

Models of Public Sector Intervention: Providing for the Elderly in Argentina (c. 1890–1994)*

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Abstract. This article analyses the role of the public sector in providing social insurance and assistance to the elderly in Argentina between the late nineteenth century and the present day. It assesses the extent to which this involvement embodied clear-cut development paradigms or was driven by political pressures. Between the 1940s and 1970s the public sector enjoyed a monopoly of insurance and assistance provision, with the private and voluntary sectors largely excluded. These monopolies failed to provide satisfactory levels of a welfare and proved financially unsustainable. By the 1980s a gradual process of pluralisation had begun, which culminated with the partial privatisation of social insurance in 1994.

This article addresses two separate issues. The first is the process of demographic ageing which is projected to accelerate for much of Latin America over the next few decades.¹ As shown in Fig. 1, Argentina is one of the few countries in the continent which has already experienced this process and it is therefore instructive to examine the role played by the public sector in meeting this challenge. The second issue relates to theoretical debates between the right and the left, in Argentina and elsewhere, about the role of the state in welfare provision. Much of these implicitly draw on stylised interpretations of past regimes. In the case of Argentina, it is widely held that public sector welfare interventions were extremely limited before the first Peronist government. Likewise, it is a common belief that Perón implemented an embracing welfare state, which included social insurance and pension programmes and which remained largely intact until the 1990s. These generally held views have received little scrutiny in the extensive literature on Argentine social security.

This article begins by reviewing models and philosophies of state and private sector welfare intervention which have been influential in Latin

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¹ United Nations, *Sex and Age Distributions of Population: the 1990 Revision* (New York, 1991), and P. Lloyd-Sherlock, *Social Insurance Reform in an Ageing World: the Case of Latin America* (London, 1992).

America in the late nineteenth and the twentieth centuries. It then traces the evolution of welfare initiatives for the elderly in Argentina, considering the validity of development models and their changing influence over time. By way of conclusion, the article considers the extent to which Argentina's more recent social policies and reforms can be identified with one or other of these models.

Models of state intervention

Different development models advocate varying levels of state intervention in the economy and welfare provision. Socialism represents one extreme in this debate. Whilst the only clear example of a Latin American country organised along these principles is that of Cuba since 1959, socialist ideas have had some influence throughout the continent at different periods.² Socialists advocate that the private sector should be given no role in any part of the economy, including welfare provision. Socialists argue for universal public sector welfare coverage for all major contingencies, including old age.³ By 1980 Cuba had achieved complete healthcare coverage and 93 per cent of the economically active population were included in pension programmes. However, critiques of Cuban development point out that advances made in welfare provision had been

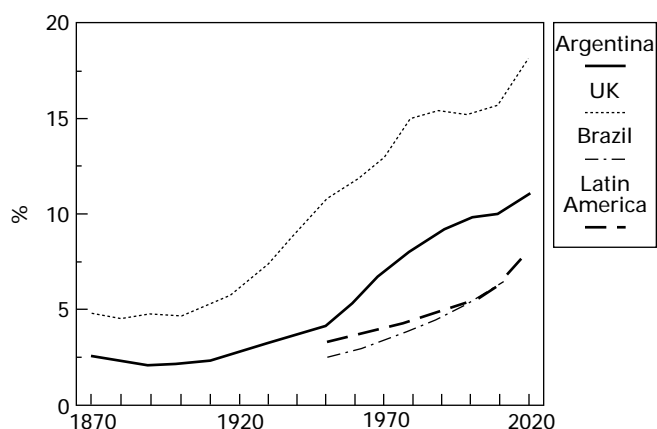


Fig. 1. Percentage of total population aged over 65 years 1870–2020. Source: B. Mitchell, *Abstract of British Historical Statistics* (Cambridge, 1962), pp. 12–13; United Nations, *World Population Prospects: 1990* (New York, 1991), pp. 244, 310, 332 and 586; Z. Recchini de Lattes and A. Lattes, *La población de la Argentina* (Buenos Aires, 1975), p. 71.

² For example, P. Drake, *Socialism and Populism in Chile, 1932–52* (London, 1978), pp. 214–67; E. Sader, 'Cuba no Brasil: influencias da revolução cubana na esquerda brasileira', in D. Filho et al., *História do marxismo no Brasil. 1. O impacto da revolução* (São Paulo, 1991), pp. 157–84.

³ C. Mesa-Lago, *The Economy of Socialist Cuba* (Albuquerque, 1981), pp. 194–5.

paralleled by failures to generate sustained economic growth.⁴ This both increased the need for welfare expenditure and reduced the resources available for such programmes.

In most Latin American countries progress in social provision occurred under the aegis of non-socialist regimes. The most important early example of this was Uruguay, which by the end of the First World War had developed an extensive welfare state. This had been implemented by a progressive, liberal regime as a practical means to establish social and political consensus and was not ideologically motivated.⁵ Nevertheless, the public sector was granted the monopoly of pension administration, through the creation of the Banco de Seguros del Estado in 1911.⁶

During the middle decades of the twentieth century, other Latin American Countries began to adopt similar welfare policies. These formed an integral part of new, non-liberal development strategies variously termed ‘statist’, ‘structuralist’ and ‘populist’.⁷ These advocated that the state play the dominant role in the economy, but also permitted the private sector to participate within the confines of strict government controls. The relative importance of the private and public sectors varied considerably, but the state was always theoretically assigned the leading role.⁸ Welfare policies bore much resemblance to those advocated by socialists, such as full insurance coverage for waged labour. However, no structuralist regime was able to achieve these welfare goals.⁹ Failure may have reflected resistance from the private sector, the mismanagement of funds or a lack of genuine political will,¹⁰ as the specific case of Argentina (examined below) will indicate.

By contrast, liberal and neo-liberal development models stress that the public sector is intrinsically less efficient than the free market and so state participation in all areas of the economy should be kept to a minimum. This includes the field of welfare, where provision should be limited to

⁴ *Ibid.*, pp. 175–6.

⁵ J. Oddone, ‘The Formation of Modern Uruguay, c. 1870–1930’, in L. Bethell (ed.), *The Cambridge History of Latin America, Volume V*. (Cambridge, 1986), pp. 464–70 and H. Finch, *Historia económica del Uruguay contemporáneo* (Montevideo, 1980), pp. 16–21.

⁶ C. Mesa-Lago, *Social Security in Latin America. Pressure Groups, Stratification and Inequality* (Pittsburgh, 1978), pp. 72–4.

⁷ M. Conniff, ‘Introduction: Towards a Comparative Definition of Populism’, in M. Conniff (ed.), *Latin American Populism in Comparative Perspective* (Albuquerque, 1982), pp. 3–30, and K. Sikkink, *Ideas and Institutions. Developmentalism in Brazil and Argentina* (New York, 1991), pp. 31–41 provide detailed analyses of these concepts.

