

**Social Protection, Family and the Crossroads of Inter and Intra-Generational  
Solidarity in Developing Unequal Societies  
Challenges for Latin America**

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## **1. Families: abstract or historically grounded definitions**

In order to speak of family policy, we first have to address the delicate matter of what we conceive as family or families and their functions. Families can be defined by their functions. Such is an elegant way, but one not without its perils, to avoid problems of historically and culturally grounded and thus biased definitions. But we should first attempt at least an ontological definition of family, so as to separate it from other social arrangements and specially from other stable systems of interaction of people (workplaces, parties, collective households, prisons).

The definition to be attempted bears a very distant resemblance to the legal definitions of family that most states explicitly address. By no means do we imply by this that legal definitions of family are irrelevant. They are very important but they are not meant to provide analytical tools to understand this type of groupings and their role in society, but rather to sustain and discipline the population into some of the versions that these groupings assume. A sociological definition of family has to recognize in its basic concepts the broad variety of social arrangements that can be understood as a distinct social arrangement, but encompassing the relevant variations. In the end this is a typical “boundaries” exercise of “class”. Establishing common denominators that once recognized empirically allow us to say that this apparently very different things should be called a family always has to be tested on logical and empirical grounds. Such is in the end the role of theory: accumulated research that put together tells us something about how to classify the world and the find relations between these classes of things. Of course normative and historically grounded dimensions will always enter our definitions. We choose a definition that operates through difference and probabilistic identity. In other words our definition excludes certain things and then approximates what are the common denominators that should be present.

A simple definition of what families are can be attempted. Families are closely knit social groups bounded by relations of parentesco (which in part at least are usually based on forms of blood lineage and/or stable bonding and dwelling) that share, distribute and reproduce material resources based on statuses, roles, power and norms of reciprocity that fall outside the dynamics of markets and states (though are influenced by these spheres). Furthermore families are a distinct historical institutional arrangements that in different times and spaces tend to assume certain stable features in terms of division of roles, typical integration and central norms and behaviors. They are usually intergenerational and almost across all cultures a central (though by not means the only) type of family involves reproduction and caring for offspring.

This definition of family is both insufficient and imperfect. But it is a working definition that we believe has the sufficient scope to accept many concrete forms of this type of social arrangement and at the same time excludes other relevant forms that should not be confused or conflated with family. Beside the definition, we are particularly interested in the role that this institution of family has on the broader society. In particular we are

interested in its role and interactions vis a vis markets and states and in its role regarding the political economy of gender and generational distribution of power, welfare and risk.

Families like no other social institutions condense and reproduce social values and relations. They are also the essential distributional unit of society, both at the micro level and as the central intermediary agent between individuals, markets and states at the macro-level. Families represent again like no other the meeting point of inter and intra-generational distributional contracts.

- a. Families at the micro level constitute both the locus of solidarity and inequality, of reciprocal action and domination.
- b. Families at the micro level provide the basic ingredients for sense of belonging and emotional support and at the same time can be major factors affecting alienation and emotional distress
- c. Families at the macro-level constitute a general form of inter-generational solidarity and a mechanism for the stratification along gender, age and classes.
- d. Family boundaries can furthermore be understood as the space where the definitions of what is public and private become contested and reshaped.
- e. Social protection systems can reinforce any of the micro or macro level functions of families.

If the points made above are true, then rather than defining family policy as direct or indirect we should go about defining the family implications of policy in general and of social policy in particular. If there is a distinction to be made in terms of policy it should be one of intent and historical boundaries. Some policies are aimed at supporting certain family types and certain family functions in given historical situations (and are recognized explicitly as pursuing such aims), while others, that no doubt had at some point a closer link to family “intent” have now become sufficiently institutionalized outside of family functions and types so as to be perceived as separate from or lacking a direct explicit link to families. But one would be hard pressed to isolate or identify policies that have no effects on families. Now if our question is policies that are meant to have a particular effect on a particular type of family, then of course we could differentiate between family policy and other policies. But if in doing so we then only concentrate on what would be labeled explicit family policy we would impoverish both the wide array of policies that affect families, and the wide array of families that are affected by policies.

What I do believe is an interesting undertaking is to identify, within the broad array of policies that affect families, those that are explicitly aimed at dealing with the transformation of families themselves or the conditions under which families operate. In this sense, policies that recognize the changing landscape of family arrangements, and the links of its members to the labor market and to the state is an interesting subfield within the broader concerns of evaluating social protection policies in light of family in general.

## **2. The notion of risk, welfare regime and the place of policy and family in it.**

All societies distribute social risks between men and women, rich and poor, educated and non-educated, children, adults and old people in a differential way. There is a political economy of social risk. Markets, families and communities distribute wealth, security and opportunities differentially according to fixed and acquired attributes of the population (Esping Andersen 2002). These three channels of production and distribution of wealth, security and opportunities are based on an essentially de-centralized rationale. Individuals decide whether they use, add and put into good use their assets in terms of physical, human and social capital. In doing so, they are establishing general parameters of supply, demand and prices, family arrangements and territorial distribution of the population. These parameters will determine future possibilities of making use of existing opportunity structure.

But there is another sphere of production of wealth, security and opportunities: the state. This is an essentially centralized sphere. The state plays three basic roles: collecting resources from the community, distribution and allocation of resources in the community and regulation of acceptable and non-acceptable behavior. The state also intervenes with incentives in the working of the three de-centralized spheres, market, families and community (Przeworski 2003). In other words, states determine people chances because states control the tax systems, the public expenditures and the laws which regulate interactions among people and groups (whether market, families or communities).

The articulation between state, markets and families make up for what is known as a welfare regime (Esping Andersen 1990, 1999). This definition departs from the one that accounts only for the social policies of the state. A welfare regime is more than a set of social state instruments. It is the intersection of a risk production structure and a market, family and state architecture of social protection against risks. It also includes the regulation of the risk produced by de-centralized structures. Given this perspective, states are not to be assessed solely in normative terms, according to their level of expenditure or even in comparative terms. A key feature to assess social policies and social states is how states respond to the risk structures and the distribution of risks. This conceptual road leads to the definition of social risk.

All individuals go through risk situations in terms of material and emotional welfare. Social risk does not refer to the presence or absence of random risk but to the idea of empirical recurrences in which is possible to identify the connection between social vulnerability and certain population categories (according to different criteria such as age, gender, social class, educational level, life course, etc). Young couples face the risks of poverty due to the start of both their productive and reproductive cycle, the elderly face other challenges related to their physical and emotional decline combined with their increased isolation from the market, their families and their communities, children face the risks related to their family dependence and adolescents must solve the challenges of emancipation. These risk structures are predetermined and exist in the majority of societies.

