GLOBAL DYNAMICS OF SOCIAL POLICY

The Generosity of Social Policies in Socialist and Post-Socialist States

Edited by
Andreas Heinrich
Monika Ewa Kaminska
Heiko Pleines
Tobias ten Brink

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Global Dynamics of Social Policy

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CHAPTER 1

Introduction: The Generosity of Social Policies in Socialist and Post-Socialist States

Andreas Heinrich, Monika Ewa Kaminska, Heiko Pleines, and Tobias ten Brink

Introduction

This book explores socialist and post-socialist approaches to social policy, their implementation, and outcomes across different world regions. The studies included in this volume discuss the influence of critical junctures, specifically the introduction of socialism and its explicit or implicit abolition, including the rise and fall of the Soviet Union as a main sponsor of socialism. The chapters then concentrate on analysing the long-term social policy dynamics following these ruptures. Crucially, in addition to offering a broad overview and understanding of the diversity of socialist and

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post-socialist social policies, the book focuses on the generosity of social policies rather than on socialist ideologies and social problems, per se.

In the book, *socialism* is understood as a concept that is broader than, but also encompasses, communism. We are aware of the debates in the literature on whether to treat the terms socialism and communism synonymously and interchangeably (a choice that a large share of the scholarship has followed) or to apply a lean understanding of communism. Brown (2010, p. 101), for instance, argues that the term socialism embraces “a far wider range of political parties, movements and governments than those which accepted Marxist-Leninist ideology” (or ideologies derived thereof, such as Maoism and Titoism), which he considers the main criterion for a Communist state (see also Roberts 2004). Such a strict approach would imply that “no African state has ever been Communist” (Brown 2010, p. 105). We refrain from engaging in this (otherwise relevant) debate and follow a pragmatic approach driven by the intention to include a wide selection of countries in our volume without unduly excluding those in Latin America and Africa that do display attempts to create socialist welfare systems, such as in rural areas. With respect to *post-socialism,* we refer to the situation in countries where the dominance of socialist traditions was discontinued, withered away, or altered substantially—often in tandem with political change and significant economic reform. Several chapters in this book address the continuing influence of socialist welfare policies in post-socialist contexts, such as welfare dualism in contemporary China and Vietnam, the legacy of occupational standards originating from the planned economy in China, and how key features of socialist systems, such as those in Kazakhstan, continue to affect society after socialism has ended.

We differentiate between state socialism, where socialism is the guiding principle for the entire political regime structure and state administration, and populist socialism, which espouses socialist orientation and proclaims the aim (equally underpinned by anti-capitalism) of implementing socialist policies without adopting traditional “Marxism-Leninism” as a framework underlying the formulation of the constitution and the construction of the state apparatus (e.g., Young 1986; March 2007; see also López Maya 2018 on the case of Venezuela). Following Brown, we argue that countries displaying either of the two variants of socialism share enough features to be examined together as a “distinctive type among the world’s political and economic systems”, while at the same time exhibiting “differences among them sufficiently great to require analysis and explanation” (Brown 2010, p. 2).

The literature in this field still lacks a comprehensive comparative analysis of the various models of socialist and post-socialist social policies and the level of generosity they have achieved. There are a number of studies on socialist welfare systems in single countries (e.g., Dillon 2015; Dixon 1981; George and Manning 1980; Ferge 1979; Rimlinger 1971; Schmidt and Ritter 2011), and a few collections of country studies have been published (e.g., Deacon 1983; Dixon and Macarov 1992). There are also a small number of broader regional studies that cover social policy in socialist countries to some degree (e.g., Adesina 2021; Garay 2016; Izuhara 2013; Lavers 2022; Midgley and Tang 2009; Ramesh 2004; Sátyro et al. 2021). However, after the 1990s, few studies on the developments and characteristics of (post-)socialist social policy have been published that allow for broader comparisons (exceptions include Inglot 2008, which covers Czechia, Hungary, Poland, and Slovakia, and Besharov and Baehler 2013, which covers China and Vietnam).

With a view to post-socialist developments in Europe and Asia, the books by Chan and Yue (2008), Ghodsee and Orenstein (2021), and Hansen et al. (2020) come closest to providing a comprehensive overview, but rather than covering actual social policies, they focus on policy outcomes and do not engage with other world regions. Others address specific policy areas, such as internal migration and social policy in China (Fan 2011), or family policy and familism in Eastern Europe and East Asia (Zsombor 2015).

By providing a broad analysis of the diversity of socialist and post-socialist social policies, this volume fills a gap in the literature. The chapters analyse how the generosity of social policies has been conceptualised in different socialist and post-socialist contexts, how these conceptualisations have shaped the content of social policies, and finally, whether and how the content of social policies has actually been implemented. Notably, the chapters cover a broad range of social policy fields. They look into traditional public welfare programmes, that is, maternity leave, healthcare, pensions, and education. Moreover, contributions to this volume analyse "social policies by other means" (Béland 2019). The latter refers to "functional" social policies, understood as policies that perform welfare functions in fields otherwise not directly identifiable with public welfare programmes, that is, further training and skill certification to address the risk of unemployment and reduce inequalities in the labour market, and land reform to improve the livelihoods of rural populations.

Points of Departure

Throughout the volume, a common terminology is used to examine social policies in socialist and post-socialist states. The central notion is that of *generosity*, which is understood as a combination of two dimensions: the inclusiveness of social policies and the scope of benefits they provide.

We understand *inclusiveness* as the personal dimension of social policy generosity, as it identifies societal groups and/or individuals who are formally entitled to or actually receive benefits. The *scope of benefits* constitutes the material dimension and relates to the content and level, duration, and, for services, the quality of benefits that are available to societal groups or individuals. Both dimensions are further analysed in terms of de jure (formal) and de facto (actual) provision and accessibility. This approach, developed at the Collaborative Research Centre 1342 on "Global Dynamics of Social Policy" at the University of Bremen, can be utilised for the analysis of different policy fields and research foci. It aims to increase clarity and cohesion for joint and comparative research (de Carvalho et al. 2024).

Furthermore, the chapters in this volume distinguish between three types of social benefits: cash transfers, in-kind provisions, and regulatory interventions. Cash transfers include direct monetary transfers, indirect tax credits, and price subsidies available to entitled and/or eligible individuals and households to help meet their needs. In-kind provisions include the provision of goods, commodities, and/or services in the case of social risk or in response to needs. Regulatory interventions refer to legal protection through the establishment of rights and duties "provided, financed, and/or regulated by the state addressing social risks or needs" (de Carvalho et al. 2024, p. 10).

In the state socialist countries of the twentieth century, social policies were not simply framed as separate tasks of the respective government agencies but as a system of welfare provision that had the ultimate aim of contributing to the socialist transformation of society. At the same time, in combination with the nationalisation of the means of production, which was "seen as a prerequisite to the reduction of income inequality" (George and Manning 1980, p. 25), the accumulation and distribution of economic surplus was determined "primarily according to the political aims of the [respective] Communist parties acting through the central government administrators" (George and Manning 1980, p. 160).

The distinct understandings of who deserves to be included in socialist welfare schemes, with which entitlements and under which conditions, triggered a massive expansion of social policies in socialist states. At the same time, however, it put socialist states under enormous strain, as it required the generation of enough financial resources and state capacities to maintain new schemes (e.g., Cook 1992). In fact, financial, ideological, and administrative constraints often enforced compromises, often at the expense of the scope of benefits. Over time, increasing economic pressure led to substantial policy reforms that undermined the initial intentions of socialist welfare.

In some national contexts, these reforms were not meant to officially bring socialism to an end. This was the case particularly in China, which is still officially a socialist country to this day; however, capitalist elements were successfully implemented in its economy (with implications for policy-making) from the 1980s onwards (ten Brink 2019). While China's path to post-socialism preserved some legacies of the past, reforms in other post-socialist countries intentionally departed from the respective socialist traditions. This often facilitated an anti-socialist backlash, visible in the attempts to sever (ideological) ties with the previous system in several social policy areas (e.g., Appel and Orenstein 2018) and in a shift in the approach to welfare generosity (e.g., Ghodsee and Orenstein 2021). With neoliberal approaches gaining traction, the last decades have been marked by an increasing reliance on market solutions and re-privatisation of different types of social risk in many post-socialist countries, fostering a re-commodification of labour (e.g., Herudziński 2014) and a re-familialisation of care-related tasks (e.g., Blum et al. 2014; Zsombor 2015). Thus, the readjustment of social policies to new conditions, that is, marketised economies, often translated into rolling back welfare systems and the role of the state therein. This has led to the exclusion of some social groups and a reduction in the scope of benefits available, while at the same time, the population's continued expectations of a generous social policy are not met.

Overview of the Chapters of This Book

The book is structured according to the different world regions that the chapters cover. Moreover, it adds a global-comparative view to put the experiences of socialist countries into perspective.

Europe and Central Asia

Since the Soviet Union was the cradle of socialist welfare policy and has become a reference point for all other socialist systems around the world, the book starts with a chapter by Andreas Heinrich on the "System without a masterplan: The Soviet welfare model". This chapter discusses the gradual development of the Soviet welfare system from 1917 to 1991. Immediately after the October Revolution, the Bolshevik government legislated state-funded social services for healthcare, old-age pensions, and education, among others, which translated into a formal expansion of social policy in terms of inclusiveness and the scope of benefits. However, these de jure entitlements were limited to selected social groups, and it took decades for most of these social programmes to include the majority of the population. Focusing on the right to income maintenance (i.e., old age, disability and survivor pensions, unemployment, sickness and maternity benefits, and child allowances), this chapter analyses the specific modes of and motivations for welfare policy development in the Soviet Union.

In her chapter "Social Protection for Farmers under Socialism: The Case of Bulgaria", Maria Ignatova-Pfarr focuses on farmers, a societal group that was often neglected under socialist welfare systems. Labelled as universal, the social security systems introduced in the socialist countries of Central and Eastern Europe (CEE) differed from those of the Soviet Union in terms of their inclusiveness, especially with respect to the social protection of the rural population. The author explores the case of Bulgaria, which early on embarked on egalitarian social security reforms to integrate the rural population into the general social security system. In 1975, the social security rights of cooperative farmers were fully equalised with those of workers. Ignatova-Pfarr shows that national socioeconomic factors, historical legacies, and external pressures played a decisive role in expanding the inclusiveness of public social security to the rural population and the scope of benefits that was eventually offered to this group.

After the collapse of the Soviet Union, public expectations in post-Soviet states were still guided largely by the promises of the Soviet welfare system. At the same time, post-socialist governments could no longer maintain their respective policies. In "Public Pressure for Generous Social Policy as a Socialist Legacy: The Case of Authoritarian Kazakhstan", Heiko Pleines shows that the government in this post-socialist country has exercised control over politics and mass media and has invested much effort in managing public perceptions. Simultaneously, the political leadership has pursued a relatively generous social policy made possible by an oil boom that has bolstered state revenues since the 2000s. However, when the generosity of state social policy fell short of public expectations, this discrepancy caused widespread dissatisfaction, which sporadically erupted in violent protests. The author concludes that, as a legacy of the Soviet welfare model, high public pressure for a relatively generous social policy has an important impact not only on social policy but also on broader political dynamics even in authoritarian regimes.

In the chapter "Welfare State in Yugoslavia and its Successor States: The Case of Family Policy", Sonja Drobnič and Keohni Son examine the formation, development, and political characteristics of family policy (i.e., child allowances, maternity/parental leave, and childcare services) in the former Yugoslavia and post-Yugoslav republics. Yugoslavia formulated comprehensive welfare commitments that often exceeded the state's capacity to fulfil them. In particular, within Yugoslavia, the constituent republics and autonomous regions, characterised by diverse ethnic groups, official languages, and cultures rooted in Christian Orthodox, Catholic, and Islamic traditions, enjoyed considerable autonomy in social policy. Thus, the inclusiveness and scope of benefits evolved unevenly across the country, especially following the constitutional reforms of 1974. These divergent developments significantly influenced the policy reforms in countries that emerged after the disintegration of the Yugoslav federation. The different historical contexts and divergent reform trajectories during and after the disintegration of Yugoslavia, such as re-traditionalisation and financial constraints, are clearly reflected in contemporary disparities in family policy measures.

East and Southeast Asia

In her chapter "Generosity of Social Security: The Soviet Stalinist Model and its Fate in China, 1949–1978", Aiqun Hu analyses the adoption of the Soviet welfare model in China in the 1950s, characterised by a dual structure providing unequal benefits to urban and rural residents and its later modifications under the influence of Maoism. In contrast to the Stalinist model, Maoism emphasises egalitarianism to eliminate the urban-rural divide through voluntarism, as expressed in mass campaigns. However, Maoism failed to significantly alter the Stalinist blueprint and, as a result, did not succeed in abolishing the urban-rural welfare dualism. Notably, the Cooperative Medical System in rural areas was expanding towards universal inclusiveness, albeit at a rudimentary level in a country that was still largely underdeveloped.

In his chapter “One Country, Two Systems: The Skewed Inclusiveness of Professional and Vocational Qualifications in China”, Armin Müller examines the system of vocational and professional qualifications as a “functional” social policy in China’s post-socialist era, stressing that skills and their certification are important determinants of the distribution of income and social inequality. He assesses the effect of certificates on income distribution, first analysing their take-up rate through exploratory analysis and then assessing their effect on salaries. Müller’s results indicate that the new certificate system replicated preexisting inequalities in the new labour market rather than mitigating them. While de facto inclusiveness was high in the state-bureaucratic system, where certificates facilitated career advancement through skill formation, in the private and informal sectors, de facto inclusiveness was low because these certificates conveyed little added value.

In their chapter “From Dualism to Dualism: Pension Systems in China and Vietnam”, Jonathan London and Tobias ten Brink (2025) analyse similarities and differences in China and Vietnam’s contemporary pension schemes. In both countries, ruling Communist parties have instituted market-based economies along with social policies that exhibit a paradoxical mix of elements. Therefore, the authors examine four hypotheses on redistributive, neoliberal, productivist, and conservative/familialist welfare models. They show that, while committing to socialism, China and Vietnam have followed patterns of pension arrangements that point to a dualism in generosity between civil servants and formal sector workers, on the one hand, and informal workers and rural dwellers, on the other hand. Additionally, an older urban-rural dualism continues to play an important role. Within these dualist and stratified patterns, the degrees of protection and support in the two countries vary, reflecting differences in their socio-economic development and institutional setup.

Latin America and Africa

In “Born and Bred from Strife: The Cuban Healthcare Model as a Socialist Response to International and Domestic Conflicts”, Elsada Diana Cassells, Berta Lilia Ford Campbell, Gabriela de Carvalho, and Lorraine Frisina Doetter focus on the introduction of the Cuban healthcare system in 1961 and its development in the following decades. They consider it a landmark occasion in the history of public health and social protection because the Cuban model made health and healthcare a national priority through the creation of a free, universal, and comprehensive system that has garnered international praise. The authors examine factors leading to the model's inception and employ the transnational interdependencies approach to examine the role of national and international factors in shaping its introduction and generosity. They trace key historical developments and reveal how healthcare served as part of a socialist stance to address the severe health consequences caused by the protracted ramifications of slavery and diseases in the colonial era, the socioeconomic impacts of neocolonial interests, and the hostile political and economic realities of the Cold War period.

In their chapter "Decolonisation, Socialism, and Development: The Fate of Land Reform in Africa", Roy Karadag, Sarah Kassim de Camargo Penteado, Kressen Thyen, and Anna Wolkenhauer analyse land reform policies in post-colonial African countries. After decolonisation and national independence, land reform was on the agenda of socialist-leaning elites, political parties, and trade unions in Africa. To improve the livelihoods of rural populations and overcome the political influence of agrarian elites, land reform was considered rural social policy par excellence and a necessary tool for achieving political equality and rural development. However, the potential of land reform has turned out to be limited. This was mainly due to a lack of government capacity to reorganise the peasantry, the complex challenges of promoting both agricultural productivity and rural equality, and the short temporal frames in which the land reform option could be properly implemented. The authors trace these aspirations and challenges in a comparative analysis of Tunisia, Zambia, and Mozambique between the 1950s and the 1970s, before socialist land reform was eventually given up in favour of more liberalised agricultural policy approaches.

Comparative Perspectives

The two final chapters employ a global-comparative perspective, focusing on female enrolment in secondary education and the impact of geopolitical system competition on the expansion of social policy.

In "Socialist Systems, Global Cultural Spheres and Female Participation in Education", Michael Windzio, Fabian Besche-Truthe, and Helen Seitzer analyse trends in female inclusion in secondary education based on a large set of socialist, post-socialist, and non-socialist countries (as contrasting cases). The authors test under which conditions the implementation of socialism actually increased the participation of women in secondary education and, at the same time, whether the post-socialist transformation after 1990 decelerated or even reversed the trend towards women's inclusion in (secondary) education. They also investigate how cultural spheres as well as a country's status as a socialist country moderate the effect of female participation in secondary education and the risk of achieving only lower education for women. Their results show that, overall, socialism reduced the risk of receiving only lower education, but this effect was significantly weaker for women than for men.