⁸ C. Véliz, *The Centrist Tradition in Latin America* (Princeton, 1980), pp. 156–60 and 186–90 provides an examination of this strategy.

⁹ C. Mesa-Lago, ‘Comparative Study of the Development of Social Security in Latin America’, *International Social Security Review*, vol. 2, no. 26 (1986).

¹⁰ A. Cohn, *Previdência social e processo político no Brasil* (São Paulo, 1981), pp. 5–34 and J. Arellano, *Políticas sociales y desarrollo en Chile: 1924–84* (Santiago, 1985), pp. 71–97.

those in extreme need, leaving the rest to the ‘trickle-down’ of wealth resulting from economic growth.¹¹ At the same time, liberals advocate direct intervention by the private and voluntary sectors in the provision of welfare. Neo-liberals, in particular, stress the benefits of private initiatives in welfare, both for the individual and the economy at large. These views have been particularly influential in Chile during the past two decades, prompting the privatisation of its social insurance system in 1980.¹² In the early 1990s the apparent success of the Chilean system prompted similar reforms in Argentina and Peru.

The frequent failure of (neo-)liberal policies to generate sustained economic growth or to promote recovery in the 1970s and 1980s, and their detrimental effect on welfare in many countries, prompted a search for a less radical development model: the neo-structuralist approach.¹³ This argues that the state’s role should neither be minimised nor be held above the private sector.¹⁴ Most neo-structuralists identify welfare provision as one of the key areas for state intervention, while also arguing that this should be combined with the efforts of the private and, in particular, voluntary sectors.¹⁵ According to the Economic Commission for Latin America and the Caribbean (ECLAC):

... greater equity can be promoted through the development of a broad range of participatory organisations and movements which are controlled by their members and directed towards fostering mutual aid and reciprocity and helping the most underprivileged groups to make their needs known to the administrative agencies of the state in a more effective manner.¹⁶

The dividing line between neo-liberalism and neo-structuralism is much less clear than it was between their respective predecessors, often reflecting differences in emphasis rather than basic content.¹⁷ Thus, it is

¹¹ S. Bitar, ‘Neo-liberalism versus Neo-structuralism in Latin America’, *CEPAL Review*, no. 34 (1988), pp. 45–62.

¹² D. Vittas and A. Iglesias, *The Rationale and Performance of Personal Pension Plans in Chile* (Washington, 1992) give a very positive account of the Chilean reform. P. Lloyd-Sherlock, *Social Insurance*, draws attention to some of its shortcomings.

¹³ See C. Anglade and C. Fortin, ‘Accumulation, Adjustment and Autonomy of the State in Latin America’, in C. Anglade and C. Fortin (eds.), *The State and Capital Accumulation in Latin America, volume 2* (London, 1990), pp. 264–70 for a detailed analysis of such policies; and J. Roddick, *The Dance of the Millions: Latin America and the Debt Crisis* (London, 1988), p. 98 for an examination of their impact on welfare programmes.

¹⁴ D. Felix, ‘Privatising and Rolling Back the Latin American State’, *CEPAL Review*, no. 46 (1992), pp. 31–46, is a good example of this argument.

¹⁵ See O. Rosales, ‘An Assessment of the Structuralist Paradigm for Latin American Development and the Prospects for its Renovation’, *CEPAL Review*, no. 4 (1988), pp. 19–36.

¹⁶ Economic Commission for Latin America and the Caribbean, *Changing Production Patterns with Social Equity* (Santiago, 1990), p. 81.

¹⁷ Bitar, ‘Neo-liberalism versus’, pp. 45–62.

not easy to label the welfare programmes of many Latin American countries during the 1980s and 1990s as either one or the other. This will be demonstrated with reference to the specific case of Argentina.

While the degree to which the state may intervene in the economic welfare of the elderly varies, the means it may apply to these ends are less diverse. The most important strategies are as follows:¹⁸

(1) *Social insurance* is financed by the contributions of workers, their employers and sometimes the state. It is a legal obligation and entitles affiliates and often their dependants to protection against specific risks which reduce or place an additional burden on income. Such risks often include old age and invalidity.

(2) *Social assistance* is financed entirely by the state. Benefits are generally available, though means tested, and are provided in predescribed cases of need, sometimes as a legal entitlement. Often the aim is to bring income up to a community-determined minimum. For the elderly, this may involve the provision of a monthly pension and irregular payments or non-monetary aid.

Other elements of state social policy for the elderly include the provision of healthcare and residential homes. However, since these are not directly related to meeting the elderly's income needs they are excluded from this analysis.

The evolution of social security in Argentina

Before Perón (c. 1890–1944)

Argentine social and economic policy in the late nineteenth and early twentieth centuries is generally considered to have been predominantly liberal. The majority of workers had to provide for their own welfare needs. This was sometimes achieved through the establishment of mutual aid societies, which counted approximately 300,000 members in Buenos Aires (29 per cent of the total population of working age) by 1914.¹⁹ Nevertheless, this period saw the appearance of several occupation-specific social insurance programmes (among the first in the world) and an increasing state involvement in assistance projects. By 1915 all public employees, as well as workers in private railway companies, had been enrolled in public pension schemes. These were obligatory and

¹⁸ International Labour Office (ILO), *Introduction to Social Security* (Geneva, 1984), pp. 2–5 and J. Midgely, *Social Security, Inequality and the Third World* (London, 1984), p. 79 provide more detailed discussions of these definitions.

¹⁹ A. Bunge, *El seguro nacional* (Buenos Aires, 1917), pp. 128–33. 'Working age', used in lieu of data for the economically active population, is defined here as between 15 and 64 years old.

Table 1. *Social assistance funding by the Ministerior de Asuntos Exteriores y Culto (MAEC), 1905–42*

Year	MAEC funding (pesos)
1905	567,336
1910	4,055,212
1938	41,916,808
1942	64,911,763

Source: Calculated from P. Ross, 'Policy Formation', pp. 231 and 237.

replaced pre-existing private funds.²⁰ The apparent paradox between liberal policies and the expansion of pension funds has been explained in a number of ways. Ross claims that the most powerful labour unions were able to impose their demands on the state.²¹ Conversely, Isuani argues that the state itself took the initiative and sought to co-opt sections of the labour movement.²²

Social assistance funding was provided primarily by the *Ministerio de Asuntos Exteriores y Culto* (MAEC). Aid was channelled through a number of organisations which, while originating in the voluntary sector, developed increasingly close ties with the national government. According to Ross: 'The *Sociedad de Beneficencia*, despite its appearance as the major private charity organisation, was a semi-state body which received somewhere between 81 and 92 per cent of its funding between 1894 and 1903 from government grants.'²³ In 1908 this state of affairs was recognised by law, which placed the Sociedad formally within the jurisdiction of the MAEC.²⁴ Lacking adequate financing from non-government sources, voluntary organisations had little alternative but to accept their loss of autonomy. As seen in Table 1, the level of government funding for such organisations increased substantially through the early twentieth century. However, given that only 2.3 per cent of the population were aged over 65 in 1914 and that the proportion for low income groups was probably much lower, it is unlikely that the elderly received a significant proportion of assistance financing.²⁵

²⁰ C. M. Lewis, 'Social Insurance: Ideology and Policy in the Argentine, c. 1920–66', in C. Abel and C. M. Lewis (eds.), *Welfare Poverty and Development in Latin America* (London, 1993), pp. 177–8.

