SOCIAL POLICY IN LATIN AMERICA:
Questions of Growth, Equality, and Political Freedom

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COMMUNITY PARTICIPATION IN HEALTH: THE POLITICS OF PRIMARY CARE IN COSTA RICA. By Lynn M. Morgan. (Cambridge: Cambridge University Press, 1993, Pp. 181. $49.95 cloth.)


SOCIAL POLICY IN A NON-DEMOCRATIC REGIME: THE CASE OF PUBLIC HOUSING IN BRAZIL. By Gil Shidlo. (Boulder, Colo.: Westview, 1990. Pp. 163. $28.50 paper.)


Sweeping changes in social policy have been implemented in some Latin American countries and are being considered in others. These dramatic policy changes are occurring as nations face immense pressures to make social provisions for growing populations, often in the context of political and economic strain. The books reviewed in this essay reflect a growing body of work on applied policy and scholarly interpretation of these developments.

The foci of the studies and reports are diverse. Substantively, they include examinations of health, education, housing, employment, and
retirement pensions. Some of the studies examine social policies in the aftermath of economic crisis while others analyze social policies during redemocratization. Methodologically, the books range from single-country case studies to overviews of policy in many Latin American and Caribbean countries.

Together, the books reflect two fundamental contemporary debates in development with direct implications for the role of social policy. The first debate concerns the relationship between inequality and economic growth. Drawing on the seminal work of Simon Kuznets (1955), many development scholars have assumed that in the short term, inequality is an inevitable outcome of economic growth. The implications for social policy include creating targeted measures that ameliorate the difficulties of those who benefit little in the short run until the anticipated benefits of development diffuse throughout society. The hope is that equality can be maintained somewhat during economic development if proper attention is given to distribution of benefits.

Others claim that inequality does not always accompany economic growth. These observers typically point to the newly developed nations of East Asia (see Birdsall, Ross, and Sabot 1994). The apparent implications for social policy are to focus almost exclusively on economic growth because benefits will “trickle down” or be distributed otherwise. According to this perspective, naturally occurring benefits of economic growth would be more profound than ameliorative social-policy efforts on the part of the government.

The second debate, which is somewhat related to the first, concerns the relationship between political participation and economic growth. This debate was highly visible at the 1993 United Nations conference on human rights, where many participants took the position that economic growth is not necessarily accompanied by political freedoms. Indeed, some conferees voiced the opinion that political rights may constitute barriers to economic development, at least until a minimum level of economic production has been achieved. This position illustrates the growing influence of high-growth authoritarian states (again, many of them in East Asia). The implications for social policy point to top-down measures designed more for economic effects (meaning social provisions aimed at developing human capital in order to increase economic productivity) than for the distributional concerns that have dominated social policy making in Western Europe and North America.

The opposing argument that political rights are essential to economic development is the traditional Western viewpoint, so dominant that it hardly requires explication here. One version of this theme is articulated by Amartya Sen, who suggests that scholars’ conceptualization of economic needs depends on public debate and discussion, which in turn depend on political rights (see Dreze and Sen 1989). The implica-
tion for social policy is that openness in the political process is essential for groups to compete freely and hence productively in the market as well as to engage in democratic actions that will ensure social policies that will provide for their security and welfare. In developing nations, Sen finds that more open political regimes avoid severe social disasters like famines. This viewpoint has immediate implications for democratization in authoritarian states.

I turn now to the highly diverse group of books on social policy under review, which can be discussed in terms of these two underlying issues: the relationship between economic growth and equality and the relationship between political freedom and economic growth.

GROWTH, EQUALITY, AND SOCIAL POLICY

Much of the debate regarding economic growth and equality has occurred in the arena of international development. Thus it is not surprising that studies of these issues frequently are sponsored or published by international agencies.