In his chapter "The Impact of System Competition on Social Policy: The Cold War and Beyond", Herbert Obinger analyses the importance of the Cold War as a geopolitical factor for understanding and explaining welfare state dynamics in the West and East after 1945. He finds that system competition between the two antagonistic blocs had a stronger impact on social policy in the socialist bloc because there was a growing pressure over time to improve the living conditions and social protection of the people to bolster the legitimacy and stability of the socialist regimes. However, this policy was costly, overburdened the centrally planned economies, and eventually contributed to the collapse of socialism and, therefore, to the end of the Cold War.

A Picture of Diversity

The chapters in this volume describe and analyse the inclusiveness and scope of benefits of social policies in the historical contexts of both socialism and post-socialism. On the one hand, they account for the *temporal dimension*. While some chapters focus on the socialist eras only, others examine continuity and change between the socialist eras and post-socialist realities. On the other hand, the chapters cover different national settings across key world regions, thereby addressing the *spatial dimension*. Specifically, the chapters cover selected countries in the geographic areas of the (former) Soviet Union, CEE, including (the former) Yugoslavia, as well as East and Southeast Asia (i.e., China, Vietnam), Latin America (i.e., Cuba), and Africa (i.e., Mozambique, Tunisia, and Zambia). In addition, two chapters take a more global perspective to compare the experiences of socialist and post-socialist countries with those of other countries.

Taken together, the volume provides an overview of the *diversity of socialist welfare generosity* that can complement scholarship on the diversity of welfare systems and their varying degrees of generosity across time and space in non-socialist countries (from Esping-Andersen 1990 to Petersen et al. 2025). Just as there is no single form of welfare state with roughly the same generosity in the non-socialist systems of the "West" or the "South", the contributions show that there is also a great deal of variation across socialist systems. Take, for example, the consideration or neglect of the rural population and the variety of approaches to the peasantry. As Heinrich (2025) shows in this volume, while the Soviet Union was largely agrarian in the first decades of its existence, the regime was able to ignore the needs of the peasantry without having to worry about social support for the "rural masses", owing in part to its massive apparatus of repression. In contrast, in national settings in CEE, such as Bulgaria, and in the African countries studied here, peasantry was "too important" politically and economically to be ignored (see Ignatova-Pfarr 2025 and Karadag et al. 2025, both in this volume). Another example is Cuba's healthcare system, which, unlike the healthcare systems of the Soviet Union, China, and other state socialist countries, has come closest to the ideals of a free, universal, and comprehensive system from its introduction (Cassells et al. 2025, in this book).

This diversity can only be explained in the context of a number of *national and international factors*. Some of the key national factors discussed in the chapters are the low level of socioeconomic development, weak state capacity, pre-socialist legacies, and cultural influences. The level of socioeconomic development is, of course, a crucial aspect. In this context, the chapters make clear that socialism was, in a sense, introduced in all the wrong places, namely, in underdeveloped agrarian societies with strong legacies of pre-modern forms of human interaction, where the "conditions" for socialism to work simply did not exist. The necessary high level of development could, according to Marx and others, be achieved only after societies had gone through extensive phases of capitalist development. For both Maoism and socialist traditions in Tunisia, Zambia, and Mozambique, the fate of social policy reform was inextricably linked to very poor material conditions (Karadag et al. 2025; for the early phases of the Soviet Union, see Heinrich 2025). As Hu (2025) shows in this book for the Chinese case, the low level of socioeconomic resources available to ensure the provision of benefits influenced both the de jure scope of benefits and the de facto provision of benefits, with contrasting fates for urban and rural populations. The same holds true for the level of state capacity. In particular, de facto inclusiveness depended on the institutional capacity to effectively reach the target groups; thus, the provision of healthcare in rural areas was hampered, for example, by poor infrastructure and a lack of personnel.

Beyond socioeconomic factors, Pleines (2025) and Müller (2025), in their chapters on Kazakhstan and China, confirm the role of historical and institutional path dependencies in influencing post-socialist realities. First, an important legacy of the Soviet welfare model manifested itself in high public expectations about generous social policies in Kazakhstan. In addition, Müller (2025) shows how the legacy of the planned economy in the form of occupational standards both facilitated and undermined the system of Vocational and Professional Qualifications for the Chinese labour market. Moreover, the chapter on Yugoslavia elucidates how pre-socialist legacies shaped socialist social policy. Drobnič and Son (2025) provide evidence of traditionalism and conservatism in explaining the different levels of benefits of family policy within the country and that these differences in welfare generosity persist in Yugoslavia's successor states. Furthermore, cultural factors have an impact, as Windzio et al. (2025) show in their global-comparative analysis, where cultural spheres moderate the effect of female enrolment in secondary education and alleviate socialist aspirations.

With regard to international factors—or *inter- and transnational interdependencies* in the conceptual language of the Collaborative Research Centre 1342 on "Global Dynamics of Social Policy" at the University of Bremen—their importance varies depending on the programmes and the time of their introduction. With respect to the latter, Obinger (2025) shows in his contribution to this book that geopolitical system competition during the Cold War actually had a stronger impact on social policy in the socialist bloc than in the West, as there was greater pressure to improve living standards and social protection to underpin the legitimacy of socialist regimes. Moreover, the chapter on Cuba shows how the complex interplay of national and international factors—including the legacy of slavery and colonialism, the influence of foreign neocolonial interests, and the political and economic realities of the Cold War—facilitated the introduction of the relatively generous Cuban health system in 1961 (Cassells et al. 2025).

Thus, an important conclusion is that there is not just one factor at work—such as regime type or socialist ideology—but that other factors also play a role, just as in the "West" or the "South". Future studies of socialist welfare generosity, therefore, need to move beyond conventional notions of socialist social policy as relatively homogeneous. As many of the chapters in this book show, social policy in the countries under study was indeed based on some common basic ideas, particularly a consensus on universalist approaches. However, universalism took different forms in practice and, in some cases, proved to be only declarative (for research on "ideocracies" more generally, see also Backes and Kailitz 2016). In some contexts, only selected social groups were covered by "universalist" policies, so inclusiveness remained limited. The chapters also observe a wide range of approaches to the scope of the benefits. The Soviet-Stalinist model deliberately maintained the urban-rural divide and reinforced it by creating social policies specifically targeted at urban workers (Heinrich 2025). In other countries, greater efforts have been made to include the rural population, albeit with limited success. This is true not only for Maoist efforts but also for African countries that sought to reduce the urban-rural divide (Hu 2025; Karadag et al. 2025).

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CHAPTER 2

System Without a Master Plan: The Soviet Welfare Model

Andreas Heinrich

Introduction

This chapter presents a brief overview of the gradual development of the Soviet welfare system, which served as an example for many socialist welfare models around the world. After the revolution in October 1917, the new Bolshevik government quickly introduced (mostly completely new) legislation based on utopian ideals to provide state-funded social services in the areas of old-age pensions, healthcare, education, and so on. This meant a major expansion of social policies and increasing generosity—understood as the combination of their inclusiveness and the scope of benefits they offer. However, these de jure entitlements, if and when actually implemented, were at first limited to a select few; it took many social programmes several decades to serve the majority of their intended beneficiaries. The overall development of the Soviet welfare system did not—in most cases—follow a master plan, but rather a trial-and-error approach, often a result of the changing priorities of the political leadership and

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socio-economic constraints such as chronic financial shortages and underfunding.

The Soviet welfare system distinguished between the right to income maintenance, benefits available only to those who performed hired work, and benefits available to all citizens aiming to raise living and cultural standards, such as healthcare and education. The right to income maintenance and the right and duty to work were fundamental principles of socialism; it did not depend on individual contributions into social insurance funds, enterprises being instead obliged to finance these through their own contributions (Rimlinger 1971, pp. 253–255). Covering a period of more than 70 years (1917–1991), this chapter can only be a rough sketch of the situation and focuses exclusively on income maintenance (i.e., old-age, disability and survivor pensions, unemployment, sickness and maternity benefits, as well as child allowances). Thus, it also does not include so-called "hidden social welfare benefits" in the form of price subsidies for consumer goods, such as food, and services, including housing, public transport, utilities, and so on (see, e.g., Chandra 1996).[1] For further, more detailed information regarding the inclusiveness and scope of benefits of the single programmes (both income maintenance and benefits aiming to raise living and cultural standards), see Heinrich (2025).

Class Structure and Inclusiveness

The Bolsheviks inherited a deeply rural society: in 1913, around 82% of the population still lived in the countryside. The majority of the population, with 66.7%, were small- and middle-scale farmers and/or cottage industry workers (Selunskaya 1987, pp. 11, 81).

However, Marxist theory requires a "proper" class structure for the "dialectics of class conflict", with a "ruling class" and its potential challenger, to work. While the October Revolution and the subsequent civil war had advanced the proletariat to the new ruling class, these events led simultaneously "to a breakdown of industry and flight from the cities that

[1] Through a systematic policy of consumer price subsidies, the Soviet government "held down the cost of living to an extraordinary degree", thereby also legitimising the regime (Standing 1996, p. 227). For example, in 1988, direct consumer subsidies in the Soviet Union amounted to half as much as its total social welfare expenditures (Cazes and Le Cacheux 1991, p. 176).

[…] temporarily wiped out the […] working class as a coherent social group" (Fitzpatrick 1993, pp. 745, 749–750, quote p. 749).

In order to create their new socialist order, the Bolsheviks established the "dictatorship of the proletariat" from 1917 to 1936 and started to reinvent and ascribe class identities in order to foster class conflict and a social polarisation between the "working class" and elements of the old order and the bourgeoisie, so-called "class enemies", such as aristocrats, capitalist entrepreneurs, landowners, and clerics (Fitzpatrick 1993, p. 745; Lane 1982, pp. 9–10). Discriminatory legislation based upon social origin was used for social engineering: the Bolsheviks resorted to "ideologically motivated pro-worker discrimination" in order to consolidate their authority and secure the support of those segments of the population upon whom Soviet power was supposed to depend (Kimerling 1982, p. 24). Furthermore, members of the old order were stripped of their citizens' rights (Lane 1982, p. 10); thus, they were excluded from the new social welfare system (or later given only limited access).

Due to their importance for governing a state, an exception was made for members of the pre-revolutionary technical and administrative strata; while they had formed part of the bourgeoisie, they had not necessarily owned the means of production. Consequently, the Bolsheviks assumed no antagonistic relationship of this group towards the proletariat. Thus, they were "declassed" and made to work for the proletariat. This social levelling included the loss of privileges and significant reductions in salaries (Lane 1982, pp. 11, 46).

In general, the Bolsheviks divided the Soviet population into two major "fraternal" classes: the working class (proletariat), composed of industrial and agricultural workers in state enterprises/farms,[2] and the socialist peasantry, later comprising collective farmers. Members of those two classes were defined as being "equal in rights" within Soviet society (Dobson 1977, p. 298; Inkeles 1950, p. 465).

The Soviet working class was considered socially more advanced and "destined to take the lead in building a communist society" (Lane 1982, p. 36). However, as Table 2.1 indicates, even when taken together with salaried employees, the working class made up only 14.8% of the total population in 1924, down from 17.0% in 1913 (Vorozheikin and Senyavskii 1977, p. 21).

[2] State farms were considered "agricultural factories"; thus, their employees were regarded as agricultural workers with fixed wages (Lane 1982, p. 37).

Table 2.1 Class structure, 1913–1980 (in % of the total population)

	1913	*1924*	*1928*	*1939*	*1940*	*1958*	*1960*	*1965*	*1970*	*1975*	*1977*	*1979*	*1980*
Working class	–	–	–	–	27.5	46.6	51.5	55.2	56.6	59.8	60.3	60.8	61.2
Workers and employees	17.0	14.8	17.6	50.2	–	–	–	–	–	–	–	–	–
of whom workers	14.6	10.4	12.4	33.5	–	–	–	–	–	–	–	–	–
Employees (non-specialists)	2.4	4.4	5.2	16.7	13.2	11.6	11.5	12.5	11.8	8.2	7.3	7.3	5.9
Intelligentsia	N/A	N/A	N/A	N/A	3.3	9.3	10.4	12.5	15.7	19.4	20.8	21.2	22.7
Collective farmers	–	1.3[a]	2.9[a]	47.2[a]	40.3	30.4	26.2	19.5	15.5	12.4	11.4	10.6	10.0
Independent farmers and cottage workers	66.7	75.4	74.9	2.6	12.5	0.2	0.2	0.1	–	–	–	–	–
Bourgeoisie, landowners, merchants, kulaks	16.3	8.5	4.6	–	–	–	–	–	–	–	–	–	–

[a]Collective farmers and cooperative cottage workers

Sources: Vorozheikin and Senyavskii (1977, pp. 21, 76); Senyavskii (1982, pp. 343–346); own calculations

As the Bolsheviks had difficulties to define the peasantry in class terms, they classified them as either "poor farmers", considered to be of semi-proletarian status, or "middle farmers", while rich peasants (kulaks) were regarded as proto-capitalists and "class enemies" (Fitzpatrick 1993, p. 751). In 1917, 15% of the rural population were considered kulaks, while 65% were poor farmers, and the remaining 20% were middle farmers. By the second half of the 1920s, the rural class structure had changed: the majority, 62.7% of the rural population, were now considered middle farmers (Arutyunyan 1970, p. 21; Selunskaya 1987, pp. 14, 104).

Overall, the socialist peasantry was considered a class of "worker-owners" whose production was in cooperative (not state) ownership that allegedly did not share the socialist objectives of the proletariat, that is, "wage-workers". From the Bolshevik viewpoint, the peasantry was considered "as not being fully emancipated from the fetters of the capitalist mode of production" (Lane 1982, p. 38). Thus, it was deemed unsuitable for inclusion in the social insurance system for a long time (Lewin 1985b, p. 193; Madison 1964, p. 195). The same reasoning applied to the self-employed (i.e., artisans and shopkeepers) in the early years of the Soviet Union; eventually, these groups ceased to exist.

In a similar vein, salaried employees did not fit neatly into Bolsheviks' class categories who were distrustful towards this group, and too concerned with "class purity" to simply incorporate them into the proletariat. Consequently, employees were given "a separate class status, distinctly nonproletarian" until the mid-1930s (Fitzpatrick 1993, pp. 751–752, quote p. 752); however, employees were included in the social welfare system, though their scope of benefits was reduced in comparison to wage-earners.

After the revolution, the leading role and the hopes vested in the proletariat "gave way more and more frequently […] to a discourse on the vulnerability of the proletariat to the influence of the petite bourgeoisie and especially of the peasantry, even though this latter group was supposedly an ally" (Lewin 1985b, p. 193–194). A collision with the peasantry—potentially leading to a counter-revolution—was always to be feared (Lewin 1985b, p. 193). Thus, the Bolsheviks had "to create a socio-economic base which would secure their rule" (Lane 1982, p. 13). Consequently, a second phase of the dictatorship of the proletariat started in 1926 with "the obliteration of what were regarded as the remaining bourgeois state, the smallholding peasantry, and the creation of a large working class" (Lane 1982, p. 13).

Industrialisation and the collectivisation of agriculture increased the percentage of wage-earners and salaried employees among the total population from 17.6% to 50.2% between 1928 and 1939, while that of collective farmers increased from 2.9% to 47.2%. Independent farmers declined from 74.9% to 2.6% of the Soviet population over that same time period, while the bourgeoisie, landowners, and merchants ceased to exist. Consequently, the working class became the dominant class (Lane 1982, p. 15; Vorozheikin and Senyavskii 1977, p. 21).

Regarding inclusiveness, legislation differentiated the working class into specific groups of beneficiaries: wage-earners (industrial workers, agricultural workers); further strata of the working class with fewer privileges (seasonal/temporary workers and journeymen); salaried employees (synonymous with non-physical workers, at first a separate category, but since 1936 treated equally to wage-earners); and further, smaller groups associated with the working class, including students and the poor (urban, rural).

Overall, the dictatorship of the proletariat "made the conditions in which a proletariat was created" (Lane 1982, p. 26). Sanctions and terror were directed against those who were thought to be sympathetic to the "class enemies", resulting in politically motivated inequality (Lane 1982, pp. 16, 32). During the 1930s, class discrimination and the fight against "class enemies" slowed down; in 1936, the authorities even announced the achievement of a "classless society" (Fitzpatrick 1993, p. 757; Kimerling 1982, p. 27).

Modes of Welfare Policy

After the October Revolution, the quickly passed social legislation provided state-funded social services in areas such as old-age pensions, healthcare, and education. This massive expansion of social policies put the Soviet Union under an enormous strain, as it required generating financial resources and governance capacities to create and maintain the new schemes. However, social policy was for a long time only of secondary priority for the mostly cash-strapped Soviet government; thus, social policy programmes were underfunded and always pressured to cut costs further.