But, it is clear that societies vary in the type and amount of the production and distribution of the social risks named above. Also, societies vary in the usage of social devices and the social capacity to minimize, moderate, compensate or simply deal with these risk situations (Esping-Andersen 2002, Huber and Stephens 2004). A country which concentrates its new births in young low income mothers is radically different to one that concentrates its new births in its middle class or older women. Old people who live in societies with strong family solidarity networks will find themselves less isolated than those in societies with weak family units in terms of care and resources. Also, a country where women are mostly employed in the formal labor market is different to one where women depend on the rent of the male head of family.

Now, there are collective responses carried out by the state and its social policies to this “natural” production of social risks. To speak of centralized response to natural risks is merely an analytical resource. Social risk, its quantity and intensity among different population categories is necessarily a product of de-centralized agents in the market, families and communities and the centralized action of the state. There is nothing intrinsically “natural” in the way markets, families and communities produce and distribute quantities and qualities of risk. The existing dynamics result from parameters institutionally defined by the state and by cultural beliefs rooted in long term incentives and legal norms. At the same time, these parameters are the product of processes more or less democratic in which multiple actors express their interests and invest power resources. State decisions are not characterized by its artificiality or centrality but by being binding and authoritative (Przeworski 2003). Markets and communities generate aggregated parameters which will become structural constraints for actions and opportunities later. But they do not make decisions related to the collection and distribution of resources and the regulation of behavior which are legally binding. This is, beyond doubt, the role of the state alone.

Therefore, states contribute with differential actions to the risk production structure (Esping-Andersen 2002) and to the distribution of the caregiving responsibilities. When doing so, they affect the risk, care distribution and intergenerational solidarity strongly. The unprotected old people of the low solidarity models will be protected in the social states where there exists universal coverage of rent and social services for the elderly. The children will depend less on their families’ fortunes and misfortunes in countries with preschool and full time school are universal. Divorced women who depend economically on their ex-husbands will be more protected if there is state regulation of the economic transfers between ex-partners and if there are support systems for the female headed households.

This conception of social risk and caregiving is behind the main thesis of this work. As families and markets change, the distribution, type and quantity of social risks and the devices for social protection change as well. Since states are part of the risk production structure and the protection system, they should contribute to answer to emergent risks. When this does not happen, there are two possible outcomes: families, communities and/or markets undertake adaptive processes and absorb such risks, or, non covered risks increase both in quality and quantity for certain social groups.

For families, communities and markets to take certain actions and absorb risks, certain conditions must be fulfilled. Families must have available adult resources, stability and cooperation among members; communities must have basic forms of reciprocity and trust anchored in minimal normative efficiency that might support more complex cooperation dynamics. Finally, market agents must perceive potential profit associated to a given opportunity of risk absorption.

When these conditions are not fulfilled, those risks which the state does not address will not find answers in adaptive modalities of markets, families and communities. An array of problems will affect deeply the social health of individuals, families and countries:

- a. Intra generational trap: individuals do not have access to mobility channels from the market, state or family.
- b. Intergenerational trap: the descendents of vulnerable groups inherit disadvantages
- c. Increase of events potentially catastrophic: sudden processes of descending social mobility generated by non addressed risks which leave individuals out of resources, collective protection and incapable of mobilizing social assets.
- d. Inter and Intra-generational breakdown of solidarity and cohesion. Free rider and individualistic solutions tend to dominate adaptation strategies. Cooperative behavior among family members and individuals reaches a suboptimal level for aggregated welfare.
- e. Zero sum solutions start to dominate, conflict increases both between and within generations and sexes, at the family, community and national level.

In this sense, the urban more demographically developed part of Latin America constitutes a test case scenario for the challenges confronting social protection regarding three major changes in the social structure: increasing labor market participation of women, changes in family arrangements, and population ageing. These three developments bring to the fore the problem of intergenerational solidarity, gender distributional conflicts and very saliently care and economies of care, as well as the impact of these new challenges on welfare policy financial sustainability and fertility rates in the population. In addition it adds a whole new arena where opportunity and welfare are redistributed due to the interaction of family transformation, labor participation of women and gender and generational distributional conflicts. Put more simply, where men work for wages, women do it in the household and in care for others, ageing is limited and families with two parents tend to last close to a lifetime, the issue of who does what is settled. Men work, women take care of the house and children, and the elderly take care of themselves or are taken care of by women in extended households. Also opportunity and welfare are distributed in relatively settled terms, dependent on male position and marriage patterns. Finally a contributory welfare model build for stable two parent male breadwinner families in a labor market close to full formal employment is burst asunder in its efficacy and financial basis when both labor markets and families change.

No matter how much we are to question the idealized version of welfare regimes in Latin America (both on empirical and normative grounds), data indicates that the last thirty years have moved further away from this version of family and labor markets (increased female headed households, a steep increase in divorces, more unemployment and informality within male population, and increased rates of female labor participation in also increasingly informal labor markets).

Among the different and many problems that this decoupling of social structure and social protection creates, the issue of care and intergenerational solidarity becomes central. As women enter the labor force, as population ages and as family arrangements change, issues such as who shoulders the burden of care, how policies help reconcile work and family, and how state services and state interventions confront these challenges, become salient topics, and they enter fully and visibly the distributional conflicts and agenda of state, policies and politics.

As welfare regimes confront these problems, four alternatives become possible: market solutions to care and protection, state provided solutions to care and protection, redistribution of care burdens and protection among males and females and generations in families and collective non-state solutions (third sector and community solutions). Family policy or social protection policy with family implications is of course dominant when we speak of the second type of solution, but it is also very relevant in affecting the access to market solutions, community actions and within family redistribution of responsibilities for care and protection, as well as the capacity of families to provide such care and protection.

Latin America presents certain peculiarities that make the reconstruction of social protection systems an extremely hard task, both politically and technically. Social Policy that comes to terms with family transformation and ageing and gender policy that assumes center stage in the design of family oriented policy are critical in order to have some chance of success in promoting intergenerational solidarity and social cohesion. To the structural tensions of Latin American Social development we now turn.

### **3. Inequality, urbanization, age structure and Family in Latin America**

No region with the possible exception of Subsaharan Africa is as unequal in terms of income distribution as Latin America is. Such a trait alone sets it apart from the rest of the developing world. But if we carry a more systematic analysis of the region in terms of socio-demographic development other specificities come to the fore. In carrying out this exercise we have to be careful not to confound level and type. Latin America has countries at various levels of socioeconomic development. If we were to carry out a classification of Latin American countries by level they would separate in three distinct groups and each subregion would pair itself with other developing regions or subregions. Indeed countries such as Argentina and Chile at the high human development level would share that position with countries such as Korea, Singapore, Poland and others, while Guatemala and Honduras would share the middle to low human development index with countries such as Vietnam, Uzbekistan, Argelia and others.