At one extreme are analysts who propose that the free market can do a better job than the central government in addressing the needs of most sectors of society. This position is outlined in one of a series of reports published by the Inter-American Development Bank on reforming the sector that delivers social services in Latin America. Teresa Infante, Patricia Matte, and Antonio Sancho (1992) have asserted that radical social and economic reforms are needed: a strong role for private and nonprofit sectors in providing social services to even the most needy; separation of regulatory, financing, evaluative, and supervisory responsibilities from the execution of programs; administrative decentralization; and subsidies targeted for the needy. Citing the Chilean model, Infante et al. contend that policy should be geared toward social investment and economic growth rather than toward redistribution of income.

Pensions

The most striking example of this approach is the set of Chilean pension reforms enacted in 1981. A pioneer in social security in the Americas in the 1920s, Chile initiated in 1981 an approach to social policy that favors market mechanisms over direct government provision. In La previsión en Chile ayer y hoy: impacto de una reforma, Hernán Cheyre Valenzuela compares the radical pension reforms of 1981 with the policies they replaced. Chile’s old pension system was based on the Western welfare-state concept of social insurance but was administered inefficiently and inequitably by a myriad of institutions for various sectors of the population (160 different funds just for social security benefits, according to

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In Cheyre Valenzuela's estimation, the old pension system (which covered only 64 percent of the population) suffered from lack of uniformity, lack of mechanisms for automatic readjustment, high dependence on public funds, and lack of security for investments.

Under the reforms implemented in 1981, employed workers contribute over their working years into individual pension accounts that are held for them by approved managers of investment funds. Participants are required to contribute a minimum amount but may contribute more if they choose. Investment decisions are made by the individual. A minimum pension is guaranteed by the state for those who do not accumulate sufficient amounts during their lifetime, but workers must accrue at least twenty years of contributions to qualify for an old-age pension in Chile.

Cheyre Valenzuela comes down decidedly on the side of the reforms, underlining the active role that individual contributors can assume in planning and managing their own pensions and investments, increased competition, less negative impact on employment, improved equality, and increased capital accumulation. But Cheyre Valenzuela does not address the issue of high administrative costs. Such costs in the new Chilean pension system are reportedly close to 30 percent of the mandatory 10 percent savings rate, leading to questions about the efficiency of a privatized social security system (see Diamond 1993). Similarly, Cheyre Valenzuela reports that the system subsidizes financing for disability and survivor benefits, but he does not address the question of how the system can adequately cover informal labor workers, the poor, and others who do not generate twenty years of contributions.

With respect to investment performance of Chile’s pension funds, Carmelo Mesa-Lago agrees with Cheyre Valenzuela. In Mesa-Lago's *Portfolio Performance of Selected Social Security Institutes in Latin America*, Chile emerges as the clear leader. For example, invested Chilean assets equaled 15 percent of gross domestic product in 1987, as compared with a mere 1 percent in Mexico. Average Chilean yields were 13.8 percent in the 1980s, compared with a negative 20.8 percent in Mexico (pp. 38–39). Given the financial pressures on social security institutions throughout the region, Mesa-Lago emphasizes the importance of accumulating and managing social security assets. After examining eight large and small countries in Latin America and the Caribbean, he recommends bringing down inflation, granting the social security agency autonomy from the state, diversifying investment portfolios, and giving priority to investments with higher yields.

Editors Andras Uthoff and Raquel Szalachman, in *Sistema de pensiones en América Latina: diagnóstico y alternativas de reforma*, also underline the financial instability of Latin American pensions systems. Recognizing widespread inequalities in coverage and benefits, however, they propose a mixed system that provides basic coverage for everyone through sub-
sidies for the poor but also permits voluntary investment via individual contributions for those who can afford it. In detailed and informative case studies, various contributors to this volume examine the contexts of reform as well as the economic and institutional challenges that face countries in moving toward such a system. These include Bolivia, where more than 82 percent of the population has no coverage, and Guatemala, where federal indebtedness, poverty, and lack of financial infrastructure pose major obstacles. Other contributions address the situations in Colombia, Brazil, and Mexico, where institutional arrangements are in place but are highly inequitable.