²¹ P. Ross, 'Policy Formation and Implementation of Social Welfare in Peronist Argentina', unpubl. PhD diss., University of New South Wales (1989), p. 19.

²² E. Isuani, 'Los orígenes', in J. Feldman, L. Golbert and E. Isuani (eds.), *Maduración y crisis del sistema previsional argentino* (Buenos Aires, 1988), p. 29.

²³ Ross, 'Policy formation', p. 134.

²⁴ Decree law 3,727 (Ross, 'Policy Formation', p. 233).

²⁵ E. Tenti Fanfani, *Estado y pobreza: estrategias de intervención* (Buenos Aires, 1989) examines in detail the activities of state-subsidised charities in Buenos Aires but makes no reference to programmes potentially of economic benefit to the elderly.

Thus, the extension of state involvement in social welfare programmes was a gradual process, which was already well underway before regimes more generally considered to be welfarist had taken office. This process continued, albeit erratically, through the 1920s and 1930s.²⁶ Again, the expansion of social insurance appears to have had little to do with the broader economic and social role allotted to the public sector, which varied from proto-statism in the 1920s to renewed liberalism in the mid-1930s. In 1922 coverage was extended to private banking workers, but efforts by the same regime to set up funds for other white-collar workers were thwarted by determined political opposition. Nevertheless, by 1939, additional occupation-specific funds had been established for financial workers, journalists and the merchant marine.

Less information is available about social assistance funding in the inter-war period. Accounts of the social hardships resulting from a number of sharp economic recessions make little reference to the activities of such programmes.²⁷ In 1932 the state set up the *Fondo de Asistencia Social* to coordinate the payment of subsidies to, and activities of, a number of private charities. In 1933 the first national conference for social assistance was convened and proposed the establishment of a national programme of direct assistance. The conference made specific reference to a number of vulnerable social groups including mothers, young children, invalids and even ex-prisoners, but made no direct mention of the elderly.²⁸ This constituted a failure to recognise that the elderly were, by that time, accounting for a rapidly growing proportion of the populace. In any case, most of the conference's proposals were shortly afterwards rejected, as attempts were made to channel public spending towards the struggling rural economy.²⁹

The first Peronist regimes (1944–55)

Many historical accounts of state welfare policy in Argentina portray the Peronist regimes of 1945–55 as a crucial turning-point. Indeed, it is often claimed that this period saw the transformation of a number of disparate, limited social measures into a universal welfare state.³⁰ However, while

²⁶ Lewis, 'Social Insurance', pp. 177–85.

²⁷ For example, P. Lewis, *The Crisis of Argentine Capitalism* (London, 1989), pp. 104–6 and 123–5 and D. Rock, 'From the First World War to 1930', in L. Bethell (ed.), *Argentina since Independence* (Cambridge, 1993), pp. 142–3.

²⁸ Argentine Republic, *Primera Conferencia Nacional de Asistencia Social* (Buenos Aires, 1934), Vol. 1, pp. 7–8, Vol. 2, pp. 160–5.

²⁹ Tenti Fanfani, *Estado y pobreza*, pp. 72–6 and C. Díaz Alejandro, *Essays on the Economic History of the Argentine Republic* (New Haven, 1970), p. 97.

³⁰ For example, M. Passanante, *Pobreza y acción social en la historia argentina: de la beneficencia a la seguridad social* (Buenos Aires, 1987), pp. 125–33 and P. Waldmann, *El peronismo* (Buenos Aires, 1981), p. 155.

few dispute that the broader development policies of the regime were strongly statist, recent revisionist writings have questioned whether this was reflected in significant increases in public welfare expenditure, particularly within social insurance.³¹

The early Peronist period certainly saw a dramatic expansion of the social insurance system. Public pension funds were set up for commercial and industrial workers in 1944 and 1946 respectively, and in 1954 protection was extended, at least on paper, to the self-employed and rural workers. At the same time, pension funds run by mutual aid societies were gradually absorbed into the state system.³² Ross claims that the total number of insurance affiliates rose from 2,771,446 to 4,681,411 between 1947 and 1954. However, as shown in Fig. 2, an alternative study concludes that evasion may have reduced real levels of affiliation to only 2,129,000 in 1954. This compared to a total economically active population of 7,106,000 in 1950. Moreover, the ratio of pensioners to affiliates in pension funds remained very low.³³ Consequently, while the creation of new pension funds would ultimately, in subsequent decades, lead to a large increase in the number of elderly receiving pensions this did not occur during the lifetime of early Peronist governments. Rather, accelerating inflation reduced the overall effect of social insurance on the welfare of the elderly. A 1954 survey found that retirement pension values in every fund had fallen since 1947, sometimes by as much as 52 per cent. In only one fund did average pensions exceed the minimum industrial pension of the day.³⁴

Peronist social assistance policies represented a more dramatic break with the past. The increased priority afforded the welfare needs of the elderly was reflected in a number of guarantees enshrined in the new Constitution of 1949:

All the elderly have the right to full economic protection, which should be provided by their families. Where this does not occur, the State will provide such protection either directly or through institutions and foundations created to this end. The State or the above-mentioned bodies retain the right to demand that any relatives who are able to provide financial support do so.³⁵

³¹ P. Lloyd-Sherlock, *The Instituto Nacional de Previsión Social and Social Insurance Reform in Argentina, 1944 to 1953*, Economic History Working Paper, London School of Economics (London, 1992), pp. 12–18 and Lewis, ‘Social Insurance’, pp. 187–90.

³² J. Mensa, ‘Algunas consideraciones sobre legislación mutual’, *Crónica Mensual de la Secretaría de Trabajo y Previsión* (Jan. 1946); J. Juárez, *Los trabajadores en función social* (Buenos Aires, 1947), pp. 127–33.

³³ *Review of the River Plate* (Buenos Aires, 30 Dec. 1952).