Los países y sus niveles de desarrollo humano al inicio del milenio\*

|   | Media |
|---|-------|
| <b>Grupo de ingreso medio-alto y alto - IDH alto</b>                |       |
| Tigres asiáticos  | 0,898 |
| Europa del Este   | 0,850 |
| Latinoamérica   | 0,839 |
| <b>Grupo de ingreso medio y medio-alto - IDH medio y medio-alto</b> |       |
| Península Arábiga   | 0,783 |
| Latinoamérica   | 0,778 |
| Europa del Este   | 0,773 |
| Tigres asiáticos  | 0,765 |
| <b>Grupo de ingreso medio-bajo - IDH medio-bajo</b>                 |       |
| Latinoamérica   | 0,695 |
| Europa del Este   | 0,691 |
| Futuras potencias asiáticas   | 0,684 |
| África del Norte  | 0,681 |

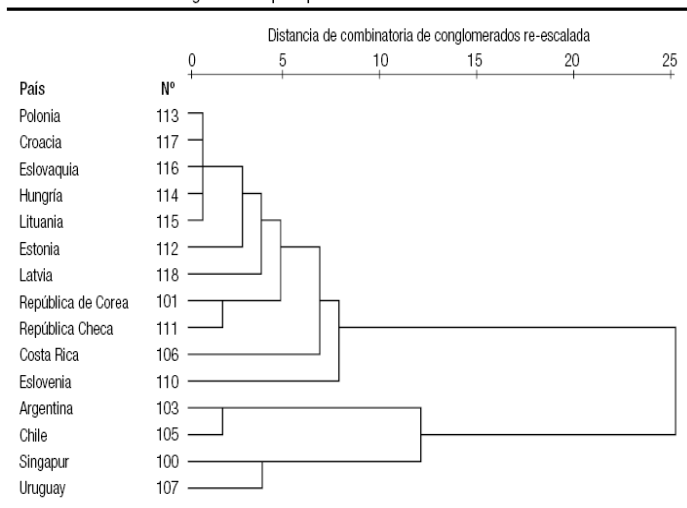
Fuente: Elaboración propia con base en datos de PNUD (2004).

\*El cálculo de los valores de desarrollo humano presentados surge de datos del año 2002.

But if instead of classifying levels of development we want to classify types or profiles of social and demographic development we would want to run cluster analysis within each level with a same set of potentially discriminatory variables. We are particularly interested in inequality, fertility, age structure, urbanization and family arrangements.

Is Latin America unique, does it have a particular configuration of sociodemographic and economic variables that suggest a need to think our policies within that context. The answer is a definite yes, even-though some cases do not fall within this Latin American macro-constellation.

Conglomerado para países de alto desarrollo humano



Fuente: Elaboración propia según Base de Datos Consolidada Global.

Países de desarrollo humano alto: variables seleccionadas por subregiones (en %)

| Región           | Tasa neta de matrícula en primaria (2000-2001) | Población activa (2002) | Tasa de dependencia infantil (2002) | Tasa de dependencia adultos de 65 años y más (2002) |
|------------------|--|-------------------------|-------------------------------------|---|
| Tigres asiáticos | 99,5000  | 72,1667                 | 0,2642                              | 0,1217  |
| Latinoamérica    | 95,6250  | 65,5571                 | 0,3934                              | 0,1347  |
| Europa del Este  | 92,3333  | 68,6444                 | 0,2471                              | 0,2103  |
| <b>Total</b>     | <b>94,4737</b>                                 | <b>68,0632</b>          | <b>0,3037</b>                       | <b>0,1685</b>                                       |

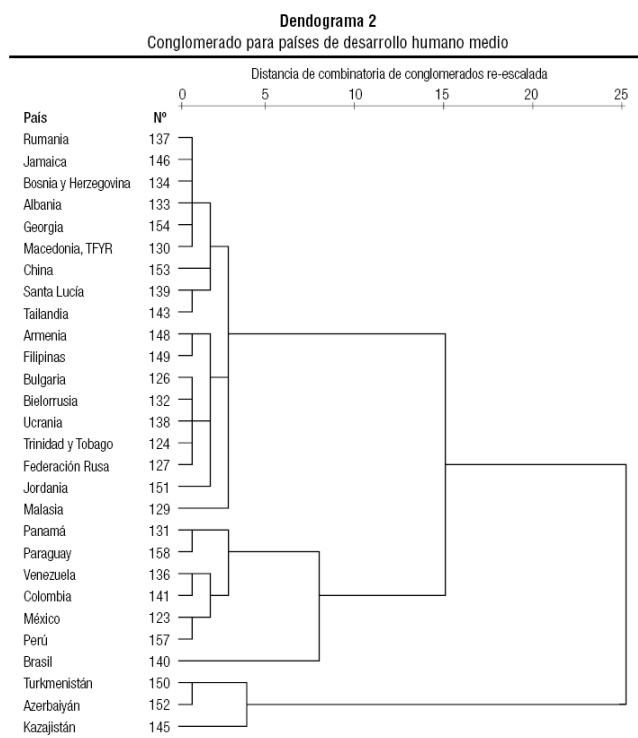
Fuente: Elaboración propia según Base de Datos Consolidada Global.

Promedios en variables seleccionadas por subregiones en países de desarrollo humano alto (en %)

| Región           | Tasa total de fertilidad (2000-2005) | Tasa de mortalidad de 0 a 5 años (2002) | 10% más rico / 10% más pobre | Población urbana (2002) |
|------------------|--------------------------------------|---|------------------------------|-------------------------|
| Tigres asiáticos | 1,2667                               | 4,5000                                  | 14,1573                      | 94,3333                 |
| Latinoamérica    | 2,1143                               | 15,0000                                 | 30,3837                      | 75,6125                 |
| Europa del Este  | 1,2667                               | 9,6667                                  | 8,3368                       | 65,8778                 |
| <b>Total</b>     | <b>1,5789</b>                        | <b>11,3684</b>                          | <b>14,9399</b>               | <b>74,0400</b>          |

Fuente: Elaboración propia según Base de Datos Consolidada Global.





Fuente: Elaboración propia según Base de Datos Consolidada Global.