Health Care

A mixed system of free market and distributional policies is proposed in the World Bank’s influential *World Development Report, 1993: Investing in Health*. The report notes that despite huge health care expenditures (totaling 8 percent of the world product in 1990) and improvements in income and education, the poor continue to suffer from ill health and disease. The report makes a strong case for a multidisciplinary approach, moving decidedly away from emphasizing medical services. One chapter is devoted to exploring health as it relates to poverty, education, and the role of women. Another chapter addresses public health, including rural and urban health risks and prevention options. Clinical services, the role of government, and financing and managing health expenditures are also discussed.

The World Bank report advocates what has become a well-known position among international development and lending agencies: reducing the role for central governments in finance and service provision while building in mechanisms to increase human capital and basic preventive and clinical health services for the poor. Specifically, the report calls for three steps: fostering an environment that enables households to improve health by emphasizing economic growth and education that favor women and the poor; increasing government spending on basic health care, including public-health programs and cost-effective targeted primary care and prevention programs; and promoting diversity and competition in providing services and insurance, including private insurance for added coverage and competition in procurement policies.

Connie Weil and Joseph Scarpaci’s *Health and Health Care in Latin America during the Lost Decade: Insights for the 1990s* presents further evidence of the challenges to health in Latin America, especially after a decade of tightening resources. Several essays support the argument for broadly based public-health and medical services. The first part of the book presents several contributions that analyze the impact of the economic crisis and offer recommendations for health-care reforms in Latin
America, including critical analyses by Antonio Ugalde on the impact of the economic crisis on health and by Carmelo Mesa-Lago on financing health care in its wake. The second half of the book presents case studies highlighting the multiplicity of factors that can affect health and health care at the local level. Scarpaci’s chapter on the dynamic response of shantytown residents to central government cutbacks in Southern Cone capitals exemplifies the kind of research needed to understand how policies impact communities. A more extensive introduction and a conclusion would have helped integrate the case studies into the contextual material presented at the beginning.

In *Nutrition and Health Programs in Latin America: Targeting Social Expenditures*, Guy Pfeffermann and Charles Griffin analyze experiences with targeting in nutrition and health programs, a key aspect of social-policy proposals advocated by international lending agencies. The authors’ overall assessment is that targeting works: “Accurate targeting diminishes the chance that public investments in human capital will simply replace those private investments that would take place anyway, and it increases the probability that government programs will help to equalize opportunities rather than exacerbate inequities” (p. 1). But the primary focus is on cost savings, not on the impact on beneficiaries. For example, Pfeffermann and Griffin argue that by eliminating general food subsidies and targeting the poor, Mexico reduced its expenditures on food subsidies from 1.0 percent to 0.2 percent of gross national product in the 1980s. Yet other observers have raised the prospect that reducing expenditures risks reducing consumption by the poor. For example, Martín del Campo (1987) argued that as a result of switching from general to targeted food subsidies in Mexico, many of the poor were no longer reached. Although Pfeffermann and Griffin cite Chilean successes in reducing costs and targeting the poor, questions can be raised about access and quality of care for the poor in Chile. Clearly, more research is needed to understand the consequences of targeting policies under different schemes.