³⁴ *Review of the River Plate* (Buenos Aires, 20 April 1954).

³⁵ Article 31 of the 1949 Constitution, cited in Ministerio de Finanzas de la Nación, *Caja Nacional de Ahorro Postal, Aborro obrero: manual para el dirigente* (Buenos Aires, 1950), p. 21.

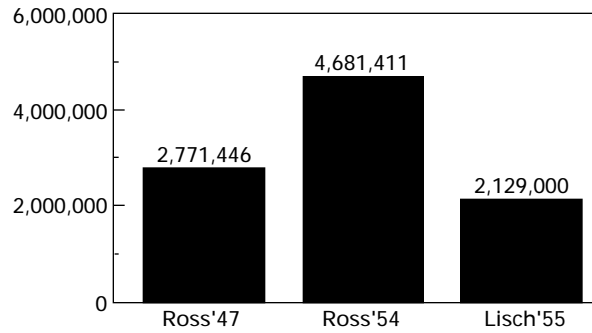


Fig. 2. *Estimates of social insurance affiliation, 1947–55.* Sources: P. Ross, 'Policy Formation and Implementation of Social Welfare in Peronist Argentina', unpubl. PhD dis., University of New South Wales, 1989, p. 65a; S. Lischinsky, 'La afiliación al sistema previsional (1944–1955). Logros y dificultades en su expansión', mimeo, Rosario, 1989.

Thus, although it emphasised family support, the new regime took on the responsibility of providing a universal safety net for all those elderly without insurance pensions or sufficiently prosperous relatives.

The government soon made plain its unwillingness to operate through private charities. The state cut funding to philanthropic organisations such as the Sociedad de Beneficiencia, prohibited their use of voluntary staff and imposed unrealistic minimum wages.³⁶ In 1948 a new welfare organisation was set up under the control of the President's wife. To many Argentines the Fundación Eva Perón (FEP) embodied Peronism's genuine concern for the welfare of the most disadvantaged. However, the FEP's high-profile activities did not lead to higher levels of social assistance expenditure by the state. The bulk of its revenue came from a national lottery, a new tax on labour and donations which employers were 'encouraged' to make. Although the FEP was formally a private institution, it was largely run through the Ministry of Labour.³⁷ Indeed, it could be argued that, while social assistance still combined the efforts of the private and public sectors, their roles as executive and funder had been reversed.

Peronist assistance policies influenced the economic welfare of the elderly in several respects. Most importantly, they included the first large-scale non-contributory pension programmes. From 1950 the FEP began to grant basic benefits to unprotected 60-year-olds who could no longer work and lacked immediate family members in employment. By 1953, official sources claim that 32,000 such pensions had been granted in

³⁶ Ross 'Policy Formation', p. 246.

³⁷ M. Navarro, 'Evita and Peronism', in F. Turner and J. Miguens (eds.), *Juan Perón and the Reshaping of Argentina* (Pittsburgh, 1983), pp. 23–6.

Greater Buenos Aires alone. This represented 5.5 per cent of over-60-year-olds in the city.³⁸ However, while the number of pensions granted was large, their value was not. Moreover, pensions were devalued by inflation, so that by 1953 they were worth only one sixth of the minimum industrial wage.³⁹ As with many of the activities of the FEP, this programme was implemented with the maximum publicity and self-congratulation. According to Ross: ‘Many of the recipients received the pensions in public ceremonies, orchestrated in such a way as to be emotional and sentimental events widely reported in the media’.⁴⁰ As such, the pension programme and other FEP activities provided an important precedent for the implementation of high-profile, populist assistance programmes by future regimes, some of which would be of direct benefit to the elderly.

The combined impact of Peronist policies on the economic welfare of the elderly was not particularly clear. The value of insurance pensions lagged behind inflation, but this was partly compensated by the upgrading of assistance schemes. Moreover, the first years of Peronist rule saw a sudden increase in real wages, which would have benefited those elderly remaining in employment (in 1950 it was estimated that 31 per cent of over-64-year-olds were economically active⁴¹) or with working relatives. At the same time, the cost of many basic foodstuffs was heavily subsidised by a state marketing monopoly. Unfortunately for the elderly, these policies were not sustained: by the early 1950s real wages had begun to fall again and food subsidies had been abolished. It is difficult to assess whether or not the economic welfare of the elderly improved significantly between 1945 and 1955.

After Perón (1955–73)

The 1950s and 1960s did not see significant changes in the pattern of benefits and the legal framework of social insurance. On the one hand this reflected political considerations: the power of the unions and the desire of non-democratic regimes to co-opt the support of a range of interest groups. On the other it complemented broader development

³⁸ Calculated from Instituto Nacional de Estadística y Censos (INDEC), *Cuadros inéditos. IV censo general 1947. Características de familia y convivencia, estado civil y fecundidad* (Buenos Aires, 1948), pp. 108–10.

³⁹ Calculated from Ross, ‘Policy Formation’, p. 345 and *Review of the River Plate* (Buenos Aires), 20 April 1954.

⁴⁰ Ross, ‘Policy Formation’, p. 276. For an account of a similar presentation ceremony, though not specifically involving the elderly, see ‘The First Lady Participates in the Distribution of Grants’, *Crónica Mensual de la Secretaría de Trabajo y Previsión* (Nov. 1946), pp. 106–7.

⁴¹ ILO, *Economically Active Population Estimates: 1950–1980. Projections: 1985–2025. Volume 3, Latin America* (Geneva, 1986), p. 79.

Table 2. *Social insurance coverage and surpluses, 1950–90*

Year	Number over retirement age (000s)*	Pensions granted (000s)	Coverage (%)†	Fund surplus (deficit)‡
1950	1,495	188	12.59	28,880
1955	1,836	473	25.76	21,735
1960	2,236	749	33.51	5,628
1965	2,674	1,086	40.62	3,350
1970	3,123	1,390	44.52	(4,492)
1975	3,575	1,695	47.41	145
1980	4,039	2,342	58.00	(136)
1985	4,528	2,759	60.93	n.a.
1990	4,977	3,031	60.90	(2,367,870)

* Until 1967 this was 60 years for men, 55 for women; subsequently, it became 65 and 60 years respectively.

† This figure is the total population above the retirement age divided by the total number of benefits granted. Since a proportion of pensions were granted to individuals below the retirement age and some individuals held more than one, this figure overestimates the true percentage of elderly with an insurance benefit. Unfortunately, there are insufficient data to provide a more accurate estimate.

‡ Data exclude provincial and municipal funds. Financial data as follows: 1950–70, 1960 pesos (000s); 1975–85, 1985 australes (000s); 1990, 1990 australes (millions).