**Análisis de conglomerados de los países de desarrollo humano medio-bajo**

| Pais                      | 4 Conglomerados | 3 Conglomerados | 2 Conglomerados |
|---------------------------|-----------------|-----------------|-----------------|
| 174 Uzbekistán            | 4               | 3               | 2               |
| 175 Kirguistán            | 4               | 3               | 2               |
| 177 Tayikistán            | 4               | 3               | 2               |
| 160 Ecuador               | 2               | 2               | 1               |
| 161 El Salvador           | 2               | 2               | 1               |
| 171 Honduras              | 2               | 2               | 1               |
| 172 Nicaragua             | 2               | 2               | 1               |
| 173 Guatemala             | 2               | 2               | 1               |
| 159 República Dominicana  | 1               | 1               | 1               |
| 163 Túnez                 | 1               | 1               | 1               |
| 164 Argelia               | 1               | 1               | 1               |
| 165 Egipto                | 1               | 1               | 1               |
| 166 Marruecos             | 1               | 1               | 1               |
| 167 Indonesia             | 1               | 1               | 1               |
| 168 Vietnam               | 1               | 1               | 1               |
| 169 Mongolia              | 3               | 1               | 1               |
| 170 Bolivia               | 3               | 1               | 1               |
| 176 República de Moldavia | 1               | 1               | 1               |

Fuente: Elaboración propia según Base de Datos Consolidada Global.

**Promedios en variables seleccionadas por subregiones en países de desarrollo humano medio (en %)**

| Región            | Tasa neta de matriculación en primaria (2000-2001) | Población activa (2002) | Tasa de dependencia infantil (2002) | Tasa de dependencia adultos de 65 años y más (2002) |
|-------------------|--|-------------------------|-------------------------------------|---|
| Península Arábiga | 85,9000  | 63,7909                 | 0,5408                              | 0,0456  |
| Tigres asiáticos  | 91,7500  | 65,0000                 | 0,4650                              | 0,0795  |
| Latinoamérica     | 96,0909  | 63,2545                 | 0,4998                              | 0,0844  |
| Europa del Este   | 89,8000  | 67,5308                 | 0,3246                              | 0,1588  |
| <b>Total</b>      | <b>90,8857</b>                                     | <b>65,0103</b>          | <b>0,4494</b>                       | <b>0,0978</b>                                       |

Fuente: Elaboración propia según Base de Datos Consolidada Global.

**Promedios en variables seleccionadas por subregiones en países de desarrollo humano medio (en %)**

| Región            | Tasa total de fertilidad (2000-2005) | Tasa de mortalidad de 0 a 5 años (2002) | 10% más rico / 10% más pobre | Población urbana (2002) |
|-------------------|--------------------------------------|---|------------------------------|-------------------------|
| Península Arábiga | 3,5091                               | 20,8182                                 | 9,0303                       | 84,6364                 |
| Tigres asiáticos  | 2,4500                               | 28,2500                                 | 17,7493                      | 56,6000                 |
| Latinoamérica     | 2,5636                               | 26,4167                                 | 48,4502                      | 69,8500                 |
| Europa del Este   | 1,6000                               | 39,6154                                 | 9,2801                       | 60,6462                 |
| <b>Total</b>      | <b>2,4974</b>                        | <b>29,3500</b>                          | <b>24,4704</b>               | <b>69,6000</b>          |

Fuente: Elaboración propia según Base de Datos Consolidada Global.

**Promedios en variables seleccionadas por subregiones en países de desarrollo humano medio-bajo (en %)**

| Región                   | Tasa neta de matriculación en primaria (2000-2001) | Población activa (2002) | Tasa de dependencia infantil (2002) | Tasa de dependencia adultos de 65 años y más (2002) |
|--------------------------|--|-------------------------|-------------------------------------|---|
| África del Norte         | 92,5000  | 62,9750                 | 0,5138                              | 0,0757  |
| Futuros Tigres asiáticos | 91,0000  | 63,6333                 | 0,4970                              | 0,0749  |
| Latinoamérica            | 90,8571  | 57,8714                 | 0,6610                              | 0,0727  |
| Europa del Este          | 91,0000  | 62,1500                 | 0,5142                              | 0,1018  |
| <b>Total</b>             | <b>91,2941</b>                                     | <b>60,9167</b>          | <b>0,5683</b>                       | <b>0,0802</b>                                       |

Fuente: Elaboración propia según Base de Datos Consolidada Global.

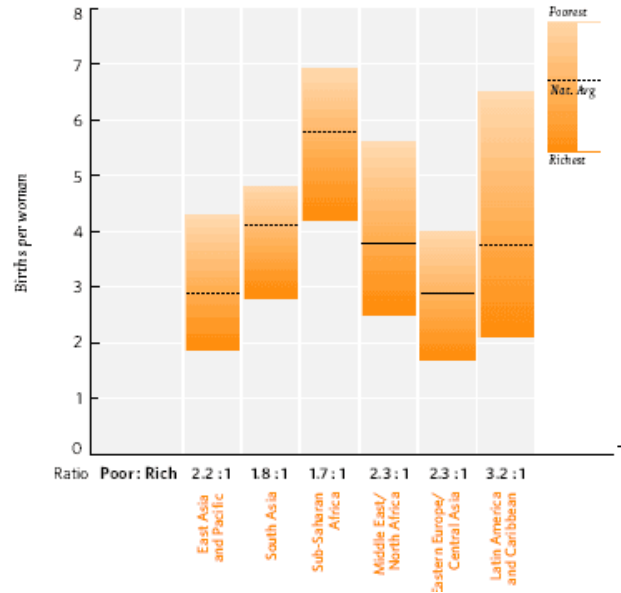
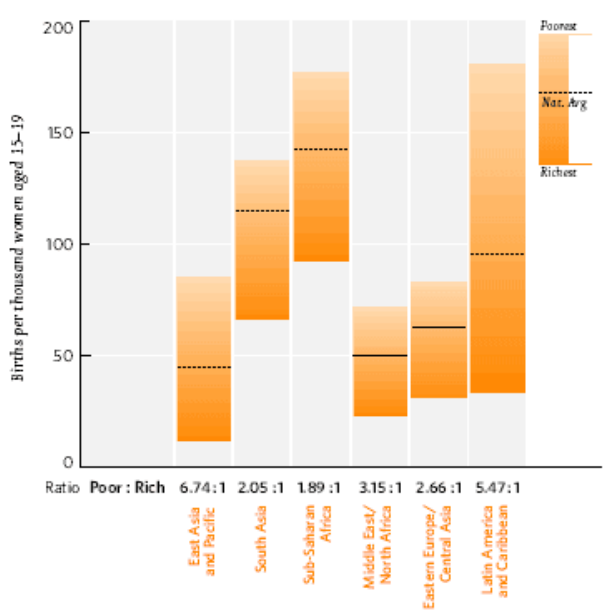
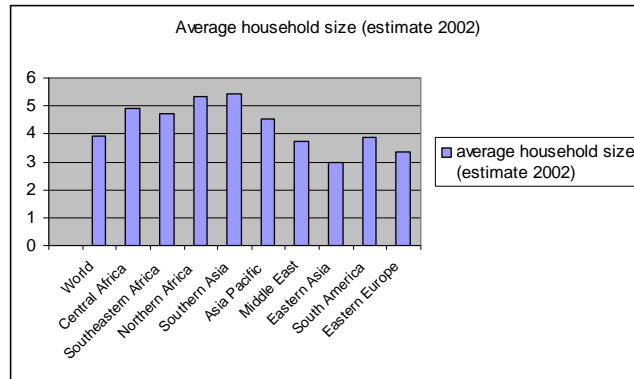
**Promedios en variables seleccionadas por subregiones en países de desarrollo humano medio-bajo (en %)**