Assuming that economic growth leads to changing social conditions, editors Lincoln Chen, Arthur Kleinman, and Norma Ware examine the “health transition” in *Advancing Health in Developing Countries: The Role of Social Research*. Stages in the health transition are reflected in the shift from high to lower levels of mortality from infectious and parasitic diseases after introducing clean water, widespread vaccinations, education for women, and other health changes. Although infectious and parasitic diseases lessen in the later stages of the health transition, this decline is accompanied by a rise in chronic, degenerative, or accident-related diseases. Contributor Sally Findlay outlines a research agenda aimed at building knowledge of health changes while applying it to interventions. Several other contributors explore the dynamics of the health transition, including sociocultural influences, household health strategies, and com-
munity-wide factors that affect health. Then several empirical studies illustrate the uses of social science research in understanding changes in health behavior. The concluding essays address the issue of how social science research can contribute to better understanding and planning for health. Although the essays overlap somewhat, together the contributors make a persuasive argument about how research can enhance understanding of the determinants and consequences of health transitions and the implications for health policy. Particularly welcome is a broader focus that examines large-scale socioeconomic and political change as well as micro-level factors that can, according to anthropologists Norma Ware, Nicholas Christakis, and Arthur Kleinman, "serve to mediate the effects of large-scale socioeconomic change upon health outcomes" (p. 23).

John Briscoe's *Brazil: The New Challenge of Adult Health* also examines the health transition. Chronic and degenerative diseases and injuries now account for the majority of deaths in Brazil (up from 38 percent in 1960 to 54 percent in 1986) as well as most illness-related spending. In a detailed analysis using a variety of data sources, Briscoe argues astutely that mortality from "new" urban diseases will increase dramatically in the next few decades, with the poor suffering most as they also continue to die of "old" infectious diseases. Briscoe recommends, in addition to increasing efficiency, focusing on efforts at promoting health and preventing disease before demand for services for new diseases absorbs the health resources available. He argues that close attention should be paid to the effects of health strategies on the poor, and he describes successful and unsuccessful projects. Regarding financing, Briscoe proposes that the poor should pay less and receive more care, while the middle and upper classes should pay more for their health care and receive less.

**Employment**

The Bolivian Emergency Social Fund represents another attempt at targeting, this one financed by the World Bank. It was established to fund small-scale, labor-intensive projects in a short-term response to economic crisis. Operating outside the normal government bureaucracy and targeting the poor, the fund financed social assistance and production support, although most funding underwrote construction projects. *Workers' Benefits from Bolivia's Emergency Social Fund* evaluates the fund's experience. Authors John Newman, Steen Jorgensen, and Menno Pradhan report that it was successful in employing low-income unskilled construction workers but not the poorest groups in Bolivian society. This monograph provides an interesting case example of how one country channeled jobs and income into the hands of poor laborers, although the implications for public employment policies are addressed only briefly.
Education

Fernando Reimers's slim but informative volume, *A New Scenario for Educational Planning and Management in Latin America: The Impact of the External Debt*, addresses education and economic growth. In examining educational expenditures in Latin America and their relation to the public external debt, Reimers finds that educational expenditures decreased by an average of 2.4 percent during the 1980s, compared with average increases of 3.4 percent during the 1970s. Analyses of budgets indicate cuts in teaching materials, school buildings, and primary and rural education. Reimers concludes that the poor suffered disproportionately in the economic crisis and that education policy should confront issues of equality directly. He argues for a shift away from sectoral allocation to program and project allocation accompanied by stepped-up efforts to attract more foreign assistance. Covering both sides of the economic growth and equality argument, Reimers also suggests that educational planners should manage decline by viewing education as investment and linking it more directly to increasing productivity in both the modern and traditional sectors.

**POLITICAL FREEDOM, ECONOMIC GROWTH, AND SOCIAL POLICY**

The fundamental question underlying the work of the other scholars under review here is the role of politics and political participation in economic growth and social policy. These works underscore the integral role of social policy in governance and provide insights into political systems by examining the making of social policy.