Source: E. Isuani and J. San Martino, *La reforma previsional argentina*, pp. 19 and 29; H. Diéguez and H. Petrecolla, 'Estudio estadístico del sistema previsional argentino en el período 1950–1972', *Económica* (1977); J. Feldman et al., *Maduración y crisis*, p. 103.

policy which remained largely statist, and considered public welfare as necessary to provide a cooperative, efficient workforce.⁴²

While social insurance policy did not change dramatically, its financial position and impact on welfare did. As a growing proportion of affiliates reached retirement age, the number of insurance pensions began to increase. Table 2 shows that between 1950 and 1965 the number of benefits granted rose from 188,000 to 1,086,000. At the same time, this was paralleled by a shift from surplus to deficit in pension fund finances.

Pension fund deficits are not an inevitable consequence of increasing numbers of benefit payments. As long as pensions are fully capitalised, fund finances should reach an equilibrium after the initial start-up period. However, Argentina's social insurance schemes rarely struck a balance between expenditure and interest accrued by contributions. Even before 1944 a number of individual funds were in debt.⁴³ From the late 1940s,

⁴² Lewis, 'Social Insurance', p. 293.

⁴³ *Review of the River Plate* (Buenos Aires, 9 Oct. 1953) gives an account of the financial problems of the railway and urban transport funds. Similar accounts are given in J. González Galé, *Jubilaciones y seguro social* (Buenos Aires, 1929), p. 5 and Argentine Republic, Caja Nacional de Jubilaciones y Pensiones, *La situación de los funcionarios de la administración nacional en la actividad y la pasividad* (Buenos Aires, 1914), pp. 51–63.

these were baled out by transfers from more recently established funds⁴⁴ and in 1954 the scheme as a whole shifted to a pay-as-you-go system of financing, which sought to balance annual contributions with expenditure.⁴⁵ This merely postponed the effect of the rising ratio of pensioners to contributors.

Various factors explain why the Argentine social insurance system was not developed on a sound financial basis. These include an absence of actuarial forecasting and the dominance of short-term political agendas over longer-term economic rationalism. Sometimes this was reflected in promises of unfeasibly large benefit hikes or low retirement ages.⁴⁶ At other times it entailed the accumulation of substantial public debts to the system.⁴⁷ These debts were the result of the appropriation of contributions for investment in projects which generated low or negative rates of return.⁴⁸ Moreover, the administrative structure of pension funds was highly fragmented, with separate funds and separate benefits for different occupation groups. This increased administrative costs and facilitated evasion and fraud.⁴⁹ Fragmentation also enabled the development of privileged funds for groups such as the military, the police and high-ranking public functionaries. Between 1950 and 1972 average military pensions were roughly double those paid by other funds.⁵⁰ This was a drain on resources and reduced the credibility of the social insurance system in the eyes of the general public.

In 1966 a military junta committed to moderately liberal economic policies seized power and began to plan a complete overhaul of the pension system. The reforms, implemented in 1967, gave rise to the administrative structure still in place in the early 1990s. Non-military occupation-specific funds were grouped into three divisions: public

⁴⁴ These transfers were made possible by the establishment of a coordinating agency, the Instituto Nacional de Prevision Social, in 1944. See Lloyd-Sherlock, *The Instituto Nacional*.

⁴⁵ Feldman et al., *Maduración y crisis*, pp. 33–7.

⁴⁶ A clear example was the pledge made by the Frondizi administration in 1958 that average pension values would be at least 82 per cent of the recipient's previous earnings (*Review of the River Plate*, Buenos Aires, 21 Aug. 1958, 19 Sept. 1958 and 21 Sept 1959). A 1966 survey found that 26 per cent of pensioners had retired under 50 (Feldman et al., *Maduración y crisis*, p. 44).

⁴⁷ In 1963 it was estimated that the state owed the funds a sum equivalent to half Argentina's GNP (*Review of the River Plate*, Buenos Aires, 11 Nov. 1963).

⁴⁸ Lloyd-Sherlock, *The Instituto Nacional*, p. 22.

⁴⁹ In Argentine Republic, Consejo Federal de Seguridad Social de la República Argentina, *Informe acerca de la factibilidad financiera del plan argentino de seguridad social* (Buenos Aires, 1967), p. 112, it is estimated that evasion rose from 31.3 to 55.0 per cent of total contributions between 1950 and 1958.

⁵⁰ H. Diéguez and H. Petrecollo, 'Estudio estadístico del sistema previsional argentino en el período 1950–1972', *Económica*, vol. 23, no. 3 (1977), pp. 185–6.

employees, private waged labour and self-employed workers. The range of available benefits was rationalised and the retirement age was pushed up to 65 for men and 60 for women. However, as the military regime became increasingly unpopular. It was forced to make numerous concessions to interest groups⁵¹ and was unable to prevent the onset of large deficits in the 1970s (see Table 2).

No major innovations in social assistance took place during the 1950s and 1960s. While some of the FEP's activities were continued under the aegis of a new state agency, the Instituto Nacional de Acción Social,⁵² there are no indications that significant numbers of assistance pensions were granted. Expenditure in this area remained very small, compared to insurance programmes. Meanwhile, there was a gradual shift in emphasis away from large-scale projects to initiatives in individual neighbourhoods, and by 1971 a national network of 'community development programmes' had been established. These aimed to combine the efforts of state agencies with grassroots actors and, as such, marked the beginnings of a gradual shift away from the state welfare monopoly.⁵³ This was reflected in slow but steady growth in the number of non-governmental development organisations through the 1960s and 1970s.⁵⁴

Despite the system's financial problems, in 1970 a new dimension was added to state social insurance programmes with the creation of the Instituto Nacional de Obras Sociales para Jubilados y Pensionados (INSSJP). This was to offer a broad range of services for the elderly from the late 1980s, but most of its activities were originally restricted to healthcare provision,⁵⁵ including discounts for a large range of drugs and treatments.⁵⁶ Uninsured elderly aged over 70 and those in receipt of national assistance pensions were eligible for a small number of these services. The Institute was financially autonomous from the other components of the social insurance system, receiving funds from a separate scheme of workers' contributions.

⁵¹ Feldman et al., *Maduración y crisis*, pp. 51–2.

⁵² N. Ferioli, *La Fundación Eva Perón/2* (Buenos Aires, 1990), p. 158.

⁵³ Tenti Fanfani, *Estado y pobreza*, pp. 83–90.

⁵⁴ A. Thompson, 'El tercer sector y el desarrollo social', in E. Bustelo and E. Isuani (eds.), *Mucho, poquito o nada. Crisis y alternativas de política social en los '90* (Buenos Aires, 1990), pp. 63–4.