| Región                   | Tasa total de fertilidad (2000-2005) | Tasa de mortalidad de 0 a 5 años (2002) | 10% más rico / 10% más pobre | Población urbana (2002) |
|--------------------------|--------------------------------------|---|------------------------------|-------------------------|
| África del Norte         | 2,7000                               | 39,7500                                 | 10,7812                      | 60,7750                 |
| Futuros Tigres asiáticos | 2,3667                               | 51,6667                                 | 11,2804                      | 49,9000                 |
| Latinoamérica            | 3,4286                               | 44,1429                                 | 38,8646                      | 61,6286                 |
| Europa del Este          | 2,3750                               | 58,2500                                 | 7,5258                       | 36,7000                 |
| <b>Total</b>             | <b>2,8556</b>                        | <b>47,5556</b>                          | <b>21,0623</b>               | <b>53,9444</b>          |

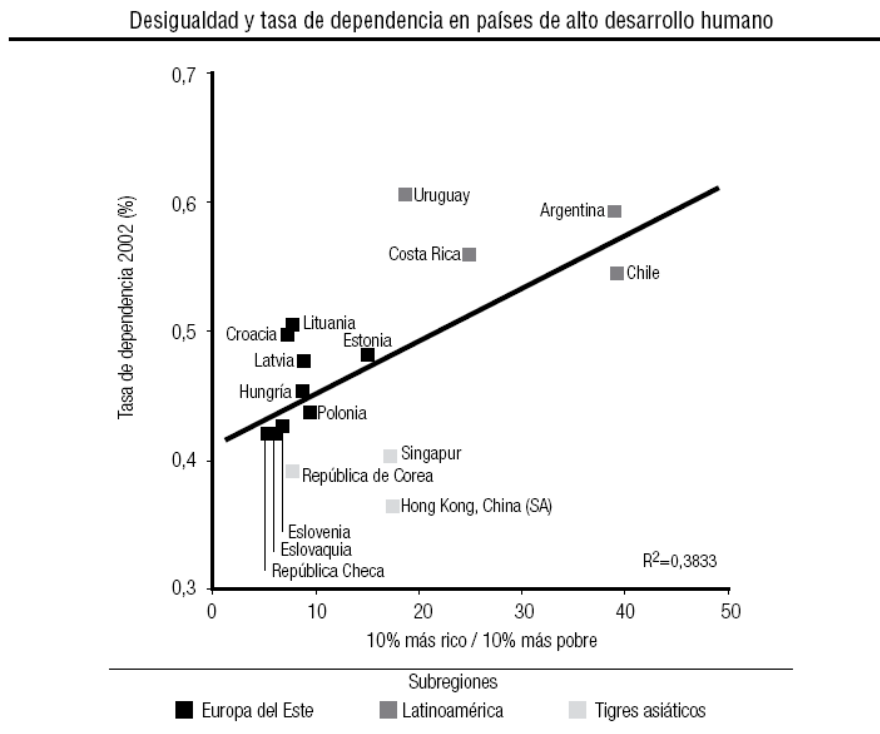
Fuente: Elaboración propia según Base de Datos Consolidada Global.

The data presented above shows that for all levels of human development, and with few exceptions Latin American countries tend to cluster together and distinctly separate from other regions and sub-regions of the developing world. The variables that create these

specific clusters are also quite clear: ratio of income by deciles, fertility rates, age structure, dependency ratios and urbanization. In comparative terms the region presents: high inequality, high combined dependency ratios, high urban bias, relative high fertility rates. Though it has not been entered in the models, stylized data suggests four other features for Latin America: strong pattern of segmented (yet mutually related labor markets), marked gap and non convergence in fertility rates, smaller average household size and less presence of extended households (this last two features hold only in comparison to regions other than the ex-socialist block).



Maybe, a stronger illustration of what we mean can be seen with only two variables (inequality and combined dependency) that in the most developed countries of Latin America cast them apart from the rest of their developmental peers. This, though not performed here, could probably be extended not to countries, but to the urban areas of most of Latin America.



No region in the world is reaching old age with the levels of inequality that some Latin American countries and regions within countries are. If we added as a third variable GDP per-capita we could go further. No region in the world has at the same time the relative low levels of GDP, high inequality and ageing of the population. This constitutes a major challenge and a learning experience that can and should be used to think about devices to confront what will inevitably come to a large part of the developing world.

The implications of the broader macro-constellation of socio-demographic development for the region can be summarized succinctly:

- Highly unequal exposure to structural risk and vulnerability
- High unequal access to the capacity to buy insurance against risks
- Shorter demographic window of opportunity
- High incidence of urban poverty

- Low capacity of social security systems to achieve universal coverage
- Strong structural bias towards the intergenerational reproduction of poverty
- Low capacity of families to operate as intergenerational solidarity arrangements

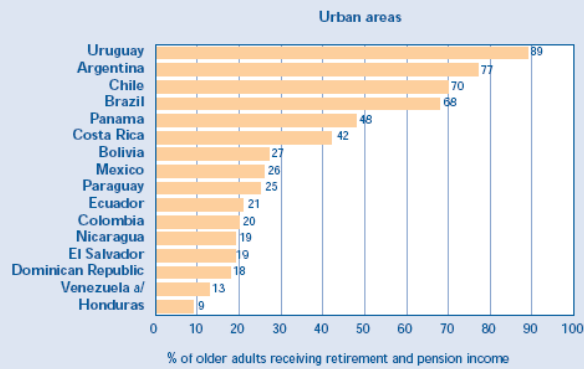
The reality of Latin America has become more complex given the present and future transformation it confronts. Again in very schematic terms we can make a quick checklist of the most important transformation in terms of family, markets and age structure.