**Pensions and Social Security**

Carmelo Mesa-Lago, longtime observer of social security policies in Latin America, continues to argue for extensive reforms in health and pension programs. His previous work asserted that social security policies throughout Latin America have benefited the politically and economically powerful (Mesa-Lago 1978). Building on that corpus, *La seguridad social y el sector informal* documents how informal workers and their families are largely excluded from social security schemes in Latin America (although he reports on significant efforts by a few countries to increase coverage). In a detailed examination of coverage in Mexico, Costa Rica, Jamaica, and Peru, Mesa-Lago finds that the reasons for low coverage are various: the high cost of contributions relative to income, the administrative difficulties of incorporating the informal sector, poor benefits that offer few incentives to participate, and low mobilization of the informal sector. He reiterates his earlier position that coverage of the informal sector cannot be accomplished within the confines of the model of social insurance.
introduced by Bismarck in Germany. Moreover, given the great diversity among Latin American countries, plans will have to be developed country by country. Basic principles should guide policy development nevertheless, including improving information systems, moving toward self-financing, developing program priorities, and creating a basic benefits package.

In another volume, *Social Security and Prospects for Equity in Latin America*, Mesa-Lago turns his attention to the question of whether pension and sickness-maternity programs cover the poor and voices again his skepticism about the utility of the Bismarckian welfare-state model for most Latin American countries, especially the poorer ones. Mesa-Lago also points out high administrative costs, resistance by interest groups, and economic crisis. Using a typology he developed previously (Mesa-Lago 1978), Mesa-Lago recommends devising different strategies for different types of countries. Those with old and established social security systems should focus on stabilizing their finances, while newer systems should increase coverage without destabilizing their financial footing.

The obstacles to reform are daunting. Mesa-Lago points to promising models for extending coverage in Mexico (IMSS-COPLAMAR) and Brazil (FUNRURAL), but he ends on a somber note. Citing Borzutsky’s (1991) work on Chile, Mesa-Lago underscores the power of pressure groups and suggests that authoritarian governments have a better track record than democratic governments in achieving successful reforms. This observation, which is consistent with the school of thought that views economic growth as a prerequisite to political freedom, would seem to imply that prospects for social security reform among newly emerging democracies are bleak.

**Health**

In *Health Care and the Poor in Latin America and the Caribbean*, Mesa-Lago focuses on sectors of the population consistently underserved by health policies. He estimates that 39 percent of Latin Americans are not covered. Moreover, spending on the poor who are covered is lower than on more powerful groups whose benefits are more extensive. Important exceptions are the more equal non-Latin Caribbean countries that have set up national health systems.

Mesa-Lago argues that many factors have led to the paucity of care for the poor: a health-policy model that is inappropriate in the Latin American context, economic crisis, high levels of need, administrative obstacles, lack of political power among the poor, and a lack of political will. But he also provides detailed descriptions of innovative projects in the public and private sectors that are tackling some of the challenges of serv-
ing the poor, including a government program in Mexico (COPLAMAR), entities that resemble health maintenance organizations (igualas) in the Dominican Republic, and grassroots-based services in Peru. The scope of the work sometimes requires brief explanations. Overall, however, *Health Care and the Poor in Latin America and the Caribbean* is an indispensable source for students of health services and those concerned with poverty and health.

Social policy is analyzed for what it tells us about the nature of the state in Lynn Morgan’s *Community Participation in Health: The Politics of Primary Care in Costa Rica*. Can social policies provide a means through which the poor can participate meaningfully? The answer, according to Morgan, is no. In this richly detailed historical case study, she argues that centrally planned and controlled social welfare programs, like health care in Costa Rica, do not permit effective community participation. To her credit, Morgan makes her case using macro-level data and also examines how policy has played out in a small town in the banana-growing region of eastern Costa Rica.

Morgan found that despite a democratic tradition, a commitment to health care and community participation, and concerted efforts by reform-minded health officials, rural communities were ignored or repressed when they raised independent grassroots concerns. Costa Rica dismantled its community participation program in 1985. In Morgan’s view, “the pattern by now is familiar: participation is allowed and even encouraged within governmentally defined limits, but once the invisible boundary is breached, participation becomes a disease, a threat to the social fabric” (p. 165). Arguing that government-sponsored participation programs are not essential to improving health, she asserts that independent, “ad hoc, spontaneous, unpredictable” participation is the way for communities to resist inequality (p. 166). Morgan raises thorny issues about participation, but perhaps she expects too much of such programs. Massive and sustained mobilization through community participation in social programs is unlikely. Yet “political space” for meaningful participation may occasionally open, even if resisted by authorities (see Fox 1992; Halpern 1993).