As a means to an end, the application of social policy in the Soviet Union was always economically motivated, that is, to support industrialisation by reducing labour turnover and increasing labour discipline, and to direct societal development (e.g., to speedily re-integrate mothers into the workforce). Additionally, the government had a variable, ideology-inspired understanding of who deserved to be included in these schemes, with which entitlements, and upon which conditions. This was supplemented by political considerations regarding whose loyalty should be ensured to foster regime stability. Groups of beneficiaries eligible for income maintenance were defined according to a combination of the reasons for their lack of income and their social status: mothers (married, single), but also parents and families, invalids (temporary, permanent, according to degree of disablement), the sick, the old, the unemployed, and survivors (widows/widowers, orphans).

Over time, the Soviet legislature developed an ever-expanding list of detailed criteria for the assessment of general eligibility for social programmes and for the assessment of the benefit/provision level granted. Financial, economic, ideological, political, and administrative constraints also forced compromises, often at the expense of the programmes' generosity, resulting in an interplay of relaxation, expansion, restriction, and abolition of social policies (for international factors explaining Soviet welfare development, see Obinger 2025).

"Relaxation" means to ease requirements for eligibility or for benefits/provisions, while "expansion" means the extension of inclusiveness, the introduction of new social programmes, and/or new or extended benefits. Restrictions can occur in terms of scope of benefits (i.e., limiting benefits or the duration of entitlement) and of inclusiveness by introducing new eligibility requirements or tightening existing ones. Social programmes can also simply be abolished (see Table 2.2). Soviet social policy regulations were frequently expanded, restricted, or modified; some restrictions came into force just months after the relevant legislation had been introduced.

Table 2.2 Modes of Soviet welfare policy

Relaxation	*of eligibility requirements*	***Abolition***	*of programmes*
Expansion	introduction of new programmes of inclusiveness of benefits/provisions	**Restriction**	of eligibility requirements of inclusiveness of benefits/provisions

Administration of Social Welfare

Within the Soviet welfare system, the workplace became the key access point to welfare benefits, including social security and healthcare (Deacon 2000, p. 147). Only for a person in employment was social protection guaranteed, which "operated primarily through the 'work collective', with general and individual social policy schemes being decided at the central level […] which passed on resource allocations to enterprises to be dispersed by trade union officials, and to a certain extent enterprise managers" (Standing 1996, p. 227). Additionally, a growing system of factory-based ambulance stations and polyclinics began to replace regional hospitals; the administration of their services was entrusted to factory-based insurance organs, enshrining the privileged access to medical treatment for industrial workers (Ewing 1990, pp. 83, 91).[3]

The civil war left the working class decimated and weak, too weak to control and manage the factories. Thus, starting in 1921, the worker self-management was replaced by increasingly powerful Soviet trade unions (Lewin 1985b, p. 195). From the 1930s, the unions became "responsible for the regulation and administration of temporary social insurance benefits for workers and salaried employees", such as sickness and maternity benefits (Rimlinger 1961, pp. 397, 401–402, quote p. 397). Government ministries administered pensions (disability, old-age, and survivorship) and social security benefits, such as child allowances. However, the unions, even though they were not responsible for the application and interpretation of these provisions, participated in their adjudication, union representatives frequently being members of the local pension committees and of the Industrial Medical Expert Committee settling disability claims (Rimlinger 1961, pp. 399–401, 410).

As state-controlled organisations, Soviet trade unions had a dual function: their primary function was "to stimulate, guide, and if necessary, drive the workers to greater production, better quality, and lower costs. As leading organizations of the working masses, on the other hand, it [was]

[3] The social welfare of collective farmers was administered by special mutual aid funds which were established by the individual collective farms. These funds were financed by contributions from the management of the individual farm and supervised by the Ministry of Social Welfare of the respective Soviet republic. Sickness, old-age, and invalidity benefits were paid partly in cash and partly in kind. The social insurance of artisans and craftsmen was carried out through their producers' co-operatives and their mutual insurance schemes (International Labour Review 1947, pp. 272–273).

their function to look after the welfare and legitimate interests of workers and employees". Frequently, conflicting goals characterised much of the unions' work. While social insurance benefits were typically designed to protect the individual and his/her family against certain exigencies, "the dispensing of such benefits [also offered] opportunities for stimulating the incentive to work, for the promotion of labor discipline, and for attracting workers into otherwise less desirable jobs" (Rimlinger 1961, p. 398).

The Soviet social legislation was complex, consequently often giving administrators "some discretion in the determination of a particular individual's eligibility, in the calculation of [his/her] benefit level, and especially in the promptness with which a given case [was] handled. Most countries make efforts to minimize this discretion, but the opposite seems to [have been] the case in the Soviet Union. The Soviet leaders decreed in the 1930s that social insurance administration should aim deliberately at preferential treatment for shock workers [i.e., worker who fulfilled or exceeded the production plan] and workers in certain essential occupations and should discipline unsatisfactory workers. Preferential treatment for favored groups was already built into the laws in the form of higher benefit rates, but the trade unions had further power to discriminate when it came to the distribution of passes to resorts and rest homes, and to pioneer camps for children" (Rimlinger 1962, p. 58).

While examining claims for and awarding sickness and maternity benefits, local trade union organs could take action against any person "abusing" the system (i.e., deemed unworthy). The adjudication of sickness benefits gave trade unions opportunities for controlling absenteeism: they could deny benefits to anyone not following the doctor's orders, to so-called "drifters", "troublemakers", and "idlers". Furthermore, the unions had to record all claims in order to lower sickness and accident rates and promote health and rehabilitation (Rimlinger 1961, pp. 409–410, 412).

Government's Motivation for Social Welfare

Overall, social policies in the Soviet Union were adopted "to suit the goals of economic policy" (George and Manning 1980, p. 1) and "social security programs became a weapon in the hands of the ruling party to strengthen its control over the working population. Benefits, eligibility conditions, and administrative procedures were tailored to suit the objectives of those in power" (Rimlinger 1971, p. 245).

According to its shifting focus, Manning (1992, p. 33) distinguishes four periods of Soviet social policy-making:

(1) The period from 1917 to 1921 describes Manning as "utopian" because the promulgated social policies could not possibly be implemented due to lack of resources. However, "its enactment was designed to secure the political allegiance of urban workers, at a time when the outcome of the revolution was by no means certain, and this secondary effect may have been important" (Manning 1984, p. 78). It was a time of wide debate about future social policy, but with a general agreement on the overall objectives. While this was overall a period of "egalitarianism", wage differentials between skilled and unskilled workers were recognised as necessary (Lane 1982, pp. 20–21).

(2) In the period from 1921 to 1928, "social policy was overhauled and brought into a more realistic alignment with the resources available" by, for example, restricting benefits to skilled workers (Manning 1984, p. 76). As these policies were confined to the urban areas, their practical realisation was more successful than the immediate post-revolutionary plans. "However, this concentration was also undertaken to retain the commitment of urban workers, still the power base of the party, and to extend the control of state administration" (Manning 1984, p. 78). It was a time of increased social change, characterised by a "greater debate about the nature and existence of social issues, and therefore the kind of solutions which should be adopted" (Manning 1992, p. 33). Eventually, the debate shifted from relative consensus to an ideological conflict over values, resulting in the assumption that violence against perceived "problem groups" was justified to solve social problems (Manning 1992, pp. 33–34).

(3) In the Stalinist period (1928–1956), the main concern was the industrialisation of the Soviet Union, which became the prism through which all social concerns were analysed and dealt with. During this industrialisation drive, "the whole tenor of social policy changed sharply". Social programmes were further restricted, "but this time to meet the requirements for a flexible and disciplined labour supply rather than urban political loyalty" (Manning

1984, p. 78). The "supply and discipline of labour was a perennial concern. Anything that appeared to get in the way of this objective was liable to be seen as deviant" (Manning 1992, p. 34). This focus made peasants the main "problem group" in the late 1920s and early 1930s. Egalitarianism in remuneration—once considered a socialist ideal—became "antisocialist" (Lewin 1985a, p. 35). Thus, the rules that defined social entitlement programmes were all progressively tightened over the course of the 1930s (Manning 1992, p. 34). "With a massively increased state apparatus, policies were successfully implemented, and spectacularly effective in terms of moulding labour supply"; however, needs less related to production work continued to be neglected (Manning 1984, p. 78).

(4) The period from 1956 to 1991 was characterised by a distinct change of direction in social policy, which for the first time gained priority in itself: the objective became to increase both welfare and productivity. From 1957 to 1964, a politicising of social issues led to the discovery of the new middle class (i.e., industrial managers, senior intellectuals, and party careerists) as the new "problem group". As a result, newly initiated reforms prioritised workers at the expense of these more privileged groups in a renewed drive towards egalitarianism. Overall, to meet people's needs, the provision of social services was generally expanded (Manning 1984, p. 78; Manning 1992, p. 35). Between 1964 and 1991, stability became paramount, resulting in a relative continuity in social policies, that is, the higher level of social services consumption was "maintained, but in the service of repeated attempts to bolster flagging labour productivity" (Manning 1984, p. 79). Instead of whole groups, only deviant individuals were to be rooted out (Manning 1992, p. 36).

In the following, the waves of relaxation, expansion, restriction, and abolition of Soviet income maintenance programmes will be described and analysed in the overall context of the country's economic development. The analysis focuses on the government's motivation for and administration of social welfare, as well as on the actual modes of social welfare development (see Table 2.2).

Social Welfare from 1917 to 1921: The Utopian Period

Government's Motivation for Social Welfare

During World War I, the government of Imperial Russia had greatly enhanced its control over the economy. After the October Revolution, the Bolsheviks utilised much of this planning apparatus and adapted it to their needs. They had far-reaching, utopian objectives such as radically transferring ownership of factories, land, and other means of production to the state, replacing the existing market economy with a planned economy, and egalitarianism. Simultaneously, they had to deal with an economic crisis, food shortages, and high unemployment (Davis 1998, p. 17). Unsupported by any government funding, the near-universal provision of the Bolshevik social welfare programme had to be scaled back by the end of 1917, as employers were unable to pay the contributions, and the first eligibility restrictions were introduced (Caroli 2003, p. 32).

In summer 1918, civil war broke out. Within a few months, the so-called "War Communism" (1918–21) was established. Its core was the nationalisation of industry, the centrally organised allocation of goods and commodities, and the (often arbitrary) requisition of grain and other foodstuffs from the peasantry with little or no compensation, using force where necessary (Davis 1998, p. 18; Dobb 1948, p. 106). As the restriction of social welfare eligibility to wage-earners only threatened to provoke a public backlash, especially from peasants (whose support and loyalty were important for the survival of the Bolshevik regime), the inclusiveness of the schemes was expanded (George and Manning 1980, p. 37).

Administration of Social Welfare

In the direct aftermath of the revolution, the trade unions wielded large influence; they "chose the Commissar of Labor and had representatives in all key governmental agencies, local and national. They helped to reorganize industry and to recruit, educate, and discipline workers, and they shared with the party and with plant directors the management of industry. Union membership was obligatory. […] Additionally, they tried to implement safety regulations and to improve working conditions" (Brown 1966, p. 50).

While in November 1917 social insurance matters were initially placed under the stewardship of workers' insurance councils running a system of decentralised funds, by early 1919, these had incrementally come under direct government control (George and Manning 1980, pp. 36–37; Rimlinger 1961, p. 403). Nevertheless, the government had practically no administrative apparatus to enforce its regulations, making their introduction extremely difficult. Overall, in times of civil war, social security legislation "had little significance, other than [that it] reflected the aims of the new government" (Rimlinger 1971, pp. 258–259, quote p. 259).

Modes of Social Welfare

In the area of social policy, this utopian period was—at least on paper—a period of social expansion. Already on 12 November 1917, the Bolshevik government introduced its new social insurance programme which: (1) should cover all wage-earners without exception and all urban and rural poor; (2) should cover all risks of income loss (sickness, injury, disability, old age, maternity, death of breadwinner, and unemployment); (3) should be completely financed by employers; (4) should pay full wage replacement for unemployment and sickness benefits; and (5) should be fully controlled by the insured (Abramson 1929, p. 377; Duncan 1935, pp. 181–182; Rimlinger 1971, p. 258).

Soon after, a decree on maternity leave established that working women should receive full earnings for the period of eight weeks preceding and eight weeks following childbirth. However, the maternity leave of 16 weeks applied only to women doing physical work, while women in non-physical professions received only 12 weeks' leave (Gradskova 2007, p. 279; Selezneva 2016, p. 3).

With their first social policy law passed on 11 December 1917, the Bolsheviks established an unemployment insurance programme, while a second law of 29 December 1917 provided for sickness and maternity benefits. In both laws, however, the full scope of benefits was only provided to wage-earners, due to financial constraints (George and Manning 1980, p. 36–37; Rimlinger 1971, p. 259).

Unemployment benefits were further restricted in January 1918 by introducing labour exchanges; the unemployed had to register with them shortly after becoming unemployed in order to qualify for benefits.

Refusing to accept a job offer from the labour exchange usually disqualified a worker for benefits (Rimlinger 1971, p. 266).

However, the civil war forced the Bolsheviks to gain broader popular support for their regime to survive and, thus, to expand their social welfare schemes in October 1918 in terms of inclusiveness. These now included self-employed people and peasants—as long as they themselves were not employing hired labour (Abramson 1929, p. 381; Caroli 2003, pp. 32–33; Duncan 1935, p. 182; George and Manning 1980, p. 37).

Social Welfare from 1921 to 1928: New Economic Policy

Government's Motivation for Social Welfare

After the civil war was won, an economic crisis, famine, and peasant disturbances forced the Soviet government to abandon War Communism. With the New Economic Policy (NEP), it returned to some extent to the economic policy before the onset of civil war. Key sectors of the economy remained under direct state control, while private entrepreneurship, trade, and privately owned agriculture were encouraged. After the initial setback of the severe famine of 1921–22, the economy recovered rapidly (Davis 1998, pp. 4, 23–25; Dobb 1948, p. 123).

Nevertheless, the devastations of the civil war made financing the social welfare schemes of 1917 and 1918 more difficult; the Bolsheviks realised that certain ambitions could not be fulfilled, and most benefit payments were made conditional. As a result, the system covered the main body of regular workers in industry, commerce, and transport, groups which were of most consequence to the Communist Party; it applied only partly to seasonal workers, who were more difficult to organise. The peasantry was excluded, not least for ideological reasons (Abramson 1929, p. 384; Rimlinger 1971, p. 265).

Under the NEP, the labour market was not able to absorb the huge influx of rural migration into the towns. Consequently, the number of unemployed people increased continuously throughout the 1920s. This created considerable pressure to tighten eligibility requirements in order to contain the rapid rise in cost of welfare programmes throughout the 1920s (Davis 1998, pp. 31–32).

Administration of Social Welfare

During the NEP period, Soviet trade unions not only lost their political importance but also "subordinated their traditional function of protecting workers' interests to the newly accepted responsibility for stimulating labor productivity". Their role was now dictated by the requirements of economic policy (Hewes 1932, p. 605).

The 1924 Constitution of the Soviet Union entrusted the Commissariat of Labor with the administration of the social insurance system. At the implementation level, however, the entire executive personnel in the social insurance offices were either elected or nominated by trade unions and had to report to them (Rimlinger 1961, p. 404). Despite the fact that unions chiefly came to promote labour discipline and their membership became voluntary again in 1921, union membership in the late 1920s "continued to grow, helped by advantages in jobs, in social insurance benefits", and other preferential treatments (Brown 1966, pp. 51, 53).[4]

Modes of Social Welfare

In a first reaction to the devastations of the civil war and the subsequent financial meltdown, the inclusiveness of social programmes was restricted: between October and December 1921, all social protection was restricted only to wage-earners, artisans, shopkeepers, and peasants once again being excluded (justified as elimination of an "ideological impurity" in the socialist welfare system). Members of these groups were instead encouraged to join special mutual aid societies (Abramson 1929, p. 382; Caroli 2003, p. 34). However, members of the working class were also affected; the 1922 Labour Code rendered only certain categories of wage-earners eligible for the full scope of insurance benefits. Seasonal and temporary workers (classified according to their degree of economic independence) were only insured against certain risks (Abramson 1929, pp. 383–384).

In a second step, eligibility requirements were also severely restricted: in 1921, unemployment, sickness, and maternity benefits were made

[4] Union membership increased rapidly. Between 1920 and 1932, the number of trade unionists increased fourfold to over 17.5 million, "but this was only 75 per cent of all wage and salary workers, in spite of the advantages of membership" (Brown 1966, p. 56). By 1949, the membership level had reached 87%, increasing further to 90% of the workforce by 1954 (Brown 1966, pp. 59–60).

conditional, among other factors, upon an individual's employment record (eight years in the case of full sickness benefits), qualification (skilled or unskilled), place of residence, and union membership. In 1922, a needs test was introduced as a requirement for disability pensions; the applicant's availability of other sources of income was now taken into account (Caroli 2003, p. 34; George and Manning 1980, p. 38; Rimlinger 1971, pp. 264–265, 267).