⁵⁵ See L. Golbert, 'El envejecimiento de la población y la seguridad social', *Boletín Informativo Techint* (Buenos Aires, 1988) for a detailed study of the Institute and its healthcare project: el Programa de Asistencia Médica Integral (PAMI).

⁵⁶ In 1993 these discounts ranged from 30 per cent for drugs dealing with mild problems to 100 per cent for those treating serious illness.

Deepening crisis (1973–89)

The extension of social insurance coverage in the immediate post-war decades was impressive but financially unsustainable. From the mid-1970s this expansion began to slow and its positive effect on the economic welfare of the elderly declined. The *Proceso de Reorganización Nacional* of 1976–82 sought, for the first time since the 1930s, a dramatic shift away from statist to neo-liberal economic and social policies. The new military government rejected the notion of the state as a guarantor of welfare for the whole population, with brutal repression replacing co-optive, if occasionally violent, populism. All areas of social policy suffered sharp spending cuts, with the full burden of social insurance contributions passed onto the workers.⁵⁷ While the number of beneficiaries continued to rise, this largely reflected official encouragement of early retirement as a means of reducing open unemployment levels⁵⁸ and as such would not have had a positive influence on the economic welfare of the elderly. Despite the political orientation of the *Proceso* regime, the level of state involvement in welfare remained far higher than during earlier periods of liberal rule. This reflected the enormous socio-economic changes which had since occurred, the durability of pre-existing welfare structures and the need to maintain a modicum of political support.

While there is some disagreement whether average pension values rose or fell during the 1950s and 1960s,⁵⁹ it is generally agreed that there were significant reductions from the 1970s. As Table 3 indicates, between January 1971 and November 1976, the proportion of insurance pensions paid at the minimum value rose from 22.1 to 58.3 per cent. Although pension values were able to keep pace with average wages, it should be noted that the latter fell by over half between 1975 and 1992.⁶⁰

Table 2 shows that, although the number of benefits granted continued to rise during the 1980s, levels of coverage of the elderly population remained largely the same. This resulted from a combination of population ageing and the persistence of a ‘hard core’ of evaders and unemployed,

⁵⁷ A. Marshall, *Políticas sociales: el modelo neoliberal* (Buenos Aires, 1988) gives a detailed account of social policy during the *Proceso*.

⁵⁸ R. Cortes, ‘*El empleo urbano argentino de los ’80. Tendencias recientes y perspectivas*’, in Bustelo and Isuani, *Mucho, poquito o nada*, p. 223.

⁵⁹ Feldman et al., *Maduración y crisis*, pp. 41–2 note that there were occasionally dramatic hikes in benefit values. However, H. Diéguez and H. Petrecolla (‘*La distribución funcional del ingreso y el sistema previsional en la Argentina, 1950–1972*’, *Desarrollo Económico* (1974)) claim that over the long run average payments fell. This was due to a failure to index pensions to inflation.

⁶⁰ Data from the Subsecretaría de Seguridad Social presented in ‘¿Por qué un plan social?’ *Clarín* (Buenos Aires, 18 Jan. 1993).

Table 3. *Value of social insurance benefits, 1971–90*

Year	Average pension as % of average wage	Beneficiaries with minimum pension (%)	Minimum pension value	
			(A)	(B)
1971*	n.a.	22.1	70.6	n.a.
1972	n.a.	40.6	76.6	n.a.
1973	n.a.	50.2	86.9	n.a.
1974	n.a.	50.9	117.9	n.a.
1975	46.6	84.4	115.1	1,061
1976	56.2	58.3	68.1	700
1977	67.4	68.1	74.8	700
1978	95.8	48.2	92.1	840
1979	73.2	50.0	82.3	819
1980	65.0	50.1	82.3	962
1981	64.0	66.1	86.6	843
1982	61.6	73.7	73.8	713
1983	58.0	74.3	80.3	663
1984	45.8	76.9	93.9	651
1985	51	79.6	76.4	733
1986	43	n.a.	n.a.	753
1987	45	n.a.	n.a.	546
1988	55	82.3	n.a.	n.a.
1989	42	n.a.	n.a.	n.a.
1990	55	n.a.	n.a.	n.a.

* Unlike other figures which are taken from the year's end, this is a January figure.
A, 1985 australes; B, June 1988 australes.

Source: J. Feldman et al., *Maduración y crisis*, pp. 119–22, 124; E. Isuani, *La reforma*, p. 30; R. Frediani, *La seguridad social*, pp. 39 and 47.

who remained beyond the system's scope. A survey of workers lacking insurance cover in 1988 found that 46 per cent were rural labourers, 36 per cent were employed in the urban informal sector and 11 per cent worked in domestic service.⁶¹ The growing informal sector compounded the effects of demographic ageing to cause a pronounced fall in the ratio of contributors to beneficiaries.⁶² Thus, even when the extreme liberalism of the *Proceso* was replaced by more moderate social policies, the worsening financial position of the pension funds prevented any improvement in either qualitative or quantitative coverage.

Social insurance funding reached crisis point in 1986 when the Supreme Court ruled that minimum pension values should be in line with the 82 per cent figure promised in the past. Contributions were increased, new taxes

⁶¹ R. Frediani, *La seguridad social en Latinoamérica: un estudio comparativo de seguro social en Argentina y Colombia* (Buenos Aires, 1989), p. 80.

⁶² The ratio of contributors to pensioners in the system was projected to fall from 2.54 to 1.81 between 1980 and 1990 (Frediani, *La seguridad social*, p. 40).

on food and telephone use were introduced and a number of direct transfers were made from the treasury.⁶³ The crisis also prompted a new debate about thorough reforms, which continued into the early 1990s.⁶⁴ Since the first occupation-specific funds had been established, affiliation had been, at least in theory, obligatory. By taking over private pension schemes, the state effectively granted itself a monopoly of pension fund management. The reform proposals of the 1980s began to challenge this policy and in 1989 provision was made for the establishment of complementary private pension funds.⁶⁵

The failure to restore long-term economic growth had led to a marked increase in poverty levels from the late 1960s.⁶⁶ This process was accelerated by the policies of the *Proceso* and a series of acute economic crises which afflicted subsequent governments. By the 1980s Argentina was no longer a country which enjoyed 'European' living standards: between 1970 and 1990 the proportion of households in Greater Buenos Aires living below the subsistence level rose from five to 25 per cent (see Fig. 3). This reflected both the failure of state welfare policies and sharp