In *Healing the Masses: Cuban Health Politics at Home and Abroad*, Julie Feinsilver explicitly raises questions about the importance of political freedom to creating an equitable and effective health system. This engrossing study, completed over a period of fourteen years, offers a historical overview of health-policy developments in Cuba. The country’s commitment to health is viewed as a central source of political legitimacy that is also tied to economic survival: “Cuba’s medical diplomacy and efforts to become a world medical power can be seen in part as a drive to accumulate symbolic capital (prestige, influence, goodwill) that the Cuban leaders hope to convert into material capital (trade and aid)” (p. 25).
Although Cuba thus far has avoided the fate of other socialist nations, Feinsilver concludes with foresight that continued economic decline during the 1990s may prove to be an insurmountable challenge to maintaining health-policy achievements and that “without democratization, economic salvation is unlikely. . .” (p. 211).

**Education**

In *The State, Corporatist Politics, and Educational Policy Making in Mexico*, Daniel Morales-Gómez and Carlos Alberto Torres argue that educational policies implemented in Mexico over the past two decades have actually fostered social and economic differences. Despite revolutionary promises, “the planning of schooling and nonformal education have played a central role in the process of social reproduction and political control exercised by the State” (p. 171). The first half of this book details the context and content of educational policy since the Revolution of 1910. The second half includes case studies in primary education, nonformal education, literacy programs, and adult workers’ education. These chapters provide examples of how the state’s formal goals of promoting equality are not being realized. Using well-documented historical analysis along with in-depth studies of specific educational policies, Morales-Gómez and Torres demonstrate that the absence of democratic political processes has impaired the social development of the poor.

In *Education, Policy, and Social Change: Experiences from Latin America*, the same analysts have edited a volume that focuses on the failures of education in Latin America and calls for development of a “new paradigm” emphasizing “equality, quality, and relevance of education in a context of diminishing resources” (p. 15). Stagnating economies, privatization, and a drop in donor contributions have combined to make improvements difficult to achieve and have also reinforced the low priority given to educating the poor. The country case studies deepen the analysis. In this collection, countries are classified according to political context: democratic countries confronting socioeconomic and political problems; countries undergoing authoritarian to democratic rule; and countries challenged by political turmoil, poverty, and conflict. Surprisingly, Costa Rica is placed in the last group rather than in the first.

Morales-Gómez and Torres conclude by arguing that more research on education policies is needed. But they also provide a rather broad assessment of factors that must be addressed in order to improve education: “it is necessary to deal with the reformulation of the role of the state and other organizations of the civil society, to restructure and modernize the country’s institutional structure, and to solve existing social inequality and the problems of extreme poverty” (p. 188).
Another book contributing to this literature is Gil Shidlo’s *Social Policy in a Non-Democratic Regime: The Case of Public Housing in Brazil*. Shidlo uses housing policy as the empirical basis of the study and asks why nondemocratic nations spend a significant proportion of their budgets on social services. Taking housing policy in Brazil between 1964 and 1985 as an example, Shidlo makes the case that military leaders provided social benefits to assure cooperation among the urban sector and thus increase the regime’s legitimacy. He then points out the limitations of policy making in a bureaucratic-authoritarian state. The Brazilian policy, which focused on savings accounts for housing that were subsidized by employers and government, was intended to benefit low-income groups but ended up serving primarily middle- and upper-income families because low-income groups lacked the political clout to make effective claims in the clientelistic Brazilian bureaucracy.