- Labor market transformations
  - Increased rates of activity, especially female
  - Loss of public and industrial employment, increase in services
  - Marked increase in unemployment
  - Increasing labor instability
  - Increased Informality
  - These changes are not similar across population groups: it affected more negatively youth, women and the less skilled

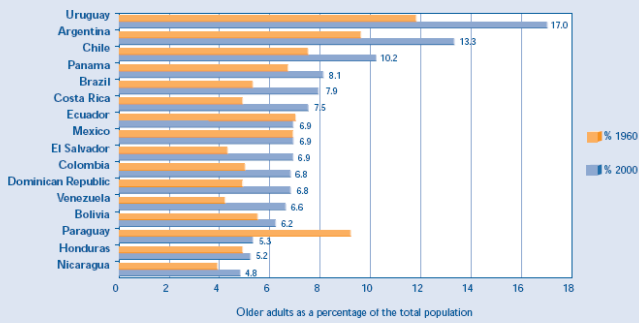
Three functions of the labour market are hindered because of these changes: as a distributional mechanism, as a means to access security, as a status to access other social rights. Yet reforms in social policy assumed that the labor market would evolve rather in the opposite direction that it evolved

- Family transformation
  - Increased divorce rates
  - Increase in non-married couples
  - Decrease in formal unions or marriages
  - Reconstituted families increase (families by spouses and children from a divorced or separated previous family)
  - Single (predominantly female) parenthood and single headed households increases
  - Change in the sexual division of labor. Entry of women in the labor market.
  - Increase in unipersonal households of elderly people increase
  - Slight decrease of extended multigenerational households
- Demographic (age and fertility) change
  - Lower fertility
  - Divergent fertility rate drop by income and education both in quantity and calendar
  - Higher life expectancy
  - Shift towards dependency rations led by ageing rather than fertility
  - Increase in population over 60, 70, and 80
  - Closing of demographic window of opportunity in 10 to 20 years in countries with more advanced demographic transitions.

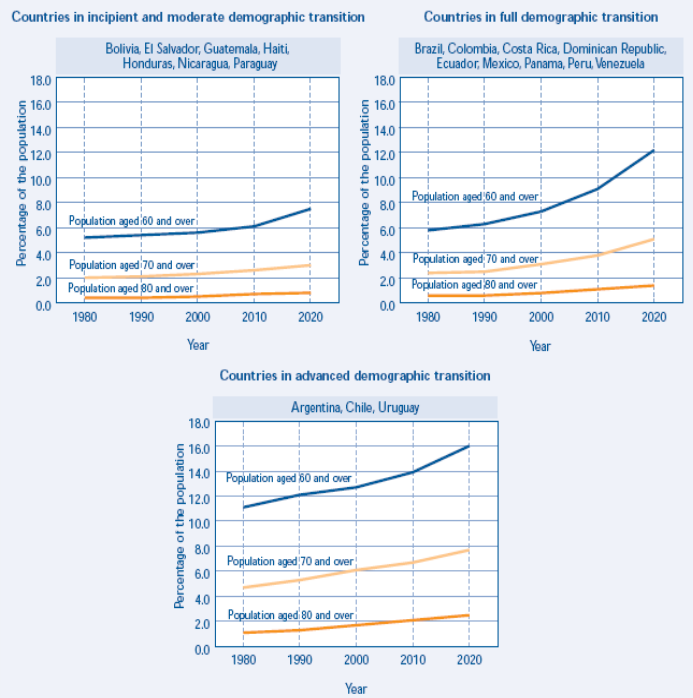
PERCENTAGE OF POPULATION AGED 65 AND OVER RECEIVING RETIREMENT AND PENSION INCOME, 1997



PERSONS AGED 60 OR OVER AS A PERCENT OF TOTAL POPULATION, 1960 AND 2000



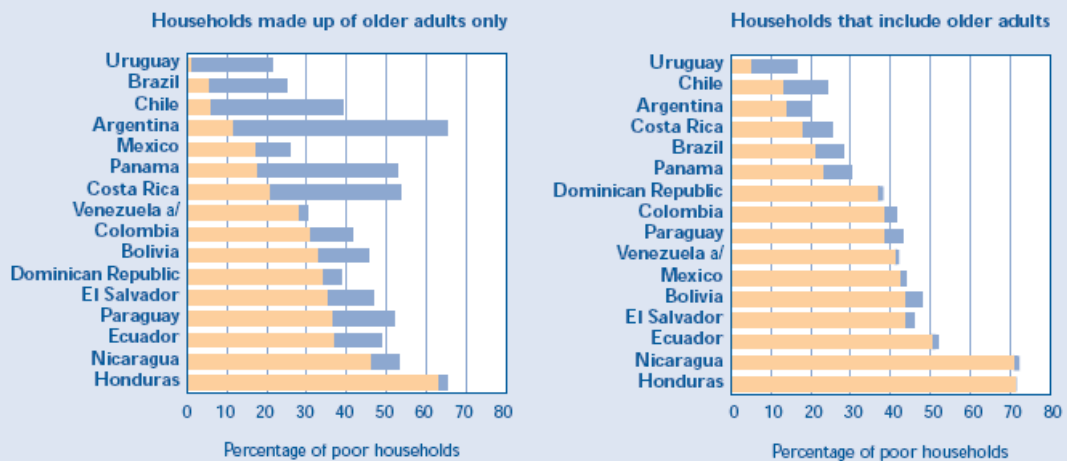
RELATIVE SHARE OF THE POPULATION AGED 60, 70, AND 80 AND OVER IN COUNTRIES OF LATIN AMERICA, CLASSIFIED BY STAGE OF DEMOGRAPHIC TRANSITION, 1980-2020



Source: ECLAC Population Division – Latin American and Caribbean Demographic Centre (CELADE), population projections.

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IMPACT OF PENSION BENEFITS ON URBAN POVERTY RATES ESTIMATES AROUND 1997



These family and demographic transformations imply that there is a:

- Concentration of reproduction in poor sectors
- Increasing risk of intergenerational cycle of poverty
- Increased vulnerability of child and mother
- Increased dependency of women on a decreasingly efficient and inclusionary labor market
- Less family support in times of crisis
- Less adult time for children
- More demands of care coming from the intersection of persistent high fertility in poorer sectors and increasing population reaching old age in those same sectors.