In an effort to reduce costs (under the pretext of "preventing abuse"), new restrictions followed in 1927. For disability and survivor pensions, the required employment record was increased; in addition, a certain length of service was now required to register with the labour exchanges to receive unemployment benefits, for which a needs test was applied as well (Abramson 1929, p. 387; Duncan 1935, p. 184; Porket 1989, p. 46). A "work record" (as opposed to "employment record") was required from certain key groups of wage-earners, who had been eligible for old-age pensions since 1928. This "work record" measured an "individual's contribution of 'useful work' to society". This represents an important shift with regard to eligibility because previously "work requirements mainly were intended to assure that an individual belonged to the status group entitled to protection. Now, apparently, an individual also had to be personally deserving by having contributed to society" (Rimlinger 1971, p. 267).

Finally, benefit levels were also restricted: in 1921, full sickness benefits for wage-earners were limited to a maximum period of four months (reduced from six months before). Overall, the scope of unemployment, sickness and maternity benefits, and the duration of entitlement became variable according to the risk covered. In 1927, unemployment benefits were reduced to a maximum of 50% of previous wages to encourage unemployed workers to obtain new employment (Abramson 1929, pp. 382, 388; Caroli 2003, p. 34; George and Manning 1980, p. 38; Rimlinger 1971, pp. 264, 267).

Despite all these restrictions, the 1922 Labour Code introduced survivor pensions for dependents of wage-earners in case of the death or disappearance of (or abandonment by) the breadwinner. As the regulations were not aimed at discouraging work, widows were only entitled to these survivor pensions for themselves if they were also looking after a child under the age of eight. After taking up paid employment, they would lose their survivor benefits (Duncan 1935, p. 184; George and Manning 1980, pp. 50–51). Furthermore, the first specific old-age pension scheme for (certain) wage-earners was introduced in 1928; initially restricted to textile workers in order to rejuvenate that industry's workforce, it was later extended to other branches. The retirement age was set at 60 years for men and 55 for women, and an employment record of 25 years for men and 20 years for women was required.[5] Before the introduction of an old-age pension, persons of retirement age were treated as invalids receiving a disability pension (Rimlinger 1971, p. 267; Stiller 1983, p. 98).

With the 1922 Labour Code, the inclusiveness of disability pensions was also expanded: practically every wage-earner was entitled to it in the case of permanent total or partial disability. Additionally, some eligibility requirements were relaxed: the Labour Code eliminated the employment requirement of eight years for the disability pensions introduced the year before. In 1928, the employment requirement for work-related disability pensions was abolished (due to rapid industrialisation and increasing work incidents), while the requirements for non-work-related disability and survivorship pensions remained unchanged (Duncan 1935, p. 183; Rimlinger 1971, pp. 265, 267, 285).

Social Welfare under Rapid Industrialisation (1928 to 1955)

Government's Motivation for Social Welfare

The high unemployment during the 1920s raised the belief in the need for a change in economic policy. Thus, the government expanded the resources devoted to industry and used "emergency measures" (i.e., the use of state coercion and violence) from 1928 on. This was followed by a rapid industrialisation drive and a forced collectivisation of agriculture. During the first Five-Year Plan (FYP) from 1928 to 1932, a full command economy was established, and the construction of modern capital goods industries was fostered. However, the first FYP was overambitious, creating "a cascade of crises" (Davis 1998, pp. 31–32, 34, 45, 51–52; quote Lewin 1985a, p. 11). The introduced policy of differentiation with an incentive structure of wage differentials and bonuses resulted in preferential treatment of workers in certain industries that were considered particularly important for the fulfilment of the FYP, such as the iron and steel,

[5] In 1926–27, the average life expectancy at birth in the Soviet Union was 44 years, 42 years for men, and 47 years for women (Voskoboynikov 2023, p. 33).

mining, engineering, chemical, and transportation industries (Hewes 1932, p. 609; Rimlinger 1971, p. 277, 279).

During the second FYP (1933–1937), the authorities committed themselves to a more realistic, modest production plan and gave top priority to completing investment projects started during the first FYP. "This was also a period of growing differentiation in living standards and way of life between the privileged elite and the mass of the population. Within the working class the pay differentials for highly productive workers were considerably increased" (Davis 1998, p. 54).

The third FYP (1938–1941) was influenced by the political purges that also involved mass arrests of economic officials and industrial managers. Economic policy was dominated by large increases in defence expenditure that had repercussions throughout the economy. Overall, in times of rapid industrialisation, labour protection measures were much less rigorously enforced in the 1930s than in the 1920s, particularly for female workers (Davis 1998, pp. 47, 55).

The fourth and fifth FYPs (1946–1955) tackled the transition from a wartime to a peacetime economy, involving the large-scale (re-)conversion to civilian production. The Soviet government resumed the economic policies of the 1930s, once again giving investment priority to the capital goods industries. While there was no fundamental shift in economic policy until 1953, "the production of consumer goods increased almost as rapidly as that of capital goods" (Davis 1998, pp. 64–66, quote p. 68).

Already with the first FYP, the social welfare system became completely subservient to the drive towards industrialisation. The so-called "equalitarianism" of the early years was to be eradicated and replaced by privileged treatment of special groups of workers. Welfare benefits were seen as a tool to fight labour turnover as these were bound on certain conditions, such as work discipline, employment duration, and so on (George and Manning 1980, p. 39; Rimlinger 1971, p. 271).

Administration of Social Welfare

The industrialisation drive of the first FYP required the centralised regulation of wages and working conditions. Simultaneously, it brought a great influx of new, inexperienced workers from the countryside unaccustomed to factory discipline. The unions took major responsibility for training and indoctrinating new workers, tightening labour discipline, and reducing turnover. In order to perform this task effectively and to engage the workforce, trade unions were given more official responsibility to make social insurance regulations as well as to decide claims and award benefits, with special emphasis placed on rewarding those groups deemed important to the industrialisation effort (Brown 1966, p. 55; Rimlinger 1961, pp. 404–405, 417–418).

Since the early 1930s, "differentiation", rather than "egalitarianism", was to determine the benefits "for each individual worker—rather than for classes of workers"; the higher the earnings, the longer and the more uninterrupted the service, and the more dangerous the job, the higher should be the benefits (Madison 1964, p. 196). Additionally, the Soviet social insurance system underwent basic structural changes and was organised parallel to the trade unions' structure. With the abolition of the Commissariat of Labour in 1933, the administrative and regulative responsibility over social insurance was transferred to the unions, especially at the factory level; local trade union committees became responsible for insurance matters. This "empowered the unions to apply sanctions against violators of labor discipline and dispense special rewards to shock workers, workers in designated key industries and occupations, and those with long and continuous service records" (Rimlinger 1961, pp. 405, 407, quote p. 406).

Modes of Social Welfare

As the needs of the labour market (i.e., reduction of labour turnover and improvement of labour discipline) dominated social security schemes, various restrictions and discriminations in unemployment, disability, and sickness benefits were justified in 1929 as attempts to exclude workers of non-proletarian origin. Consequently, any worker who did not join a union and still had supposed links with the countryside (which was used as a needs test) was excluded from unemployment benefits. Disability pension access became unduly complicated; the employment record for full eligibility was prolonged further from eight to twelve years for wage-earners and sixteen for salaried employees, while certain occupations (e.g., miners) were granted supplements (Caroli 2003, p. 46; George and Manning 1980, pp. 48–49; Rimlinger 1971, p. 287). Even for full benefits in cases of sicknesses lasting less than 15 days, a worker now had to have an employment record of at least three years in either industry or the transportation sector (Rimlinger 1971, p. 274).

In 1931, the requirement for sickness benefits equal to full wages was further stiffened, now mandating an "unbroken", that is, uninterrupted, employment record of at least two years in the present enterprise (in 1938, this was extended to all entitlements). Employment requirements for maternity leave were also tightened and made comparable to the requirements for sickness benefits (International Labour Review 1938, p. 234; Rimlinger 1971, pp. 274, 276). While the unemployment benefit programme was completely abolished in October 1930, the old-age pension system was extended in three stages in 1930 and 1931 to several key branches of the Soviet economy: heavy industry, transportation, and mining. Other industrial branches whose goodwill and loyalty were to be won or retained were formally included in 1932 (Duncan 1935, p. 184; George and Manning 1980, p. 55; Porket 1989, p. 51; Stiller 1983, pp. 98–99).

The second FYP saw no further restrictions; instead, the first child allowance scheme was introduced as a monthly subsidy for very large families, that is, for mothers with seven or more children (Tay 1972, p. 675). Additionally, with the forced collectivisation of agriculture, maternity benefits were extended to rural women working on collective farms (Leahy 1986, p. 75). In 1935, rural women were granted half the entitlements of urban women, that is, an eight-week maternity leave with 50% of their normal pay. The costs were borne by the individual collective farms (Denisova 2010, pp. 165–166; Manning 1992, pp. 216, 229, fn. 52). In 1936–37, the distinction between wage-earner and salaried employees was abolished: in an attempt to encourage birth rates, all women in urban areas became entitled to a maternity leave of 16 weeks. Furthermore, old-age and disability pensions were made more inclusive and extended to salaried employees, no longer applying only to manual workers (George and Manning 1980, p. 41; Gradskova 2007, p. 280; International Labour Review 1938, pp. 235, 237–238).

However, eligibility requirements were further restricted in 1938. Because labour discipline was still considered a serious problem, every worker was required to carry a "workbook" containing "a record of jobs held, with reasons for transfers, and the details of promotions and awards" (Rimlinger 1971, p. 272). With the clear purpose to discipline the workers, an "unbroken" employment record of at least two years in the present enterprise was required for all entitlements, though dangerous and hazardous occupations carried more lenient eligibility rules (Rimlinger 1971, p. 274). Negative incentives were used to nudge workers to join the unions: "For workers who were not trade union members, the benefits were now set at one half the rate paid to union members in the same category" (Rimlinger 1971, p. 275). Benefit levels were also reduced; the length of maternity leave was reduced in 1938 for all urban women from sixteen to nine weeks, specifically five weeks before and four weeks after birth, in an attempt to reduce disruptions to the production process (George and Manning 1980, p. 39; Gradskova 2007, p. 280; International Labour Review 1938, p. 235).

After World War II, many requirements were relaxed, and benefit levels expanded to compensate for the hardship endured and to increase birth rates. Thus, maternity leave was again increased for urban women, this time to 11 weeks; however, the total duration still remained shorter than it had been before 1938 (Berman 1946, pp. 54–55; Gradskova 2007, p. 280; Selezneva 2016, p. 9). Additionally, the child allowance scheme was substantially extended to families of moderate size to promote motherhood. It provided payments to (married or widowed) mothers for their third (rather than seventh) and each subsequent child, with an increasing amount paid out with each child. On a more generous basis, single (unmarried) mothers were paid the allowance from the first child onward, combined with lump-sum birth grant for their third and each subsequent child. However, assistance to single mothers ceased when the child turned 12 years old, while for married mothers, it continued until the child reached 16 years of age (Berman 1946, pp. 54–55; George and Manning 1980, pp. 41–42, 53–54; Selezneva 2016, p. 9; Tay 1972, p. 677).

A further relaxation occurred when the disability pension for work-related invalidity was "granted without a qualifying period, and amounts, for all categories of employment, [were raised] to 100 per cent of the basic wage for the first degree of invalidity, 75 per cent for the second degree, and 50 per cent for the third" (International Labour Review 1947, p. 268).

The only new restriction of eligibility requirements was introduced in 1948: the previous uninterrupted employment requirement for benefits amounting to full earnings was raised for all welfare programmes to eight years, while the requirements for lesser rates were scaled up correspondingly. However, many exceptions had been introduced over time that made the definition of uninterrupted employment less rigorous (Rimlinger 1971, p. 276).

Major Welfare Reforms after the Death of Stalin (1955 to 1991)

Government's Motivation for Social Welfare

The Khrushchev period (1953–1964) was one of strong economic growth, a major shift of priorities in favour of consumer goods, resulting in a significant increase in prosperity and consumers' living standards. However, it is also considered the "prelude to the failure of the extensive growth strategy" because Soviet leader Nikita Khrushchev "weakened the social control on which an authority-intensive economic system depended" (Hanson 2014, pp. 48–50, quotes pp. 49, 50). After the devastation and hardship of Stalinist terror and World War II, nearly 43% of all wage-earners as of 1953 received incomes that were below the subsistence level. As part of an overall de-Stalinisation policy, social reforms aimed to win back popular support for and ensure loyalty to the socialist regime, and thus ensure political stability (Plaggenborg 2019, pp. 46–48).

After Khrushchev's demotion in 1964, new leader Leonid Brezhnev intended to offset Khrushchev's equalisation attempts (enabled by vastly improved state finances), which were considered excessive and damaging to the labour incentive structure. "The anti-egalitarian theme [ran] through all the reform attempts in Soviet-type economies, up to the collapse of the system". As economic growth began to decline and the value of entitlements declined in real terms during the 1970s and 1980s, Soviet policymakers began to fear popular discontent (Hanson 2014, pp. 104–105, 151, 162, quote p. 104). Social policy gave them "a tool that they could use to pursue political acquiescence if not support, and in turn generated relatively stable expectations about the benefits that the state would provide" (Haggard and Kaufman 2009, p. 67). In these last decades of the Soviet Union, major welfare changes occurred mostly in the area of maternity leave/benefits, aiming to reduce income insecurity as a result of childbirth.

Without a clear economic strategy, Mikhail Gorbachev's early policy decisions were rather traditional, aiming to strengthen social discipline and shift priorities back towards capital goods and rearmament. Consequently, the worsening lack of finances to prop up the welfare system eventually resulted in social collapse: in 1990, around 25% of income recipients again lived below the poverty line (Hanson 2014, p. 179; Plaggenborg 2019, pp. 57–58). While further support for poor and large families was introduced, these measures were not fully implemented due to the political changes the country underwent.

Administration of Social Welfare

While since 1933 no fundamental changes had taken place in the objectives of the trade unions' social security administration, their internal focus shifted with the changing requirements of the economy. After World War II, and with a growing labour shortage, the "maintenance of productive efficiency and reduction of absenteeism through measures designed to lessen sickness and accident rates and to promote recovery and rehabilitation" became paramount for the unions (Rimlinger 1961, p. 407).

Modes of Social Welfare

Even though this was generally a period of expanding welfare generosity, it started with restrictions on eligibility requirements and benefit levels in 1955. Child allowances intended as assistance to low-income families became conditional on the average monthly earnings of parents and an employment record of at least three months (McAuley 1979, p. 279). Simultaneously, requirements for sickness benefits were tightened, and the necessary number of years of unbroken employment was increased (George and Manning 1980, p. 52; Rimlinger 1971, p. 290). Even more regressive was the provision that for all entitlement programmes, the "maximum benefit was set at 90 percent of earnings, for which now 12 years of unbroken service was required in all industries" (Rimlinger 1971, p. 276).

However, this period is more remembered for the several new welfare programmes that were introduced. These reforms were inspired by a mixture of economic, political, and welfare considerations, reducing the prior dominance of economic logic to some extent. With the 1956 State Pension Law, the Soviet Union established for the first time a comprehensive social security and welfare policy both in terms of people and risks covered, including all industrial sectors and all cases of permanent and temporary incapacity. The Pension Law was meant to systematise the fragmented Soviet pension system that had grown out of the variety of individual pension schemes for specific industries introduced in the preceding decades (George and Manning 1980, p. 42; McAuley 1979, p. 269; Plaggenborg 2019, p. 45; Stiller 1983, pp. 75, 108, 110).

The legislation introduced three main changes: (1) the coverage was extended to include most wage-earners and their dependents; (2) the rates of benefits were substantially increased; and (3) the benefits were made more egalitarian between the low-paid and the highly paid, as the minimum pension was raised far more than the maximum pension (George and Manning 1980, p. 42; Plaggenborg 2019, p. 48). It adopted the age requirements from 1928 (60 years for men and 55 years for women along with a 25- or 20-year employment record, respectively). However, special provisions for lower age and service requirements were made for occupations involving hard and hazardous work, for mothers of large families, and for the disabled (Rimlinger 1971, pp. 284–285; Stiller 1983, p. 143; Tay 1972, p. 686).

While under the old regulations, pensions were administratively set and not adjusted for rising wages and prices, now old-age pensions were calculated according to one's recent earnings. The government hoped to provide a pension closely related to the person's standard of living while employed (George and Manning 1980, pp. 46–47). Once specified, however, pensions were not changed unless they fell below the new, raised minimum pension. There was no provision for an automatic adjustment of pensions to the growth of national income or to the cost of living. The 1956 pension provisions were also not retroactive: they did not apply to persons who reached retirement age before its introduction (McAuley 1979, pp. 271, 273; Rimlinger 1971, p. 287).