**Conclusions**

Returning to the two fundamental questions guiding this review of wide-ranging studies, a few concluding observations may be useful. First, regarding growth versus equality, several insightful studies explicitly recognize the necessity of helping the poor as an investment, including the World Bank 1993 report on health, Reimers’s *New Scenario for Educational Planning and Management*, and Uthoff and Szalachman’s *Sistema de pensiones en América Latina*. In contradiction to the traditional intellectual assumption implicit in Western welfare states, social policy does not have to be a drain on economic production and can even contribute to it. The books that emphasize the free market simplistically and those that emphasize redistribution only are much less interesting from a development standpoint. In essence, this generalization suggests an overall rejection of the debate over growth versus equality. A better focus might be growth and equality, with a major role to be played by social policy. If we can learn anything from examples of East Asian development, this dual goal would surely be at the top of the list (see Birdsall, Ross, and Sabot 1994).

Turning to the debate over political freedom versus growth, it is abundantly clear that much social policy in Latin America has resulted from essentially nondemocratic processes that have not served the interests of the poor. This trend can be identified in education, health care, housing, retirement security, and other areas. Nor can it be argued that these inequitable social policies have promoted growth, especially in recent years.

There are no simple prescriptions. If the poor were better represented, they could vote themselves the resources they need to develop.
Yet the single most striking example of growth-oriented social policy may be Chile’s individual investment-based retirement system. It was born of an authoritarian regime but, depending on eventual coverage of the population (already better than under the former pension system), this social policy may become the foundation for a broader political “voice.” It remains unlikely, however, that reforms such as those implemented in Chile will succeed any more than the system they replaced in incorporating mechanisms that adequately address needs of the poor.

In some policy analyses, particularly those disseminated by international agencies, the themes of “decentralization” and “privatization” are loosely defined and often assumed to be synonymous with effectiveness, efficiency, and democracy. Although these themes may generate useful discussion, it is important that they be defined and researched carefully. For example, what is privatization? Does it refer to nonprofit or profit-making agencies? What effect does privatization have on coverage, especially of the poor and disenfranchised? What is meant by decentralization: does it involve policy or implementation decisions? And decentralization to what—to states or municipalities or some other entities? Does decentralization necessarily increase democratic decision making? These key questions deserve much more attention.

Overall, these books underscore that no clear consensus exists on social policy and that we may need new ways of thinking. As Morales-Gómez and Torres point out in Education, Policy, and Social Change, traditional perspectives on social policy—whether the Western welfare-state model, the Marxist critique, or the individualistic human-capital model—do not address the realities of contemporary Latin America. On the intellectual side, more attention should be given to institutional issues that underlie freedom, growth, and equality (see North 1990; Ostrom 1993), particularly the role of social policy in creating these institutions. On the practical side, more attention should be paid to emerging innovations and partnerships among the state, the commercial sector, nongovernmental organizations, beneficiaries, and international aid agencies. Although most national policies do not reflect these efforts, numerous small projects are working to promote simultaneously investment in the poor, participation by the poor, and economic growth.

Methodologically, in the search for increased understanding of social-policy challenges and solutions, it is essential to analyze the kinds of national statistics on which many of the studies reviewed here are based. In addition, analysts benefit from case-study research that examines social conditions and policy impacts at the micro-level. This group of books indicates that more researchers are combining methods of inquiry, using both macro- and micro-level data. Examples come to mind readily: Ware and her coauthors argue in Advancing Health in Developing Countries for incorporating anthropological methods into health research; Scarpaci
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observes in Health and Health Care in Latin America how shantytown residents have responded to government cutbacks in health care; and Morgan analyzes in Community Participation in Health how national health policy is played out at the local level. More empirical work is needed, for example, to understand how individual investment solutions (like the Chilean pension reforms) affect groups in the informal labor sector. The more encompassing and enriching approaches to inquiry reviewed here are a welcome development in the study of Latin American social policy.

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