 1980s, see Ferrera (1989b).
- 14 As it involves mass-scale *individual* exchanges between politicians and voters, southern European clientelism is distinct from the 'pork barrel' transactions which take place in most democratic political systems. The latter are still centred on *legislation* (however circumscribed) and primarily involve social categories (however narrow) rather than single beneficiaries.
- 15 Cf. Ferrera (1984) and (1987), which also contain a review of the literature.
- 16 In 1991 the rules on preference voting were

- changed after a national referendum, thus restricting the space of manoeuvre of clientelistic exchanges. See Pasquino (1993).
- 17 For an illustration of the traditional practices of control, see Ancisi (1976).
 - 18 In 1984, this reference to the socio-economic conditions of the area of residence as a 'correcting' factor in the assessment of disability claims was abolished. After this tightening, the number of INPS benefits started to decline, giving rise however to a parallel increase of the benefits paid by the Minister of the Interior (see Figure 1).
 - 19 For a discussion of the southern European modernization, in its various aspects, cf. again Gunther *et al.* (forthcoming), and especially the contribution of Malefakis. See also Giner (1993).
 - 20 Contrary to the US, no serious and effective bureaucratic reform has been introduced in southern European countries to this date. In fact, the exploration of the reasons why southern European political systems have failed to provide the conditions for the information of coalitions for bureaucratic universalism (Shefter 1977) is an urgent and interesting task for comparative research.
 - 21 The source is a study by Alesina and Marré, summarized in the weekly magazine *Il Mondo*, 11 September 1995.

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