As the contrast between social security for wage-earners and for collective farmers became more and more glaring, in 1964, the Pension Law for Collective Farmers was adopted. It covered collective farmers who, unlike farmers employed on state farms, had never been covered by state social insurance. Previously, each collective farm had to make its own provisions to insure its members against incapacity through mutual aid societies. These paid benefits—usually lump sums without any differentiation—went only to the needy who had no relatives to support them. Thus, this system of income maintenance had the character of an assistance programme (George and Manning 1980, p. 43; Rimlinger 1971, p. 293).

The new legislation established a uniform system for comprehensive old-age, disability, sickness, survivor, and maternity benefits to all collective farmers and their dependents. Originally, the age requirements for collective farmers were higher than for wage-earners: 65 years for men and 60 years for women. In 1967, however, these were reduced by five years to bring them in line with those of the rest of the workforce (George and

Manning 1980, p. 43; McAuley 1979, pp. 269–270; Rimlinger 1971, pp. 282, 292; Stiller 1983, p. 76).

As a result, after 1965, a comprehensive Soviet welfare model had finally been in place that systematised the fragmented Soviet social legislation and eventually included the large majority of the Soviet populace in all of its income maintenance programmes. In the following decades until the break-up of the Soviet Union, the welfare model changed only slightly; the only significant new social programme was the family income supplement introduced in 1974, with all families considered poor becoming entitled to a monthly allowance for each child under the age of eight. This applied to families of wage-earners and collective farmers alike (George and Manning 1980, p. 54; McAuley 1979, pp. 282–283; Selezneva 2016, p. 13; Stiller 1983, p. 168). Beyond this, the authorities expanded the scope of existing benefits and relaxed the requirements for child allowances, maternity, and sickness benefits in an attempt to support families with children and single parents because the rearing of children was recognised as a "poverty risk" in the Soviet Union.

Conclusion: Welfare System Without a Master Plan

When coming to power, the Bolsheviks had some utopian, socialist ideals, but no comprehensive master plan for social policy; the development of social policies was mainly driven by political and economic circumstances and constrained by (nearly) constant budget shortages. Furthermore, social policy had been for a long time (until the mid-1950s) only a secondary political priority in the Soviet Union, a means to achieve higher-prioritised aims: as a work-based social welfare model, economic policy and related objectives, such as the industrialisation of the country, always shaped—to varying degrees—social policies in the Soviet Union. Social welfare programmes, with their focus on reducing labour turnover, increasing labour discipline, and rewarding certain social groups considered important for the industrialisation drive, were underfunded from the start and among the first to be cut in times of financial constraints (as coercion and force were considered "cheaper" alternatives to achieve these goals). These factors help explain the rather erratic nature of the development of the Soviet welfare system, especially in its early years.

In addition to constant austerity and financial constraints in the realm of social policy, socialist class ideology certainly influenced the political decision-making in the Soviet Union, for example the discrimination against (collective) farmers for more than 40 years. However, it was also often used as a pretext/justification for unpopular decisions (e.g., restricting the scope of benefits). If deemed necessary, ideological principles could be "reinterpreted", as in the case of the inclusion of farmers and self-employed during the civil war in order to ensure regime survival or the core principle of "egalitarianism", which in the 1930s was suddenly considered "antisocialist" before it experienced a revival in the Khrushchev era.

Over time, numerous pieces of social legislation had created a basic social security net against life's risks; however, its inclusiveness was far from comprehensive. With a revival of the egalitarian ideals between 1957 and 1964, supported by full state coffers, two major social programmes were initiated that finally created what could be termed a "Soviet welfare model", making the social system comprehensive and more inclusive.

Nevertheless, the Soviet system of income maintenance undoubtedly left a variety of groups either only partially included or not included at all. For these groups, no public assistance scheme existed. Instead, spouses, parents, children, and grandchildren were legally required to support their relatives in financial need (George and Manning 1980, p. 54). Within the domineering working class, wage-earners were the focal point of all social welfare programmes in the Soviet Union. Salaried employees were disadvantaged in some entitlement programmes, such as maternity leave and old-age and disability pensions (aligned only in 1936 and 1937, respectively), while this distinction was of less importance for other entitlements (e.g., sickness benefits), where salaried employees were treated like wage-earners. After the late 1930s, the distinction regarding eligibility had disappeared.

The Soviet welfare model also made a distinction between married and single/unmarried mothers. As the number of single mothers had significantly increased by the end of World War II, they were paid an allowance from the first child (instead of the third) onward, combined with a lump sum on the birth of the third and each subsequent child. However, assistance ceased when the child turned 12 years old (married mothers were assisted until the child's 16th birthday). Two additional monthly allowances were introduced for single mothers in 1947 and 1981; in 1986, the latter programme was extended to widowed mothers not receiving a survivor pension. In 1990, the monthly allowance was increased to 50% of the official minimum wage. All this indicates that living conditions of single mothers (unmarried or widowed) in the Soviet Union had been dire, their status entailing an imminent poverty risk. More generally, this can also be assumed for most single earners with children.

Though considered an ally of the working class, the socialist peasantry "formed the class at the bottom of the social scale" throughout the Soviet era (Lewin 1985a, p. 12). Peasants were included in the welfare system only during the brief period from 1918 to 1921, during the civil war, as their support and loyalty were needed to save and secure the Bolshevik regime. When the civil war was won, they were excluded from the centralised system and left to fend for themselves in mutual aid societies. In 1935, in the aftermath of forced collectivisation, collective farmers were granted maternity leave for the first time—though only half of what urban women received. Only in 1964 was a uniform system for comprehensive old-age, disability, sickness, survivor, and maternity benefits for all collective farmers and their dependents established. However, its scope of benefits was more restricted compared with that of wage-earners (see London/ten Brink 2025 for a comparison of rural and urban welfare generosity in China and Vietnam).

Besides class-related inequalities, large occupational and regional disparities remained because some industrial branches were still privileged (Plaggenborg 2019, p. 50). Additionally, the redistributive impact of these programmes was probably rather small as most benefits were tied to earnings, thus perpetuating substantial social inequities. While in many cases, the provided benefits initially represented a high proportion of wages, they were not adjusted for inflation, diminishing their importance over time (McAuley 1979, pp. 260–261, 288).

These shortcomings were mainly caused by the fact that the Soviet welfare model was—at most times—shaped by the demands of the Soviet economy, an ideology-inspired system of incentives and rewards as well as of tools to control and discipline. Services and benefits were ultimately provided according to the deemed worthiness and importance of a group or individual for the socialist cause (i.e., establishment of socialism, industrialisation, etc.), a trend that the insufficient financial means to raise the system's overall generosity only served to solidify.

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CHAPTER 3

Social Protection for Farmers Under Socialism: The Case of Bulgaria

Maria Ignatova-Pfarr

Introduction

The imposition of socialism after World War II led to profound political and economic changes in Central and Eastern Europe (CEE). Following the Soviet model and in line with their egalitarian ideology, the socialist regimes in CEE implemented comprehensive social reforms to create universal social security systems. Much of the literature on social policy in CEE emphasises the homogenising effect of socialism on the development of welfare systems, inherent in the political, ideological and institutional logic of socialist ideology itself (e.g., Haggard and Kaufman 2008, 2009; Szikra and Tomka 2009). Given their common socialist experience, the CEE countries underwent similar social policy developments and converged on a very similar welfare state model.

The socialist welfare model developed in the post-war period in the Eastern bloc as a specific system of social provision based on full employment, extensive price subsidies and enterprise-related benefits (Cook

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1993, pp. 1–2; Orenstein 2008, pp. 82–83). The abolition of private forms of social provision and the socialisation of the economy made the state the sole provider of all types of social protection (Haggard and Kaufman 2009, p. 223). Moreover, during the socialist era, state-funded social services and benefits, such as healthcare and education, pensions, maternity and family benefits, were provided on a nearly universal basis. Universalism, however, was combined with social stratification (Cook 2007, p. 1; Tomka 2006, p. 147), with welfare provision being used to punish opponents and reward supporters, "turning the welfare state into a finely tuned mechanism for differential distribution" (Orenstein 2008, p. 83). Under socialism, welfare provision was used to generate loyalty and ensure regime stability: a symbolic "social contract" between the state and its citizens emerged in which material benefits were exchanged for political acquiescence (Cook 1993, 2007, p. 32).

Most studies on social policy in CEE during the socialist period focus on the similarities in welfare policies, considering the social systems of socialist countries as largely homogeneous due to the common socialist ideology, the socialist economic model and the efforts of the ruling elites to gain legitimacy (e.g., Cook 1993, 2007; Haggard and Kaufman 2008; Rimlinger 1971; Szikra and Tomka 2009; Tomka 2004). This perspective, however, has one major shortcoming. Although the social protection systems of the socialist regimes shared substantial similarities, these are often exaggerated. In fact, the CEE countries differed greatly in their welfare arrangements in the pre-socialist period, just as welfare provision systems across the Eastern bloc differed considerably under socialism in terms of welfare institutions and the developmental patterns of social policy (e.g., pensions, healthcare, family policy) (Cerami 2006; Ekiert and Hanson 2003; Inglot 2008; Inglot et al. 2022; Kapstein and Mandelbaum 1997). However, this diversity cannot be adequately accounted for by conventional explanatory concepts such as ideology, economic model and the social contract thesis.

Despite egalitarian commitments, social protection under socialism was limited by a class principle, with farmers generally afforded only second-class status in terms of the scope of benefits and inclusiveness of welfare provision. In the early socialist period, much of the agricultural population was either granted only minimum social rights or completely excluded from receiving social benefits and services. The subsequent collectivisation of agriculture played a decisive role in the extension of public social protection to the rural population (Haggard and Kaufman 2008, pp. 148–149;

2009, pp. 223–224; Szikra and Tomka 2009), but was not the only cause of the extension of public welfare provision to the peasantry, as social security policies for farmers varied widely across countries both before and after collectivisation. This chapter argues that it is essential to consider the historical context and country-specific institutional, political and socio-economic factors as well as external pressure, as driving forces for social reforms for farmers.

This contribution provides the first comprehensive analysis of the development of social protection for farmers in socialist Bulgaria. It examines the evolution of the generosity (understood as the combination of scope of benefits and inclusiveness) of social insurance and family allowances for farmers. Bulgaria was the first country in CEE to incorporate farmers into the public pension system and was one of the first to grant comprehensive social rights to the rural population, equalising social protection for cooperative farmers with that of workers as early as 1975. Accordingly, the study covers the period from the socialist takeover in the mid-1940s to 1975. In a case study based on archival documents from the Bulgarian State Archive and the Archive of the Bulgarian Communist Party (BCP), including original legislative texts, stenographic reports of the National Assembly, and party programmes and documents of the Central Committee of the BCP, the analysis demonstrates that specific national political and socio-economic factors, institutional legacies as well as pressure from the Soviet Union were decisive for the expansion of the generosity of welfare provision for farmers in socialist Bulgaria.

The chapter is organised as follows: The next section provides an overview of the development of social protection for farmers in the socialist regimes of CEE. On the basis of archival documents, the third section explores the BCP's central motives for extending social security benefits and family allowances to farmers. The final section provides a summary and draws a conclusion.

Social Protection for Farmers in CEE: Main Development Patterns

Despite ideological commitments to social equality, the distribution of material wealth under socialism was often unequal, favouring cities over rural areas and workers over peasants (Kornai 1992, p. 325). Contrary to the general perception of universalistic and egalitarian welfare provision, social protection during much of the socialist era was based on a discriminatory principle, with peasants either excluded from public protection or disadvantaged compared to the working class. This class-based division of social protection had a profound impact on the generosity of socialist welfare systems, as it led to large gaps in social security due to the predominantly agrarian character of the Eastern bloc countries. For instance, in the immediate post-war period, around three-quarters of the population in Bulgaria and Romania and around two-thirds in Hungary and Poland were considered rural (Berent 1970, p. 247). In 1950, the majority of the labour force in Bulgaria and Romania was still employed in agriculture (79.5% and 74.3%, respectively), around half in Hungary (50.6%) and Poland (54%), and 38.5% in Czechoslovakia. In the following years, collectivisation of agriculture and rapid industrialisation led to comprehensive structural changes in these countries. However, in 1965, farmers still accounted for 56.7% of the workforce in Romania, 45.3% in Bulgaria, 41.4% in Poland, 29.7% in Hungary and 21.1% in Czechoslovakia (Brus 1986c, p. 84).

In the socialist era, the CEE regimes differed in no other area of economic policy as significantly as in agricultural policy (Francisco 1980, p. 219; Tomasevich 1958, p. 44). Major differences existed both in the role of agriculture in the countries' economic structure and in the methods and pace of agricultural collectivisation (see Francisco 1980; ILO 1960, pp. 319–323; Iordachi and Bauerkämper 2014; Jackson 1971; Tomasevich 1958). In most socialist regimes in CEE, the collectivisation process was completed in the two post-war decades, except in Poland, where collectivisation failed and agricultural production remained largely in the hands of private farmers (Bauerkämper and Iordachi 2014, pp. 23–24; Brus 1986b, p. 52). Collectivisation took place through the creation of two types of farms: state farms and collective farms, usually called cooperatives. The former emerged in the course of the land reforms implemented throughout CEE in the late 1940s, comprised a small part of the agricultural land and employed workers under labour contracts and labour legislation as in industry (ILO 1960, p. 320). The latter were the dominant form of socialised agriculture in CEE; membership was voluntary and, unlike the Soviet kolkhozes, members retained ownership of the land they brought into the farm (Brus 1986b, p. 52; ILO 1960, pp. 321–322). They appeared in different forms across the region, with differences in the scope of collective ownership, labour organisation and income distribution, with a tendency towards gradual transformation from the lowest (i.e., distribution based mainly on members' contribution of arable land to the farms) to the highest or advanced form (distribution based on work contribution alone). While Poland had the greatest diversity, Bulgaria was an exception by adopting only a single form (*trudovo kooperativni zemedelski stopanstva*, TKZS) (see Brus 1986a, pp. 9–10; ILO 1960, p. 322; Tomasevich 1958, p. 44).

Like agricultural policy, social security for the rural population varied significantly across the different socialist regimes in Europe. Before the establishment of socialism, the rural population in CEE was generally not covered by the social insurance system. One exception was Bulgaria, where compulsory pension insurance for independent farmers was introduced in the early 1940s (State Gazette No. 37 of 1941). In the immediate post-war period, the newly established socialist regimes provided social benefits and services primarily to the working class. Starting from the second half of the 1940s, however, CEE countries gradually took measures to improve social protection for private farmers. The first two countries to do so were Bulgaria, which extended the generosity of the pension system for farmers established in the pre-socialist era (State Gazette No. 129 of 1946 and No. 11 of 1949), and Czechoslovakia, where private farmers were entitled to pension insurance for the first time in 1948 (de Deken 1994, pp. 56–57). By contrast, private farmers in Hungary were included in the pension system only in the 1960s (Inglot 2008, p. 184) and in Poland and Romania in the late 1970s (Ekiert and Hanson 2003, p. 220).

In the 1950s and 1960s, in the course of collectivisation of agriculture, the social rights of cooperative farmers were gradually extended throughout the Eastern bloc, albeit not in a uniform manner to incentivise membership. Collectivisation played a vital role in the push towards comprehensive coverage by social security systems in CEE (Haggard and Kaufman 2008, p. 148), except in Poland, where collectivisation failed (Kaser 1976, p. 37). A wave of social reforms for cooperative farmers across CEE began in the 1950s, with priority given to protection for old age and invalidity (ILO 1960, p. 324). In 1952, Czechoslovakia introduced its first centralised social insurance system for cooperative farmers, which, however, only applied to members of "advanced cooperatives" (ILO 1960, pp. 325–327). The system was later reformed and eventually extended to all cooperative farmers in 1963–1964 (with members of "advanced cooperatives" given preferential status) (Brus 1986c, p. 137). In 1956, an old-age insurance scheme (separate from that for workers and from that for private farmers) was introduced in Bulgaria for all cooperative farmers (State Gazette No. 1 of 1957), supplemented three years later by the introduction of disability and survivors' pensions (State Gazette No. 64 of 1959 and No. 50 of 1961). Hungary followed suit with the introduction of compulsory pension insurance for agricultural cooperatives in 1958 (Tomka 2004, p. 78). A common feature of these schemes was that they were financed by farmers' contributions and state subsidies and they provided pensions in case of old age, disability and survivorship, albeit with benefit levels less generous than those for workers (Haggard and Kaufman 2008, p. 150; ILO 1960, pp. 327–333). Following this example, pension programmes for cooperative farmers were also established later in other CEE countries—in Poland in 1962 (after 1965 also for lower types of cooperatives) and in Romania in 1966. In these two countries, private farmers remained the most disadvantaged group until 1978 when they were included in the pension system (Inglot 2008, p. 169; Wädekin 1982, p. 179).