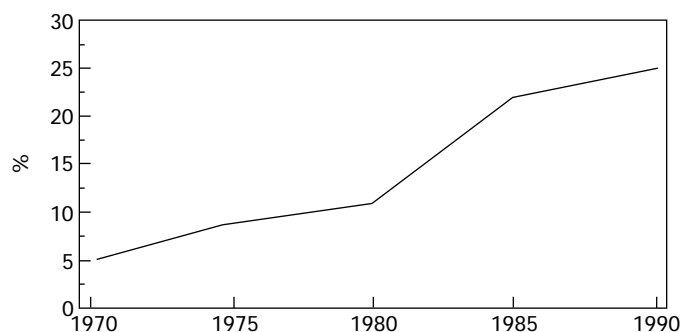


Fig. 3. Households below poverty line in Greater Buenos Aires, 1970–90 (percentage). Sources: Instituto Nacional de Estadística y Censos, *Evolución reciente de la pobreza en el Gran Buenos Aires 1988–1992* (Buenos Aires, 1993), p. 10; A. Minujin and P. Vinocur, '¿Quiénes son los pobres del Gran Buenos Aires?', *Comercio Exterior*, vol. 24, no. 24 (1992), p. 398; O. Altimir and J. Sourrouille, *Measuring Levels of Living in Latin America: an Overview of the Main Problems* (Washington, 1980), p. 42.

⁶³ *Latin American Weekly Reports* (London, 20 Nov. 1986).

⁶⁴ Isuani and San Martino, *La reforma previsional*, pp. 41–77, give detailed descriptions of the various reform proposals, put forward. Proponents included La Secretaría de Seguridad Social, La Asociación de Bancos Argentinos and a private think-tank. All advocated a mixed system, combining elements of both the public and private sectors.

⁶⁵ By late 1992 complementary private funds had attracted over 370,000 affiliates, roughly three per cent of the total economically active population (Secretaría de Economía, Superintendencia de Seguros de la Nación, *Información Estadística. Seguro de Retiro* Buenos Aires, 26 Feb. 1993).

⁶⁶ See A. Barbeito and R. Lo Vuolo, *La modernización excluyente. Transformación económica y estado de bienestar en Argentina* (Buenos Aires, 1992).

falls in the real wage. In consequence, the need for effective social assistance initiatives intensified.

During the *Proceso* no new social assistance initiatives were implemented and funding for existing community-level projects was reduced.⁶⁷ There is no evidence of projects providing non-contributory pensions or other measures of direct benefit to the elderly. Indeed, many of the community-level programmes implemented during the 1960s were actively discouraged at this time.⁶⁸ This contrasted with subsequent democratic governments, which responded to growing poverty levels with a series of food aid projects on a scale which had not occurred since the FEP. These included the *Programa de Alimentación Nacional* (PAN, 1984–9) and the *Bono Nacional Solidario de Emergencia* (BNSE, 1989–90), which provided food aid to several million households. As with the FEP, few provisions were made to include the private or voluntary sectors or newly emergent grassroots organisations in the distribution of the aid.⁶⁹ Some studies claim that these programmes were inefficient and that they failed to target those households in greatest need.⁷⁰ Despite such claims and the fact that they did not specifically target the elderly, the very scale of the projects (230,000 parcels were being distributed in Greater Buenos Aires alone by 1988⁷¹) suggests that they would have been of some benefit to the aged.

During the 1980s, a number of national agencies began to offer the elderly means-tested, non-contributory pensions and subsidies. These included the *Dirección Nacional de la Ancianidad* and the *Administración Nacional de Seguridad Social*. However, it has been estimated that these were only able to cater for a small minority (roughly seven per cent) of those elderly without insurance pensions.⁷² National assistance projects were complemented by an increasing array of initiatives implemented by provincial and municipal governments. These reflected the re-emergence of these tiers of government after the years of military rule coupled with

⁶⁷ Tenti Fanfani, *Estado y pobreza*, p. 183.

⁶⁸ For an example of this see A. Lezcano, 'La historia de la consolidación de Villa Jardín', mimeo (Buenos Aires, 1993), pp. 102–5.

⁶⁹ The PAN programme led to the creation of a complicated hierarchy of state distribution agencies ranging from municipalities to the national headquarters. The BNSE was distributed through central trade union offices (G. Midré, 'Bread or Solidarity? Argentine Social Policies, 1983–1990', *Journal of Latin American Studies*, vol. 24, no. 2, 1992).

⁷⁰ In fact, 18 per cent of PAN parcels distributed in Greater Buenos Aires in 1988 went to non-poor households.

⁷¹ INDEC, *La pobreza en el conurbano bonaerense* (Buenos Aires, 1989), p. 49.

⁷² P. Lloyd-Sherlock, 'Income Maintenance Strategies of Elderly Shanty Town Residents in Greater Buenos Aires', unpubl. PhD diss., University of London, 1994, p. 375.

an explicit policy of social assistance decentralisation.⁷³ As with national schemes, local agencies were only able to provide for a small fraction of potentially eligible claimants. In 1993, the Province of Buenos Aires was granting a total of 4,000 new benefits a year, yet the waiting list of successful applicants had reached 35,000.⁷⁴

The state and the elderly under Menem: Peronism betrayed?

In 1989 the Peronist party returned to power, with the election of Carlos Saúl Menem to the presidency. As has been shown, previous Peronist regimes had been strongly statist in their policies, establishing a public sector monopoly of insurance and assistance. The distribution of food vouchers largely through the trade unions (considered the traditional base of Peronist support) was reminiscent of previous Peronist welfare initiatives. However, this programme was discontinued in 1990 amidst allegations of corruption and mismanagement.⁷⁵ Moreover, the general economic policies of the Menem government represented a sharp break with Peronist tradition, advocating privatisation, fiscal reform and tighter controls on public expenditure.⁷⁶ As such, there emerged a contradiction between the traditional orientation and support base of the ruling party and its apparent conversion to neo-liberal policies. This conflict could be seen in all areas of public policy, including welfare initiatives for the aged.

The change of government saw no immediate alterations in insurance or assistance provision for the elderly. Benefit increases continued to lag behind inflation and were not made more widely available.⁷⁷ This prompted weekly, occasionally violent, demonstrations by disaffected pensioners outside the Congress building.⁷⁸ No large-scale assistance programmes took the place of the ill-fated *Bono Nacional Solidario de Emergencia*. In 1993 a new assistance agency, La Secretaría de la Tercera Edad, was established, but this did not lead to any significant new initiatives. At the same time, the INSSJP launched a new project to provide emergency soup kitchens, but these were restricted to those elderly with insurance pensions. In sharp contrast with its Peronist

⁷³ M. Vargas de Flood, *El gasto público consolidado* (Buenos Aires, Nov. 1992), p. 6 and Fundación de Investigaciones Económicas Latinoamericanas (FIEL) *El gasto público en la Argentina 1960–1985* (Buenos Aires, 1987), pp. 189–93.