The reforms of the late 1980s and the 1990s assumed that markets and families could undertake much of the tasks of protection, insurance and access to welfare that previously was expected and attempted (not always accomplished) by the state. The idea was that there were more efficient institutions than the state to perform these tasks. Yet both the structural tensions of Latin American social development, as well as the recent trends in terms of markets, families and age and fertility structure, demonstrate that without state policies that factor in family change, fragility of family links to markets and brutal levels of inequality, expecting the shoulders of families –and especially women- to come to the rescue is nothing more than wishful thinking. A return to a State that builds its social protection assuming a stable bi-parental, patriarchal, male breadwinner family model in a desirable full formal employment market and in an assumed relatively young population is worse than wishful thinking. It is plain nonsense. Not all reforms of the nineties either neglected the state or attempted to roll back time. Some, though timid and insufficient went in the right direction. Others combine good intentions, average design and limited delivery. The closing section delves into these lights and shadows and into the possible advice that emerges from these rather inconsistent but nevertheless relevant efforts.

#### **4. Protection, Policies and Families: Gender and Generation (section in PROGRESS)**

##### **Cash transfers and family: Is there room for a new inter-generational new contract?**

As population ages the issue of generational orientation of social spending becomes a salient one. Social security with pensions and health care costs leading the way, can assume a magnitude that neglects spending in services geared at the reproductive side of society: women and children. How to provide basic cash transfers to the elderly population that can no longer get work or work, and how at the same time developing countries continue to achieve higher participation rates by females and invest in human capital for its offspring becomes a critical equation. Also how do families adapt to the overall changing life expectancies within their units? How is care and the burden of care distributed?

Privatizing social security will not help if we care for the elderly. Most will be left out. A purely contributory system will not be sustainable. Countries in Latin America went both ways before trying to find some middle ground. Flat rate targeted or universal systems of

basic pensions have become part of the legitimate agenda of the new century. Chile, Uruguay, Bolivia, Brazil and Argentina at the provincial and national level, as well as Mexico (the Federal District) are coming to terms with the idea that a basic guarantee for old age can be both fiscally prudent and socially desirable, if at the same time subsidies for the better off pensioners are suppressed or limited. Latin America does not belong in its family genotype to the Asian societies that hold care for the elderly within the family as a still relatively sacred principle. While families –especially extended households- did in the past and still do in the present provide care and shelter for their elderly this is increasingly rare, especially among the middle and lower middle classes. This is especially problematic in the case of women, who live longer and many times do not have access to pension systems because of their informal and fragmented labor history.

The other part of the intergenerational pact concerns how much money society is willing to pay to support the role of families, and especially women in providing care, human capital and protection to children. Again, the Latin American state has assumed in the past that such payment came in the form of family wages for males that in turn would go to the household for reproductive purposes. Reality has proven less amicable. Men no longer are able or willing to sustain this contract (a gender and generational contract that bounds them to women and children) to the extent required for this model to work. Women, as a matter of fact, more and more are both the main caretaker and the main wage provider of the household. If a gender contract has been broken (and with it a generational contract), should we not collectivize it? In highly unequal societies, with fiscal limitations, where should we start? Conditional cash transfers and reformed systems of family allowances have become relevant instruments of redistribution, and have increasingly become a relevant device in the overall system of social protection. In Latin America, governments in the nineties initiate cash transfer programs directed towards the poor. (Honduras: PRAF II in 1990; México: PROGRESA in 1997 and Oportunidades since 2001, Brazil: PETI in 1998, Bolsa Alimentación in 2000 and Bolsa Escolar in 2001; Ecuador: Bono Solidario in 1998 and Bono de Desarrollo Humano beginning from 2003; Nicaragua: Red de Protección Social in 2000; Colombia: Familias en Acción en 2001) (Serrano, 2005: 72-73). The majority of these cash transfer programs are conditioned transfers: families commit to children's attendance in school and agree for mothers to receive medical check-ups. These funds or programs combine the cash nature of traditional social security transfers, the targeted and conditional nature of liberal inspired systems and the multisectoral emphasis of integrated social programs. As accepted tools in the repertoire of social policies in the region, recent governments have reassumed, extended, or launched cash transfer programs directed towards the poor. In many instances, these programs have increased the amount of assistance, providing more benefits and extending coverage. In Brazil, the Lula government pushed for the Hambre Cero (Zero Hunger) and Bolsa Familia programs, which in 2005 covered more than seven million families. In efforts to combat extreme poverty in Chile, the Chile Solidario program combined cash transfers with promotional components, psychosocial support, and personalized attention, and extending coverage to 250,000 families (Serrano, 2005:51-52). Ecuador saw the government of Rafael Correa double the amount of the Bono de Desarrollo Humano (Human Development Bond) from \$15 to \$30 per month, increase coverage to include the disabled, and double the Bono de Vivienda (Housing

Bond) from \$1,800 to \$3,600 (Ramírez y Minteguiaga, 2007: 98). In Nicaragua under Daniel Ortega, the government implemented the “Hambre Cero” program (Zero Hunger Program), under which livestock animals were distributed to the central female members of poor households.

A variant of conditioned transfers are programs of monetary support for the unemployed. In Argentina, where the unemployment rate came to surpass twenty percent, the government developed far reaching programs aimed at the unemployed. Amidst a severe economic and political crisis, the Plan Jefas and Jefes de Hogar Desocupados (Unemployed Heads of Households Plan) was put into action, and in 2003 it covered almost two million people, overwhelmingly surpassing previous programs of a similar nature (Golbert, 2004: 23-25). Repayment requirements such as community work were established, yet it has been proven quite a challenge ensuring their fulfillment. Initially, the project sought to be a universal and temporary program, but it became permanent and did not achieve universal coverage, having only reached approximately seventy percent of the unemployed. This limitation gave rise to projects being implemented in a clientelistic fashion through intermediaries (approximately 15 percent going to piquetero organizations and the rest channelled through political brokers). The plan was born out of a context of great social mobilization and, unlike other transfer programs that use a language of paternalism or human capital formation, bases itself on a discourse of social justice.

In Uruguay, a program called PANES (National Plan for Attention to Social Emergency) was established and put into effect in 2005 by President Tabare Vazquez in order to address pressing issues not necessarily associated with unemployment. In addition to the Citizen Income Program (providing monthly transfers of \$56 to eligible families), PANES included other aspects, including temporary employment (Work for Uruguay), nutrition, emergency health, education in a critical context, and housing for the homeless (Svalestuen, 2007). Moreover, PANES adopted a discourse of the right to inclusion, and was a temporary program, to be replaced in 2007 by the Plan de Equidad (Equity Plan).