In the 1960s, the introduction of healthcare insurance and family allowances followed, with benefits usually less generous than for workers. In Czechoslovakia, for example, cooperative farmers were granted sickness insurance benefits and maternity rights in 1962 and family allowances in 1964 (Berent 1970, p. 288; Inglot 2008, p. 141). In Hungary, family allowances were granted to farmers in 1953 even before the introduction of pension insurance, but only from the birth of their third child onward; in 1970, the system was brought closer to that for workers (Tomka 2004, p. 79). In Bulgaria, cooperative farmers were given the same status as workers in health insurance in 1967 (State Gazette No. 50 of 1967);[1] one year later, they received family allowances for the first time, but only for the third child (State Gazette No. 15 of 1968); in 1973, these entitlements were equalised with those of workers (State Gazette No. 63 of 1973). In Poland, private farmers, who still made up around a quarter of the population three decades after the war, only became covered by health insurance in 1972 (Inglot 2008, p. 169).

While universal coverage of public social insurance was achieved throughout the Eastern bloc by the end of the 1970s, egalitarianism was not, as social security provision for workers and farmers remained unequal. Thus, states can provide universal coverage while simultaneously privileging certain social groups when it comes to the scope of welfare

[1] This does not refer to medical care, which was available free of charge to the entire Bulgarian population since 1951.

benefits. In the mid-1970s, only three socialist countries established egalitarian social security systems—Bulgaria, Czechoslovakia and Hungary. In Hungary, the unification of social security was officially adopted in 1975, albeit with a five-year transitional period, so that the differences in social rights between farmers and workers disappeared only in the early 1980s (Tomka 2004, p. 80). In Czechoslovakia, the social security rights of cooperative farmers in "advanced cooperatives" were aligned with those of workers in 1975 (Minkoff and Turgeon 1977, p. 179). In Bulgaria, the last remaining difference in public social protection between workers and cooperative farmers in pension provision was eliminated in 1975 (State Gazette No. 53 of 1975), creating a unified, egalitarian social insurance system for the entire population.

Thus, the social security systems for farmers in the CEE countries were neither identical nor modelled on the Soviet example, as the Soviet Union was a clear latecomer when it came to social protection for the rural population. Throughout most of Soviet history, a consistent principle of Soviet income security was to limit the scope of public social insurance to those defined as "wage-earners", thereby excluding collective farmers from public social protection (Minkoff and Turgeon 1977, pp. 178–179; Rimlinger 1971, p. 292). Although social security for collective farmers was gradually expanded during the late 1960s and 1970s (ILO 1973, p. 243; Ivanova and Plaggenborg 2015, p. 219; Mücke 2013, p. 238), they retained their second-class status in the Soviet social security system, as full equality was never achieved between farmers and workers in the provision of social protection (Minkoff and Turgeon 1977, p. 179; Stiller 1983, pp. 153–161; for more information see Heinrich 2025).

Social Security for Farmers in Socialist Bulgaria

In the three decades following the establishment of socialism in Bulgaria, social protection for farmers was expanded so substantially that by the mid-1970s, their social rights were fully equalised with those of workers in all areas of social security and family allowances. In what follows, I shed light on the institutional legacies, political and socio-economic forces and external pressures that drove welfare reforms for farmers and demonstrate, on the basis of archival documents, how the BCP used welfare policies to achieve its strategic goals in agriculture during the different phases of the development of socialism in Bulgaria.

Social Protection for Private Farmers During the Period of Consolidation of Socialist Rule (Second Half of the 1940s)

On 9 September 1944, just a few days after the occupation of Bulgaria by the Soviet army, the BCP seized power in a coup d'état. The Soviet invasion brought to power a party that, with barely 14,000 members, had practically no social base in Bulgarian society (Znepolski et al. 2019, p. 66). Bulgaria was a country of independent smallholders with highly fragmented land distribution and unproductive agriculture, yet with the most egalitarian land ownership structure in CEE (Brown 1970, p. 196; Gumpel and Vogel 1968, p. 74). On the eve of World War II, Bulgaria was among the countries with the lowest level of economic development in Europe (Zwass 1988, p. 5), with agriculture accounting for two-thirds of national income and almost all of the country's exports (Dobrin 1973, p. 117; Vačkov 2009, p. 272; Vačkov and Ivanov 2009, p. 29). In 1944, 89.5% of the total population was employed in agriculture and made a living from private farming (Crampton 2007, p. 330; Marčeva 2016, p. 75). Moreover, at that time, no acute social conflicts existed, as comprehensive reforms during the reign of King Boris III (1935–1943) led to major improvements in both the economic and social spheres (Znepolski et al. 2019, p. 36).

The first years after the coup represented a special period in the country's political development, the so-called people's democracy, during which the country was ruled by the Fatherland Front (FF)—a coalition of left-wing political forces dominated by the BCP. During this period, the Communists succeeded in expanding and consolidating their power by suppressing any possible opposition on the one hand, and taking measures to win over broad sections of the population on the other hand. This period came to an end in 1948, when at its Fifth Congress, the BCP approved a general line for the transition to socialism in Bulgaria, adopting the Soviet model of development (Crampton 1987, p. 167).

Given the immense importance of farmers to the Bulgarian economy and society, winning their loyalty was essential for the BCP to consolidate its power. Therefore, shortly after taking power, the new government announced a comprehensive programme to raise the population's living standard, which provided for the restoration of constitutional rights, legal equality for men and women, reforms to promote the development of agriculture and the provision of land for smallholders. Priority was given to improving public welfare, with the government committing to provide comprehensive medical care and to extending social security to all social strata (Iz ličniâ arhiv na Kimon Georgiev 2009, pp. 114–117). However, these commitments did not represent a fundamental reorientation of public welfare policies; rather, they were merely measures that had already been considered in the decades before the socialist takeover but not yet implemented. In the pre-war period, a series of social reforms led to a comprehensive extension of state social protection to all major occupational groups in society. Among these was the extension of compulsory pension insurance to self-employed smallholders in 1941, although it applied only to male farmers. Once in power, the BCP expanded existing social legislation for farmers, which resulted in continuity rather than radical change in social protection policies for peasants in the early post-war period (Ignatova-Pfarr 2023).

In the second half of the 1940s, the newly established regime took several measures to win over the peasantry, including implementing a land reform (1946), the adoption of a new constitution that enshrined the right to private property in agriculture (1947), and the preservation of the Bulgarian Agrarian National Union as an independent political party, formally creating a two-party system in Bulgaria (Crampton 1987; Kralevska 2016; Marčeva 2016). Furthermore, two social reforms (in 1946 and 1948) were also implemented to improve farmers' pension provision. In line with the government's proclamation made in the summer of 1945 to introduce social insurance "for all sections of the population without distinction of sex" (Central State Archive—in the following CDA—F.1B; op. 6; a.e. 72, p. 12), the first reform improved the inclusiveness of the existing pension scheme for private farmers and extended its coverage to women employed in agriculture. The adoption of this reform was of great legitimising significance for the government—when passed in Parliament, it was declared "a project of programmatic importance" and "an important step towards the creation of comprehensive social security" for the population, possible only "under people's government" (National Assembly of the Republic of Bulgaria, stenographic reports—in the following SRBNA—of 3 June 1946, p. 208).

These changes significantly improved pension protection for farmers but, at the same time, placed an enormous financial burden on the state budget. Therefore, two years later, in the course of the codification of national social security legislation, the BCP drew up a plan to radically reform the farmers' pension system by replacing individual pensions with family pensions in order to cut costs (CDA F.1B; op. 6; a.e. 554, pp. 101–106). However, these plans were never realised, as the codification of social legislation coincided with the implementation of the party resolution on the transition to socialism, so the BCP could not afford to lose the support of the peasants. This is underscored by the fact that when the Social Insurance Act was passed in Parliament in December 1948, the government made no amendments disadvantageous to the peasants' pension scheme, which remained, in the words of Finance Minister Ivan Stefanov, a purely "socio-political initiative" (SRBNA of 9 December 1948, p. 207). Moreover, in order to promote the spread of agricultural collectivisation during the transitional period towards socialism, this reform introduced incentives for participating in agricultural cooperatives into national pension legislation, stipulating that cooperative farmers' insurance contributions were to be borne, fully or partially depending on personal income, by the individual farms.

Early Social Security Reforms for Cooperative Farmers (Second Half of the 1950s—Early 1960s)

Whereas in the 1940s, the BCP focused its welfare initiatives on improving private farmers' social protection, after the onset of de-Stalinisation it shifted its reform efforts to expanding social insurance for cooperative farmers, enacting three pension reforms that resulted in a marked improvement in pension provision for members of TKZS. The first reform was introduced in 1956 during the last wave of agricultural collectivisation, and it created a new pension system for cooperative farmers that provided far more generous pension benefits with lower contributions and higher state co-financing than under the old legislation for private farmers. After the successful completion of collectivisation and as a result of the regime's efforts to increase productivity in agriculture, two further reforms were passed in 1959 and 1961, entitling farmers to disability and survivors' pensions for the first time in the country's history. These reforms significantly improved pension provision for peasants (although it remained less generous than for workers), making Bulgaria one of the first socialist countries to guarantee comprehensive pension protection against the risks of old age, disability and death for cooperative farmers.

To understand why Bulgaria became one of the first socialist countries to grant extended pension rights to cooperative farmers, it is necessary to take into account the specific historical context and internal and external factors that influenced the regime's welfare policies towards farmers. As for the first reform, it was political and economic considerations that arose in response to the peasantry's opposition to the collectivisation of agriculture and the sharp decline in agricultural production that motivated the regime to improve social protection for farmers. Strictly adhering to the Soviet model, the main goal of the first Five-Year Plan (1949–1953) was the collectivisation of agriculture and extensive industrialisation, with priority given to the development of heavy industry. As a result of enormous capital investments, the country achieved high levels of industrial development in a very short time, so that, in 1952, Bulgaria was officially declared an agro-industrial country (Marčeva 2016, p. 96; Znepolski et al. 2019, p. 118). In agriculture, however, the demand for capital inputs was severely neglected, although Bulgaria was still a predominantly agricultural country: with more than three-quarters of the working population employed in agriculture (Marčeva 2016, p. 106), the sector generated about half of the national income (Feiwel 1977, p. 21) and contributed the bulk of Bulgaria's exports (Nikova 1989, p. 142). As a result, during the implementation of the first Five-Year Plan, agricultural production did not even reach pre-war levels (Crampton 2007, p. 342; Marčeva 2016, pp. 104–105; Migev 1998, p. 49).

The main reason for this catastrophic performance was collectivisation and the resistance to it. In the late 1940s and early 1950s, agricultural cooperatives were expanded much faster in Bulgaria than in any other CEE country (ILO 1960, p. 320). Whereas in 1948, only 6% of the land in Bulgaria was collectivised, in 1949–1951, the share of the socialist sector in agriculture already amounted to 56.4% (Cačevski 1993, p. 200; Marčeva 2016, p. 102). Despite the regime's official policy of voluntary collectivisation, this large-scale expansion was often enforced through brutal repression and economic pressure, leading to large-scale rural revolts unprecedented in modern Bulgarian history (Migev 1995) and causing food supply problems and shortages of many raw materials for industry (Nikova 1989, p. 94).

The beginning of the "new course" after Stalin's death in 1953 led to a significant change in economic priorities across CEE. In Bulgaria, concessions were made to cooperative farmers, collectivisation was halted (1953–55) and capital investment in the rural sector was increased (Brus 1986b, p. 47; Crampton 1987, p. 177; Nikova 1989, p. 97). This reorientation in agricultural policy did not, however, immediately solve existing problems, and the shortage of raw materials and diminished food supply for domestic consumption persisted (Vačkov 2009, p. 287;

Znepolski et al. 2019, p. 122). The situation was exacerbated when, starting in 1954, the division of labour within the Council for Mutual Economic Assistance (COMECON) was introduced and Bulgaria was required to specialise in its traditional sectors of agriculture and light industry, which required an enormous increase in agricultural production (Nikova 1989, p. 102). Moreover, in the mid-1950s, the Soviet Union pressured the BCP to step up collectivisation efforts. In a secret letter dated 27 October 1955, the Soviet leader, Nikita Khrushchev, instructed the Bulgarian authorities to complete the collectivisation of agriculture within the next two or three years to demonstrate to the West the attractiveness of the socialist system for the peasantry (CDA, F.1B, op. 6, a.e. 2723, p. 8).

In July 1956, the BCP decided on a series of measures aimed at "expanding and strengthening the cooperative farms, increasing agricultural production and raising the material incentive offered by TKZS" (CDA, F.1B, op. 5, a.e. 187, p. 39). The party stressed that collectivisation could only be achieved on a "voluntary basis" and therefore "the advantage of TKZS must become clear and its attractiveness increased" (CDA, F.1B, op. 5, a.e. 187, p. 39). One of the key measures was the introduction of a pension insurance scheme for cooperative farmers, which was intended to significantly improve their material situation and thus provide a strong incentive for private farmers to voluntarily join TKZS. This reform was intended to promote the "struggle for highly productive agriculture" and contribute to the "complete victory of socialism in the countryside" (SRBNA of 30 December 1956, p. 267). Moreover, the act was also meant to prove "the correctness of the Communist Party's policy" (SRBNA of 30 December 1956, p. 267) and demonstrate "the superiority of socialism over capitalism" (SRBNA of 30 December 1956, p. 272).

Economic and political considerations were also the driver for the 1959 and 1961 pension reforms, which constituted an integral part of the regime's strategy to fulfil economic plans by increasing productivity in the agricultural sector and to secure the loyalty of farmers. In July 1958, the Seventh Congress of BCP proudly declared that Bulgaria had become the first socialist state after the Soviet Union to achieve full collectivisation of agriculture. The Congress approved the third Five-Year Plan (1958–1962), which again prioritised heavy industry but also provided for the further development of agriculture in order to secure supply for the domestic market and for export. Shortly afterwards, a nationwide movement, the so-called "great leap forward", was launched to fulfil the plan much faster than scheduled; in industry, production targets were to be fulfilled in four years instead of five, and agriculture was to increase output substantially, producing twice as much in 1959 as in 1958 and even three times as much in 1960 (Brown 1970, pp. 83–84).

The "great leap forward" in agriculture was considered necessary because collectivisation led to a massive wave of migration: in the 1950s, Bulgaria experienced one of the largest rural migration movements in CEE with around 950,000 peasants leaving the countryside and moving to the cities (Carter and Zagar 1977, pp. 209–210). Whereas in 1950, around 80% of the labour force was employed in agriculture, this proportion fell to 55.5% by 1960 (Brus 1986c, p. 84). However, industry failed to absorb the migrants, resulting in urban unemployment, estimated at 350,000 unemployed in 1958 (Lampe 1986, p. 150). This situation posed a major political problem for a regime that came to power with the aim of ensuring full employment, making the rapid industrialisation of the country all the more urgent.

In the late 1950s, the stagnation of agricultural production represented a serious problem for the party for several reasons (Nikova 1989, p. 216; Vačkov and Ivanov 2009, p. 113). First, rapid industrialisation required an increase in imports of machinery, technology and raw materials, which necessitated a steady expansion of exports. Since agricultural products made up the largest share of Bulgarian exports at this time (Migev 1998, p. 177), further industrialisation was not possible without an increase in agricultural production. Second, the expansion of foreign trade with the countries of the Eastern bloc and the West created an additional incentive to increase agricultural production (Brown 1970, p. 86; Migev 1998, p. 188; Vačkov 2009, pp. 291–292). In addition, agricultural exports to the West were essential to earn the hard foreign currencies necessary for advancing industrialisation (Dobrin 1973, pp. 20–21). Third, stagnating agricultural production was unable to meet the increased demand for food in the cities that ensued from growing urbanisation, thus forcing the government to reintroduce food rationing (Dobrin 1973, p. 170).

In light of this, the regime undertook efforts to increase the productivity of the agricultural sector. At the end of 1958, the existing 3450 cooperatives were merged into 932 units, creating by far the largest farms in CEE, in an attempt to achieve economies of scale (Crampton 1987, p. 182). Capital investment in agriculture grew tremendously, amounting to almost 30% of all investment in 1959–1960, a level unprecedented in a socialist economy (Ofer 1980, p. 319). In addition to economic measures, the regime also further improved pension protection for cooperative farmers in order to achieve its agricultural goals. In early 1959, a party plenum decided to "strengthen the role of material incentives to increase the cooperative members' efforts for the economic leap in the country-side" (CDA F.1B; op. 5; a.e. 362, p. 447), passing soon afterwards a special decree to introduce disability and survivors' pensions for cooperative farmers. Two years later, "proceeding from the need to further strengthen the alliance between workers and peasants and to improve the material situation of elderly co-operators", the BCP passed a second pension decree aimed at "improving the pension and social insurance of cooperative farmers so that in the near future they [would] receive, depending on their labour participation in the cooperative farms, pensions and social insurance benefits similar to those of workers" (CDA F.1B; op. 6; a.e. 4404, pp. 16–17).

The improvement of pension provision was declared a "new expression of the great and steady concern of the Party and the Government for the improvement of the welfare of cooperative farmers" and a "well-deserved recognition of the high political consciousness and labour heroism of farmers" (CDA F.1B; op. 6; a.e. 4404, p. 19). Moreover, it was intended to contribute to "decisively accelerating the development of productive forces in the cooperative farms" and "increasing labour productivity and reducing the costs of agricultural production" (CDA F.1B; op. 6; a.e. 4404, p. 19).