⁷⁴ Lloyd-Sherlock, 'Income Maintenance', pp. 134–5.

⁷⁵ Midré, 'Bread or Solidarity?', p. 370.

⁷⁶ P. Waldmann, 'The Peronisms of Perón and Menem: from Justicialism to Liberalism?' in C. Lewis and N. Torrents (eds.), *Argentina in the Crisis Years (1983–1990)* (London, 1993), pp. 90–102, effectively contrasts these two approaches.

⁷⁷ Between September 1991 and September 1992 the real value of the minimum insurance pension fell by 15.8 per cent., *Clarín* (Buenos Aires), 29 Sept. 1992.

⁷⁸ 'Las protestas de los jubilados en la mira', *Clarín* (Buenos Aires), 20 Oct. 1992.

antecedents, the Menem administration stressed the importance of voluntary sector initiatives, some of which were offered small government loans and subsidies.⁷⁹ However, few NGOs developed initiatives specifically catering for the elderly.⁸⁰

The Menem administration's initial policy inertia belied a strong commitment radically to overhaul the public welfare system. Since it accounted for the largest share of government expenditure, social insurance was given particular attention. Calls to privatise the system were given additional impetus by a number of high-profile failures to resolve the problems of the insurance system from within the public sector. These included the creation in 1990 of a new state agency to bolster efficiency levels, which in fact led to the doubling of administrative costs.⁸¹ In 1992 it was proposed that the system be privatised along the lines of the Chilean pension programme, although with a larger number of governmental checks and balances. The reform was strongly resisted by the unions and the opposition Radical party and suffered a number of important revisions.⁸² However, in December 1993 the Congress and Senate duly voted to grant affiliates of the old system a choice between remaining where they were or switching to a private pension fund.⁸³ Much was made of the supposed advantages of the private system. According to the National President: 'I advocate the private pension system. They are more secure, more certain and also they allow the person who makes the contributions direct control over their funds, to see how they accumulate and accrue interest.'⁸⁴ However, by July 1994, the initial deadline for making the change, only 30 per cent of affiliates had chosen to leave the state insurance system.⁸⁵ Over the subsequent year, affiliation gradually rose and, despite the recession in 1995, returns on fund investments were high.⁸⁶ Interestingly, the largest private fund is partly owned by Argentina's central bank and competitors complain that the fund is perceived to have been tacitly under-written by the state. Thus, although the significance of the recent reform should not be played down, it should

⁷⁹ Lloyd-Sherlock, 'Income Maintenance', p. 150.

⁸⁰ This partly resulted from the attitudes of international funding agencies such as Help Age International, which did not consider Argentina to be a priority case (Lloyd-Sherlock, 'Income Maintenance', p. 152).

⁸¹ FIEL, *Argentina: La reforma económica 1989-1991. Balance y perspectivas* (Buenos Aires, 1991), pp. 302-3.

⁸² *El Cronista* (Buenos Aires), 15 Oct. 1992, gives an account of one of several failed attempts to vote the bill through the National Congress.

⁸³ *Ambito Financiero* (Buenos Aires, 24 Sept. 1993) gives details of the full contents of the reform bill.

⁸⁴ *Clarín* (Buenos Aires), 3 May 1994.

⁸⁵ *Clarín Internacional* (Buenos Aires), 19 July 1994.

⁸⁶ *Ambito Financiero* (Buenos Aires), 13 Dec. 1995.

not be characterised as the accomplishment of a liberal welfare ideal. As had been the case during the *Proceso*, the Menem administration found the state welfare apparatus and public attitudes towards it both stubborn and enduring. Moreover, the financial position of the remaining public pension system continued to deteriorate. In 1994 total expenditure of the social insurance system was three times higher than that of 1986 and forced unprogrammed cost-cutting in other areas of public spending.⁸⁷ Unlike the Chilean case, there is no provision to phase out the public pension funds. Indeed, the loss of contributors to the private funds could well worsen their deficits in the short-run.

The changing role of the public sector

The evolution of social insurance in Argentina followed a pattern similar to that of several other developed and developing countries.⁸⁸ The system drifted from an initial phase of large surpluses to increasing deficits and ultimate crisis. This was not an inevitable consequence of demographic ageing. Rather, it resulted from a failure to establish a direct relationship between contributions, interest accrued and benefit payments. This problem was compounded by high administrative costs, evasion and the plundering of early surpluses for investment in areas which generated low, if any, rates of return. As a result, large amounts of fund resources were effectively transferred to other areas of public spending and from later generations to earlier ones. This could not be adequately compensated for by raising contributions, nor could the number of benefits granted be reduced. Thus, the final result was the devaluation of pension payments.

Government commitment to social assistance programmes was both inconsistent and inadequate. As such, they did not provide an effective safety-net for those denied insurance pensions. Two distinct approaches can be identified. The former was low-key and small-scale, with both private and public agencies playing an active role. The latter was on a grander scale, was often politicised and made little or no provision for the participation of non-state agencies.

Table 4 summarises the changing role of the state in Argentine development. It shows that the welfare role allotted the public sector did not always reflect the general development policy (nor rhetoric) of the government of the day. From the late nineteenth century until the mid-

⁸⁷ *Microsemanario* (Buenos Aires), 31 Oct. 1994.

⁸⁸ M. Gordon, *Social Security Policies in Industrial Countries* (Berkeley, 1988) and Arellano, *Políticas sociales*.

Table 4. *Periodisation of development and welfare policy*

	General development philosophy/rhetoric	State welfare role
19th century to 1930s	Traditional liberal	Gradual rise in state intervention and growing voluntary sector
1940s to 1955	Strongly statist	State monopoly of insurance and assistance. No other actors allowed
1955–76	Moderate statist	State remains dominant. Small but gradually increasing role for voluntary sector
1976–82	Neo-liberal	Reduction in state involvement but it remains the dominant actor
1983–90	Moderate statist/ neo-structuralist	Large-scale state assistance programmes. Increasing participation of voluntary sector. First involvement of private sector in insurance

1970s, state involvement in insurance and assistance programmes continued to increase, and scope for participation by the private and voluntary sectors was very limited. The public sector monopoly of insurance and assistance which emerged should not be equated with a fully-fledged welfare state, since the protection it afforded was by no means universal nor sufficient. Subsequent attempts to cut back state involvement both in welfare and the economy at large were in the main unsuccessful. This reflected the size and resilience of the public sector and the lack of politically viable alternatives. Despite this, the real impact of state pension schemes was undermined by the system's financial collapse. This, coupled with a surge in poverty levels, increased the need for a radical reform and new initiatives by the private and voluntary sectors. By the mid-1990s there were few signs that these would be sufficient.