The Equity Plan (Plan de Equidad), launched in September 2007 by the Uruguayan government, appears to be the most articulated policy on universal social rights. It has replaced PANES, yet it combines the assistentialist and short-term elements of the latter with an intent to reconstruct and modernize the social state. Proposals for reforms in the health and education systems are especially noteworthy, and together with tax reforms and extended pension coverage they seek to create a network of basic services and social protection for all citizens, available from infancy to death. The Equity Plan includes measures that can yield a considerable impact on the reduction of inequalities, chief among them a system of non-contributory social assistance that would encompass ninety five percent of families living below the poverty line, substantial expansion of early childhood education, the extension of retirement benefits, and a series of actions to improve the quality of education at all levels. The design of the plan aims toward a social democratic strategy of basic universalism and gradual extension of non-contributory social assistance (Andrenacci y Repetto, 2006; Filgueira *et al.*, 2005).



In Chile, there has been a slide, although slow and zigzagging, from liberal positions towards a more social democratic orientation. Since the Lagos period (2000-2006), the discourse of rights has been effectively incorporated into the design of social programs. In the area of health, the AUGE system (Universal Access with Explicit Guarantees) was established to determine illnesses and pathologies to be treated universally, along with rights pursuable in court (Serrano, 2005: 38; Waissbluth, 2006: 42-46). Subsequently, the Bachelet government instituted the Chile Crece Contigo program (Chile Grows with You), a comprehensive child protection system that covers the period from pregnancy up to four years of age. The system is universal in scope and targets assistance to the forty percent of the population that is most vulnerable. The view is that by achieving greater equity in this crucial phase of the life course one can aspire to greater equality of capacities for future development in the educational system and labor market. In 2008, Congress approved a reform in the pension system, which guarantees a basic retirement of \$136 monthly, to be increased to \$170 in 2009. This constitutes a step toward entails introducing a moderate de-commodification in a pension framework in which the liberal model continues to prevail.

Finally, it is important to highlight the relative significance of these programs in the fiscal structure of the Latin American social states. Beyond the fact that these programs have captured the greater part of general, technical, and academic attention, they represent no more than 1 or 2 percent of GDP, and in general do not constitute more than 10 percent of total social expenditures in Latin American countries (CEPAL, 2005). More recently, less attention has been paid to the transformations in education, health, and social security, the central pillars of social policy.

### **Services and families: private and collective strategies for redistributing**

In addition to a system of cash transfers that is being rethought a still underdeveloped and undernourished agenda on social services, especially education for children aged 0 to 5 and extended time in primary and secondary schools has assumed at least some space on the stage and in some countries such as Chile (extended time) and Perú, Uruguay, Costa Rica and the countries from the Caribbean (preschool) have made important inroads, but there is still a long way to go if early schooling and preschool wants to become a central piece in the redistribution of gender and generational welfare and burdens.

### **Cobertura de atención y educación de la primera infancia en países seleccionados**

| <b>País</b>        | <b>Nivel de la Educación Inicial (%)</b> |        |        |        |
|--------------------|--|--------|--------|--------|
|                    | 0-2 años                                 | 3 años | 4 años | 5 años |
| Argentina (2004)   | 0  | 0      | 28,8   | 57,3   |
| Brasil (2002/03)   | 0  | 4,8    | 26,1   | 54,3   |
| Bolivia (2002/03)  | 0  | 0,6    | 18,8   | 60,9   |
| Colombia           | 0  | 13,8   | 28,3   | 58,3   |
| Costa Rica (2005?) | 0  | 3,1    | 32,4   | 77,8   |

|                                |               |           |                |           |
|--------------------------------|---------------|-----------|----------------|-----------|
| Cuba (2003/04)                 | 11            | 99,1      | 99,7           | 100       |
| Ecuador (2002/03)              | 0             | 0         | 11,9           | n/a       |
| Guatemala                      | 0             | 6,5       | 11,3           | 34,3      |
| Haiti (2002/03)<br>niñas/niños | 1,5           | 13,4/13,9 | 20,9/21,4      | 26,1/25,3 |
| Jamaica (2003/04?)             | 0             | 60,4      | 95,9           | 98,5      |
| Nicaragua (2004?)              | 12,2 (PAININ) | 21,3      | 40             | 58,7      |
| Panamá (2002/03)               | 0             | 3,8       | 26,2           | 78,1      |
| Paraguay (2002/03)             | 0             | 2         | 18             | 83        |
| Peru (2002/03)                 | 0             | 39,7      | 60,3           | 73,7      |
| Sta. Lucía (2004/05)           | 9,4           | 70,3      | 67,2 (20,3 EP) | 8,7       |
| Uruguay (2002/03)              | 0,9           | 8,5       | 39,7           | 87,4      |

Fuente: OIT-PNUD en base a UNESCO: Perfiles nacionales preparados para el Informe de Seguimiento de la EPT en el Mundo 2007. Bases sólidas: atención y educación de la primera infancia. 2006.

### **The issue of women paid and unpaid work: adding injury to insult to those that can save us?**

Today women work as never before for wages. And women work as they always did, and maybe more for duty, love and/or food and shelter or out of fear and imposition. In other words they keep working for things other than money. This state of affairs is obviously unjust, but besides the fairness, it is unsustainable and it affects negatively the welfare of women and children and even men. Further more it limits the capacity of states to sustain fiscally the social protection system. How do we reconcile paid work and home work? How do we provide incentives rather than obstacles for women entry into the formal labor market? How do we redistribute the burden of unpaid work between men and women?

Let's remind the reader once more that these dilemmas are placed in the context of highly unequal societies. So it is especially the women of lower income groups and the children from these same sectors that most suffer the overburden of care and protection in the shoulders of women. Women and children from the other classes also suffer this state of affairs, but both through diminished fertility and through access to market solutions, they have other options. Poorer sector do not. If the state is unable to come up with regulations, goods and services that will breach the gap, equality, social inheritance and women and children welfare will suffer, and with them societies welfare at large.

Latin America has moved very slowly towards the recognition of the dilemmas and issues posed above, but the turn of the century showed some interest in these matters. A simple taxonomy can help us view some of the most interesting innovations regarding these and closely related problems.

|                   |   |   |   |  |
|-------------------|---|---|---|--|
| <b>Dimensions</b> | <b>Labor market legislation</b>   | <b>Advance in knowledge and information</b>                               | <b>Policies aimed at reconciling demands of work and care</b>   | <b>Support for Family wage</b>                             |
|                   | <b>Maternity leave for women and parental leave for both sexes</b>                        | <b>Surveys of use of time applied in many countries</b>                   | <b>Preschool expansion, extended time in school</b>   | <b>Cash transfers, Family allowances</b>                   |
|                   | <b>Protection against discrimination because of pregnancy and family responsibilities</b> | <b>Documents and briefings on Labor codes and discrimination of women</b> | <b>Houses for the care of the elder, domestic support provided by the state for the care of the elder</b> | <b>Special support for female single headed households</b> |

**The issue of new forms of families: between denial and grudging recognition**

**To be developed**

## **Bibliography**