Unification of Social Security Legislation for Farmers and Workers (Late 1960s—1975)

In the two decades following the introduction of pension insurance for cooperative farmers, the social rights of peasants were expanded in such a comprehensive way that by the mid-1970s, they enjoyed equal status with the working class in all areas of social security. This remarkable expansion was a gradual process that began in 1967 with the introduction of sickness insurance, followed by the introduction of a family allowance only for the third child in 1968, and culminated in the legal equalisation of farmers with industrial workers in terms of family allowances (1973) and pension protection (1975). As discussed below, each of these four reforms resulted from the regime's strategic efforts to solve the political and socio-economic problems that arose in the agricultural sector in the 1960s and 1970s due to low productivity, labour shortages and low rural fertility.

The social reforms of 1967 and 1968 guaranteed farmers social rights previously reserved exclusively for the working class. Moreover, their adoption was of strategic relevance for the BCP, as they were intended to make an important contribution to solving national socio-economic issues that had the potential to undermine the regime's legitimacy. In the early 1960s, agricultural production fell to pre-World War II levels (Crampton 1987, p. 184), causing severe shortages in the food supply. In 1962, the government was forced to admit that previous agrarian policies had led to an "imbalance between the development of industry and agriculture" and that "despite the measures taken so far to develop agriculture, the production of agricultural products, especially livestock products, was still insufficient and did not meet the growing demand" (CDA F.1B; op. 64; a.e. 297, p. 6/3). The government declared progress in agriculture a matter of "general importance to the Party and the nation" (CDA F.1B; op. 64; a.e. 297, p. 6/9) and in order to "overcome the difficulties of supplying the population with food in the near future" (CDA F.1B; op. 64; a.e. 297, p. 5/3) granted farmers a number of concessions by raising purchasing prices, lowering taxes for cooperatives and introducing a guaranteed minimum wage for cooperative farmers, the first ever in all of CEE (Crampton 1987, p. 184; Staar 1967, p. 304).

Beyond its importance for the overall economy, improving agricultural performance was also crucial for legitimising the regime, as it represented an objective necessity for improving the population's standard of living—an intention that the BCP, inspired by the Soviet Union, officially proclaimed at its Eighth Congress in 1962 with the adoption of a 20-year plan for the transition to communism (B″lgarskata komunističeska partiâ v rezolûcii i rešeniâ na kongresite, na plenumi i na Politbûro na CK na BKP 1965, p. 858). A second major source of concern was the continued massive rural exodus that had far-reaching economic and social consequences, as it exacerbated food supply and housing problems in urban areas on the one hand and caused a continuing decline in the agricultural workforce on the other hand (Crampton 1987, p. 184; Marčeva 2016, p. 319; Taaffe 1976, p. 181). Last but not least, demographic considerations were the third factor that motivated the BCP to adopt social reforms for farmers. In the 1960s, Bulgaria was among the countries with the lowest birth rates in the world (Black 1976, p. 128). Moreover, by 1966, the birth rate in the cities even surpassed that in rural areas (Kostanick 1976, p. 144; McIntyre 1975, p. 375). The decline in rural fertility was particularly worrying as it had the potential to cause further problems with future labour supply and population ageing.

To address these negative trends, in the late 1960s, the BCP approved measures to improve the social protection of cooperative farmers. According to a report discussed at a party meeting on 21 March 1967, given the great importance of the rural sector "in providing food […] and raw materials for the food industry" and for the country's exports, measures were urgently needed to "solve the economic and social problems" in agriculture (CDA F.1B, op. 6, a.e. 6610, p. 16). Rural migration was considered particularly worrying because it caused serious labour supply problems in agriculture, which in turn led to significant difficulties during the harvest season. Convinced that "social security disparities are largely the cause of the abnormal exodus of cooperative farmers from villages", the party deemed measures to improve social protection for farmers "urgently needed" (CDA F.1B, op. 6, a.e. 6610, pp. 16–17). Among the measures to be taken immediately were an increase in old-age pensions and the introduction of health insurance and maternity rights for cooperative farmers, improvements that were expected to "contribute to strengthening the material interest of farmers" and that would "greatly improve the age structure of those employed in agriculture" (CDA F.1B, op. 6, a.e. 6610, p. 19). Moreover, in order to encourage young farmers to stay in the villages, the party announced that the differences in the scope of pension benefits and family allowances between farmers and workers would be abolished by 1975 (CDA F.1B, op. 6, a.e. 6610, pp. 22–23).

Turning to the demographic problem, the leader of the BCP, Todor Zhivkov, stated at a party meeting in October 1967 that "the question of increasing the size of our nation and, more precisely, the question of its ageing" should be addressed "very seriously" (CDA F.1B; op. 34; a.e. 77, pp. 18–19). He stressed that measures should be taken to increase the birth rate so that in the coming years, Bulgaria could grow to a population of 10 million, with the solution to this problem being "the birth of a third child". Considering that the birth rate in Bulgaria "is one of the lowest compared to other European countries, the lowest […] we have achieved in our entire demographic history" and that "the birth rate in the countryside is already lower than in the city", meaning that "in the near future our country will face the problem of depopulation […], labour shortages and a number of other problems related to the country's economic development and defence" (CDA F.1B; op. 34; a.e. 89, pp. 38–40), the BCP approved measures to increase the material incentives for childbearing. One of these measures was the increase in family allowances for workers and extending entitlement to cooperative farmers, but due to financial constraints only for the third child and at a reduced rate (CDA F.1B; op. 34; a.e. 89, p. 49).

In the following years, the process of aligning the social rights of farmers with those of workers was finally completed. This was achieved through the implementation of two social reforms, which were facilitated by the adoption of a new constitution (1971), providing for a unified social security system for the entire population and a new party programme (1971), aimed at creating social homogeneity in the course of building a developed socialist society. The reforms of 1973 and 1975 eliminated the last remaining differences in social protection between farmers and workers, namely in the areas of family allowances and pension insurance, thus fulfilling the constitutional requirement for unified social protection. As a result, by the mid-1970s, Bulgaria became one of the first socialist countries to introduce a unified, egalitarian social security system for the entire population.

Conclusion

There is hardly any area of social policy in which the socialist regimes of CEE differed as much as in social security for farmers. The expansion of state social provision to the rural population was a milestone towards universalism in all countries of the Eastern bloc, but the process diverged considerably across countries. Welfare arrangements for farmers in socialist CEE were neither uniform nor based on the Soviet model. Whereas in some countries, farmers were integrated into the social security system as early as the 1940s, in others, they only gained access to social protection decades later. Welfare initiatives for farmers differed in terms of the timing of reforms, the order in which the various programmes were introduced, and the pace at which the generosity of social protection for farmers was aligned with that of workers.

This chapter dealt with the development of social protection policies for farmers in Bulgaria, the country that was one of the first in CEE to fully equalise the social rights of cooperative farmers with those of the working class in all areas of social insurance and family allowances. Using extensive archival material, the study showed that the BCP strategically implemented social reforms for farmers to achieve its political and socio-economic goals during the various phases of socialism in the country. National socio-economic factors, historical legacies and external pressures decisively influenced how the generosity of public social insurance was extended to the rural population. In the late 1940s, the regime expanded the pension system for private farmers introduced in the pre-socialist era in order to win over the peasantry and consolidate power. Over the next two decades, due to political and socio-economic considerations in connection with negative developments in agriculture as a key sector of the Bulgarian economy, cooperative farmers' social security was gradually extended. A combination of internal factors such as low productivity, massive rural exodus, labour shortages and low rural birth rates, as well as external factors such as pressure from the Soviet Union and economic interdependencies within COMECON, contributed to the creation of a unified, egalitarian social security system for the entire population in the mid-1970s.

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CHAPTER 4

Public Pressure for Generous Social Policy as a Socialist Legacy: The Case of Authoritarian Kazakhstan

Heiko Pleines

Introduction

The Soviet welfare state claimed to provide social security for the whole population by guaranteeing the right to work (and with that, to wages and old-age pensions) and by providing free healthcare and education. A large share of social benefits was administered through the workplace, where the management of state-run companies cooperated with trade unions, which were fully integrated into the command system of the centrally planned economy (Heinrich 2025).

The social guarantees and the relatively low level of social inequality, which the Soviet system had propagated, continued to shape public expectations about state social policy even after the dissolution of the Soviet Union. At the same time, the collapse of the planned economy, supply chains and demand led to a deep economic crisis marked by a steep decrease in the gross domestic product (GDP) and hyperinflation which

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wiped out the savings of the population. In all post-socialist countries of Central and Eastern Europe (CEE) and the newly independent states on the territory of the former Soviet Union, this crisis also caused the welfare state to collapse.

In turn, the majority of political decision-makers considered extensive reform of the welfare system in the early 1990s to be an element of macroeconomic stabilisation and thus first of all related to state fiscal policy, where the aim was to reduce spending on social benefits to consolidate the state budget. Consequently, in the 1990s, proposals for the post-socialist welfare states advocated primarily for neoliberal reforms, thus calling for a shift from universal benefits in kind and service provisions to targeted monetary benefits and greater financial contributions from recipients (Appel and Orenstein 2018; Deacon and Hulse 1997).

In the wake of the 1990s, the development paths of post-socialist countries in CEE and the former Soviet Union started to diverge in two important ways. Politically, some countries became established democracies, while others developed into consolidated authoritarian regimes. In economic terms, some countries enjoyed an economic rebound after the initial post-socialist recession, which was related either to integration into the European Union or to a resource boom, while others were faced with a continued economic crisis.

Kazakhstan is a typical example of a country exhibiting positive macroeconomic development and an authoritarian political regime. This combination provides an interesting test of the impact of public pressure on generous social policy as a socialist legacy. On the one hand, authoritarian control increases the government's leeway to reduce social spending; on the other hand, the economic boom provides the means for an expansive social policy, if desired. In short, are the popular social policy expectations created under socialism strong enough to induce an authoritarian regime to recreate a generous welfare state?

In reaction to the post-socialist economic crisis, Kazakhstan reduced its social expenditures from 11% of its GDP in 1992 to less than 5% in 1994. The remaining social support, addressed mainly to the poor, did not reach the majority of the target group (World Bank 1998). In line with the regional trend, Kazakhstan's government, influenced by advice from international organisations, opted for neoliberal reforms (Maltseva 2016). At the same time, the population's expectations about social policy were still strongly shaped by the Soviet model of the welfare state with its high level of guaranteed social security, as was regularly demonstrated by public opinion surveys.

Near the turn of the century, Kazakhstan experienced a sudden resource boom, leading to a massive rise in state revenues. In the first two decades of the twenty-first century, they increased nearly fivefold, offering substantial leeway for increased state welfare spending. At the same time, President Nursultan Nazarbayev, who was in power from 1990 until 2019, had already consolidated authoritarian control over the political regime.

The relevance of social discontent is highlighted by the fact that the 2022 protests and riots, which represent the greatest unrest in Kazakhstan's modern history with more than 200 people killed, started with protesters complaining about rising prices and falling living standards. Kudaibergenova and Laruelle (2022, p. 442) directly link these protests—which could be suppressed only with the help of the Russian army called in to fight "20,000 terrorists"—to the socialist legacy of high welfare expectations: "We posit that a key failure of the regime built by Nazarbayev is its inability to reconcile its neoliberal prosperity rhetoric with citizens' calls for a welfare state". However, the authors do not further develop this theme, as they focus on the broader public discourse about regime legitimacy and on the trajectory of protest events, not on social policy.

In contrast, this chapter presents a case study examining the extent to which public expectations about a generous "socialist-style" welfare state have shaped Kazakhstan's social policy after the end of socialism. Importantly, the explanatory factor is public expectations about social policy, which are usually not based on an exact comparison of hard facts about coverage and benefits but rather shaped largely by earlier Soviet propaganda and nostalgia. This study focuses on the two decades from 1999 to 2019, when, due to the oil boom, the state had the opportunity to finance an expansive social policy. The case study ends prior to the COVID-19 pandemic, which created distinct challenges for social policy (Maltseva 2021). The pandemic period is thus excluded because it represented an extreme stress test for the country's social policy, which was not directly related to welfare expectations as a socialist legacy.

This chapter starts with a detailed assessment of popular expectations regarding social policies in Kazakhstan based on the state of research and data from a larger number of representative public opinion surveys. The paper then describes state funding for social policy in relation to the overall development of the state budget amidst the oil boom. The analysis also covers the official representation of social policy and underlying policy concepts. In this context, it is important to understand the limits to public discontent in a fully authoritarian regime caused by political repression and media censorship. For this reason, popular reactions are analysed with the help of the concept of "opposition ambiguity" (Isaacs 2022), which describes a situation in which the political leadership is uncertain whether social discontent is only marginally relevant or a sign of broader (silent) dissatisfaction within society. In Kazakhstan in the 2010s, it was often the latter, provoking spontaneous and sometimes violent eruptions of protest.

Popular Expectations

It is generally agreed in the literature that—for decades following the collapse of the socialist regimes—in CEE and in the Central Asian part of the former Soviet Union, public welfare preferences and social policy demands of the state were still shaped by the promises made under the Soviet model of the welfare state. On the basis of public opinion polls from a larger number of European countries, Evans (1998) as well as Lipsmeyer and Nordstrom (2003) show that, in the first decade after the end of socialism, the population in post-socialist countries had very high support for wealth redistribution and welfare spending.

Lipsmeyer and Nordstrom (2003, p. 357), as well as Basna (2023) based on newer data, argue that this phenomenon might be not only a socialist legacy but also a reaction to the social hardship of the post-socialist transition. However, a precondition for linking individual hardship to social policy demands, as is done by large parts of the population in post-socialist countries, is the perception that poverty is not a personal failure but rather a structural, that is, societal problem (Habibov et al. 2017), and thus one that the state's social policy should address. This perception was strongly promoted by Soviet socialism, though it is not unique to it.

Taken together, evidence from public opinion surveys clearly points to heightened expectations about the state's responsibility for social welfare and social equality as a legacy of the Soviet welfare model. These expectations were well integrated into broader world views, as Ghodsee and Orenstein (2021, Chapter 10) argue, and thus are unlikely to change quickly. Drawing on a large number of diverse opinion polls to analyse broader trends concerning the experience of post-socialist transformation in CEE, they show that the beneficiaries of transition were satisfied.

The beneficiaries were mostly wealthy and concentrated among the younger, educated, urban population. However, widening inequality made losses more intense. Moreover, "for people socialized under communism, the new inequality of income and wealth offended their sensibilities about justice and fairness and the role of government in society" (Ghodsee and Orenstein 2021, p. 150). The authors link this phenomenon to a widespread belief that post-socialist reforms had been the project of neoliberal elites who did not care about the fate of the population. Consequently, despite improvements in macroeconomic and sociodemographic indicators from the late 1990s on, "only a minority of the postcommunist population accepted the new social contract [...] Red nostalgia grew and support for markets plunged—below a majority of the population in most countries" (Ghodsee and Orenstein 2021, p. 150).

Notably, however, most of the studies that were part of the research summarised above included only a small subsample of post-socialist states and relied on data from the 1990s or 2000s. Accordingly, the results do not allow for drawing immediate conclusions about Kazakhstan or about later time periods.

Concerning general welfare preferences in Kazakhstan, Habibov (2011) and Habibov et al. (2017) show that in 2006 and 2010, the prevailing popular explanation for poverty was structural, that is, societal factors beyond the control of individual people were blamed, thus providing a justification for state measures to correct related injustices. In line with this perception, a majority of the population in Kazakhstan supported the idea that "the government should take more responsibility to ensure that everyone is provided for", as shown by the World Values Survey in 2011 and 2018.[1] Habibov (2013, p. 280) confirms that "the overwhelming majority of respondents support active government involvement in reducing the gap between the poor and the rich".

Accordingly, in Kazakhstan's public opinion, low income and unemployment are major policy issues. In a closed question about the single issue of greatest concern to the respondent personally posed in six representative surveys of Kazakhstan's population by the International Republican Institute from 2009 to 2011, low income was identified by 18% to 25% of respondents depending on the poll date, and unemployment was identified by 16% to 25% of respondents.[2] Similarly, in an open question about the most important problem facing Kazakhstan posed in

[1] World Values Survey, Wave 2010–2014 (question V98) and 2017–2022 (question Q108), https://www.worldvaluessurvey.org/WVSOnline.jsp (accessed 2 December 2023).

[2] International Republican Institute/Baltic Surveys Ltd./The Gallup Organization: Kazakhstan National Opinion Polls 2009–2011, p. 15, https://www.iri.org/wp-content/uploads/2011/04/Full20English20Version20Kazakhstan20IRI20Poll20Feb202011.pdf (accessed 2 December 2023).

the Central Asia Barometer of 2017, 32% named unemployment.[3] However, these perceptions have not translated into calls for more state spending on unemployment benefits. Instead, a large majority—80% of the respondents from Kazakhstan in the Life in Transition survey in 2006—declared that the state should be "strongly involved" in guaranteeing employment.[4] Thus, the public perception seems to be that the state should provide jobs instead of unemployment benefits. The idea that the state should guarantee full employment can also be seen as a legacy of the Soviet welfare state.

Consequently, public expectations for an active social policy have focused on other areas. The Life in Transition surveys, which were conducted with representative samples in 2006, 2010 and 2016, asked respondents to name the top priority for additional spending from the state budget. In Kazakhstan, healthcare always ranked first, being named by approximately one-third of respondents (and even more in 2006), followed by education, with a share of 15% to 20%. Other social policy issues counting among the top priorities for additional state spending included assisting the poor and pensions, accounting for approximately 10% each.[5] As explained, support for the unemployed did not feature prominently.

In summary, a majority of Kazakhstan's population favours an active welfare state that reduces social inequality and takes care of all its citizens. Low incomes, that is, poverty and unemployment, regularly constitute the most significant social concerns of the population. However, the preferred policy solution seems to be an active labour market policy by the state, ensuring full employment, as opposed to unemployment schemes. In terms of state expenditures for social policies, healthcare and education are named as top priorities, indicating a desire for inclusive public healthcare

[3] Over the following two years, the share of low wages and pensions fluctuates between 10% and 18%, while the share for unemployment decreases to 21% in 2019. The remaining answers do not relate to social issues. Central Asia Barometer, Spring 2017 (question Q4), Fall 2018 and 2019 (question D3), https://ca-barometer.org/en/cab-database (accessed 2 December 2023).

[4] Life in Transition Survey: "Do you think the state should be involved in the following?—guaranteeing employment," Question 3.05_2 in 2006, not asked in 2010 and 2016, https://www.ebrd.com/what-we-do/economic-research-and-data/data/lits.html (accessed 2 December 2023).

[5] Life in Transition Survey: "In your opinion, which of these fields should be the first priority for extra government spending?," Question 3.04 in 2006, 3.05 in 2010 and 4.06 in 2016, https://www.ebrd.com/what-we-do/economic-research-and-data/data/lits.html (accessed 2 December 2023).

and education with a comprehensive scope of benefits. Thus, the social policy preferences of Kazakhstan's population are similar to those of most post-socialist CEE countries, as shown above. These similarities clearly point to public expectations of a generous social policy as a common legacy of the Soviet welfare model.

Economic Boom, State Budget and a Generous Social Policy[6]

In Kazakhstan, the state started to receive the financial resources needed for such a generous social policy when, at the end of the 1990s, the country's economy began to profit from rising oil prices. Oil rents, that is, the difference between production costs and sales prices, contributed 2% to GDP in 1998, 11% in 1999 and 25% in 2000. Until 2009, they remained between 15% and 25%, and overall, they still represented 13% of the total in the 2010s. Thus, the oil boom had a strong impact on GDP. While GDP fell by 5% per year on average in the 1990s, in the 2000s, it rose by 9% annually. In the 2010s, GDP growth still averaged around 4% per year. In line with this, GDP per capita increased dramatically after 2000. The per capita purchasing power parity increased from 6900 US dollars in 1999 to 18,000 US dollars in 2009 and 27,500 in 2019. The economic boom also increased state revenues, which were growing even more quickly than GDP. Consequently, from the late 1990s to the late 2010s, the absolute value of state revenues (measured in constant 2015 US dollars) rose nearly fivefold.

While the economic boom had a strong direct impact on the decrease in *poverty*, increased state spending for old-age pensions and social protection also played a role. As measured by the percentage of the population living on less than 3.65 US dollars a day (at 2017 international prices, that is, purchasing power parity—a measure for which data are provided globally by the World Bank), poverty fell from over 30% near the turn of the century (33% in 2002) to only 3% in 2008. In the 2010s, it was well below 1% for most years. Consequently, social inequality, as measured by the Gini index, has also been declining, from a value of 36 in 2001 to a value of approximately 27 in the 2010s, which was found to be rather low in a

[6] In this part, if not indicated otherwise, all data about Kazakhstan's national economy and state budget are taken from the World Bank's World Development Indicators, https://databank.worldbank.org/source/world-development-indicators (as of 20 May 2023).

regional and international comparison. Moreover, the state reacted to the global financial crisis of 2007–2008 with a large stimulus package that had a strong distributional impact (Kudebayeva and Barrientos 2017).

Indeed, for Kazakhstan in the period under study, that is, from the late 1990s to the late 2010s, protection against poverty was the only social policy field in which state funding increased substantially with the aim of increasing generosity (understood as combination of inclusiveness and scope of benefits). According to the representative 2006 and 2010 Life in Transition surveys, in slightly more than 10% of the country's households, there was at least one member receiving social benefits from the state other than pensions and unemployment benefits.[7]

The main state programme to address poverty, so-called targeted social assistance, is on paper fully inclusive, as every citizen with an income below the national poverty line is eligible. However, the programme has been criticised by international organisations as lacking both de facto inclusiveness and a sufficient scope of benefits. A study of the United Nations International Children's Emergency Fund (UNICEF) concluded that "targeted social transfers [...] are not effective in guaranteeing the minimum subsistence needs of poor households either because they offer limited amounts or because they do not reach many poor households" (Babajanian et al. 2015, p. 70). Human Rights Watch stated that "rigid eligibility criteria and means tests exclude many people in need of support", not least due to red tape (Human Rights Watch 2022).

However, in the case of Kazakhstan, the most important element of social protection against poverty is *old-age pensions*, as the savings of the population were destroyed by hyperinflation in the early 1990s, and the average pension remained below the poverty level until the 2003 pension reform. According to the Life in Transition surveys in 2006 and 2010, in approximately 40% of all households in the country, at least one member was receiving a state pension.[8] The large increase in pension payments after the 2003 reform thus strongly contributed to the overall reduction

[7] Life in Transition Survey: "Which of these sources of livelihood apply to your household?," Question 2.10a in 2006 and 2.26 in 2010, question not asked in 2016, https://www.ebrd.com/what-we-do/economic-research-and-data/data/lits.html (accessed 2 December 2023).

[8] Life in Transition Survey: "Which of these sources of livelihood apply to your household?," Question 2.10a in 2006 and 2.26 in 2010, question not asked in 2016, https://www.ebrd.com/what-we-do/economic-research-and-data/data/lits.html (accessed 2 December 2023).

in poverty (Agrawal 2008). Additionally, in 2005, Kazakhstan introduced a guaranteed minimum income for all citizens above the pension age, that is, a universal basic social pension.

Nevertheless, the state's pension reforms clearly indicate the tension between public expectations of generosity and neoliberal reforms aimed at limiting social expenditures. In 1998, in reaction to the economic crisis of the 1990s and in line with global trends, Kazakhstan shifted from the Soviet model of a universal state-financed pension scheme to a new accumulative pension system with three pillars based exclusively on private insurance for everyone joining the pension system after 1998.

However, in line with public expectations, pensions under the old system increased considerably in the early 2000s. In reaction to the financial problems of the new private pension scheme, the country returned to a public pension system in 2013, with additional pension contributions from employers and an increase in the retirement age for women from 58 to 63 years, bringing it to the same level as that for men. Overall, the public perceived the reform as reducing the generosity of the pension system, especially for women. After public protests against the rise in the retirement age, which was originally planned to be fully enacted in 2014, the reform was delayed and the higher retirement age was planned to be more gradually introduced, with increases of six months each year starting in 2018 now yielding a retirement age of 63 years for women only in 2027 (Maltseva and Janenova 2019a, 2019b).

In summary, the generosity of the pension system increased considerably during the oil boom. Nevertheless, the basic pension, though inclusive in its coverage, is not alone sufficient to avoid old-age poverty. At its introduction, the minimum pension rate was fixed at 40% of the national subsistence minimum. In 2019, the minimum basic pension was slightly more than 50% of the subsistence minimum. By contrast, since 2011, those who qualify for a full old-age pension based on their employment history have been receiving pensions above 100% of the minimum subsistence level, that is, considerably above the national poverty line.[9]

At the same time, the pension coverage of the current working population is limited. Of those who were too young to earn a pension

[9] Official government data obtained from https://egov.kz/cms/en/articles/pensionnye_viplaty (as of 16 August 2023).

entitlement under the old Soviet system, approximately two-thirds were not covered by the new system in the early 2010s, mostly because they were self-employed or employed in the informal sector (Maltseva and Janenova 2019a, p. 208).

In the case of *unemployment*, the economic boom led to a strong decrease in the number of unemployed people. Accordingly, lower state spending does not indicate a reduced scope of benefits, but rather a smaller number of citizens in need of unemployment benefits. Unemployment, which stood at approximately 13% in the second half of the 1990s, fell throughout the 2000s, decreased to 5% by 2011 and remained stable at this level throughout the 2010s. Similarly, "vulnerable employment" (i.e., the share of contributing family workers and self-employed workers in total employment) decreased from 40% in the late 1990s to less than 25% in the second half of the 2010s. Nevertheless, the inclusiveness of unemployment benefits was limited, as it was restricted to those who had been formally employed. Moreover, unemployment benefits in the case of job loss were limited to a maximum of six months. Accordingly, in 2006, when national statistics reported an unemployment rate of 8%, only 2% of households were receiving unemployment benefits, according to the Life in Transition survey.[10]

Although in the wake of the economic boom there was considerable opportunity for additional state spending, this opportunity was not truly used for *healthcare*, the top spending priority of the population. Despite the fact that in absolute terms state health expenditure was growing considerably, it grew slower than state revenues in general. Accordingly, health expenditures accounted for an average of 10% of total state spending in the 2000s and 9% in the 2010s (World Bank 2014).

While on paper, the healthcare system has been fully inclusive, with state-organised healthcare being available to the whole population, the scope of benefits has de facto been limited. Thus, in the 2000s and 2010s, the population had to contribute, on average, approximately one-third of total health expenditure from its own pockets (Heinrich et al. 2022, p. 146, Table 5.1). Moreover, as out-of-pocket payments were largely not officially regulated but rather the result of informal service delivery,

[10] Life in Transition Survey: "Which of these sources of livelihood apply to your household?," Question 2.10a in 2006, unemployment benefits not listed in 2010, question not asked in 2016, https://www.ebrd.com/what-we-do/economic-research-and-data/data/lits.html (accessed 2 December 2023).

inclusiveness was not guaranteed, and poorer patients were discriminated against (Sharipova 2015). Accordingly, the Organisation for Economic Co-operation and Development (OECD) concluded that "the strength of Kazakhstan's economic growth has not been mirrored by concomitant improvements in health outcomes, which fall well short of those of OECD countries. […] investment in health, notably public (1.8% of GDP), remains very low by OECD standards (6.5% of GDP publicly spent on health on average) and the resulting high out-of-pocket costs additionally impede access to health care" (OECD 2018, p. 13).

Again, the state's reform policy was marked by tension between attempts to provide extensive welfare and to enact neoliberal reforms to reduce costs. Thus, in the span of two decades, Kazakhstan has been creating, abolishing and reintroducing mandatory health insurance. Formally, the original neoliberal solution to the crisis of healthcare financing had been to limit state- and insurance-funded services to basic needs, but de facto—and again, in line with public expectations—they included nearly all medical services on offer in the country. Consequently, the first introduction of mandatory health insurance financed from payroll contributions failed in 1998 when it was unable to fulfil financial commitments to healthcare providers (Heinrich et al. 2022).

A second attempt to introduce mandatory health insurance was initiated in the mid-2010s. However, implementation began only in 2020. Again, a state-guaranteed basic package of health services has been complemented by a social health services package funded by mandatory insurance. Inclusiveness was restricted because the focus on payroll contributions excluded the unemployed and people of working age without formal registration as employees. Hence, 16% of the population was not covered by social health insurance, that is, the second additional package (Eriksen et al. 2022).

The state record concerning public expenditures on *education* has been mixed. State spending on education represented 13% of total government expenditures in the 2000s (and even more in the late 1990s). This percentage increased to 18% in the first half of the 2010s but decreased again to 13% in the second half. Even at its peak, Kazakhstan's public expenditure on education was lower than that of countries with income-per-capita levels similar to Kazakhstan's (World Bank 2014).

The effect of limited state spending has been less visible in the case of school education than in other policy areas. School education is indeed fully inclusive, with nine years of compulsory schooling without tuition fees and net enrolment rates for primary and lower secondary education close to 100%. Nevertheless, widespread corruption in the education system can impose informal costs.[11] Moreover, according to the tests of the Programme for International Student Assessment (PISA), which are regularly conducted by the OECD to measure "15-year-olds' ability to use their reading, mathematics and science knowledge and skills to meet real-life challenges", Kazakhstan ranks far below the OECD average in all categories, indicating an underperformance of the country's school system.[12] In response, the majority of pupils in upper secondary education seek out fee-charging private tutoring in preparation for university entrance exams (Hajar and Karakus 2023). Thus, similar to out-of-pocket payments in healthcare, costs arising from poor services caused by a lack of state funding are externalised informally, which strongly discriminates against poor households.

Moreover, higher education is not free in Kazakhstan. It has been designed to meet the needs of an aspiring middle class by offering an extensive state grant programme for university studies abroad ("Bolashak") and creating domestic universities in line with international standards (Franke-Schwenk 2012; Koch 2015).

Thus, there is no overall trend of healthcare and education receiving a larger share of state spending to improve performance, as desired by the population. At the same time, benefitting slightly below average from the nearly fivefold expansion of state revenues, spending on healthcare and education still increased substantially in absolute terms.

Popular Perceptions and Protests

While the actual social policy performance was thus mixed, the official rhetoric of the state presented the country's president as the "caring father of the nation", highlighting the social sponsorship activities of his female family members (Franke-Schwenk 2012, pp. 255–256) and requiring parliamentary deputies to promote alleged political achievements in public

[11] In a survey conducted among young people in 2014, only 39% claimed that there is no corruption in the school system. The corresponding value for higher education was 31% (Umbetaliyeva et al. 2016, p. 63).

[12] Kazakhstan has participated in the PISA studies since 2009. In 2009, it ranked 60th out of 66 countries, and in 2018, it ranked 69th out of 77 countries (https://www.oecd.org/pisa/, accessed 2 December 2023).

events all over the country (Somfalvy 2020, p. 119). As Maltseva (2016, p. 229) has shown in a comparison between Russia and Kazakhstan regarding the framing of social welfare reform, the "successful implementation of the Kazakhstani social benefits reform, as opposed to Russia's protracted experience with reforming its social benefits system, was determined not only by the configuration of various institutional and political factors, but also the skilful actions of the Kazakhstani authorities, who used effective communication strategies and framing techniques that resonated with the public and generated broad support for reform".

The increasingly authoritarian regime gave related official propaganda overwhelming dominance in politics and the media. President Nazarbayev was in power from independence in 1991 until 2019, that is, throughout the period under study here. By the early 2000s, the political leadership around him had managed to fully marginalise political opposition (Isaacs 2022). In the 2007 parliamentary elections, only the President's party "Nur Otan" received seats, with no oppositional party crossing the 5% threshold. Similarly, in Kazakhstan, as a "typical fully authoritarian regime […] internal media pluralism is so limited that it is completely toothless in political terms" (Heinrich and Pleines 2018, p. 108).

While promoting the "caring father of the nation" frame for President Nazarbayev, Kazakhstan's political leadership openly pursued neoliberal reforms aimed at limiting social expenditures, especially pensions and healthcare. At the same time, the political leadership repeatedly proved unwilling to abandon the claim to universal welfare. The result was a back-and-forth between cost-cutting reforms and boosts to the generosity of social welfare, as outlined above in the examples of pension reforms and the introduction(s) of mandatory health insurance.

However, policy failures were only mentioned in the official discourse at the point when new reform measures were announced to rectify them. For instance, in 2012, President Nazarbayev presented a major reform address titled "Socio-Economic Modernization—The Main Vector of Kazakhstan's Development", which set ambitious goals for social wellbeing to prepare the ground for pension and healthcare reforms with a positive agenda (Nazarbayev 2012). Nevertheless, the increase in retirement age for women the following year was met with heavy protests, leading to a substantial delay in implementation.

In general, the population's expectations concerning the generosity of social policy extend beyond the inclusiveness and scope of benefits actually provided by the state. These expectations are not based on a rigorous comparison with the actual generosity of the Soviet welfare state or social policies in neighbouring countries; instead, they are shaped largely by earlier Soviet propaganda and nostalgia, that is, they are more about what people would like to receive than about what other welfare systems are or were able to offer. In turn, the state, on the one hand, tries to conceal deficits with pompous propaganda, and, on the other hand, factually endorses a neoliberal agenda that favours a lean welfare state.

The resulting public perception of social policies is mixed. By 2010, more than half of the population was "quite satisfied" or "definitely satisfied" with social security and the health system, and even two-thirds with education, as reported by Footman et al. (2013, p. 65). In a regional comparison, these values are very high, and they have increased substantially in Kazakhstan since 2001, when they stood at 18%, 32% and 40%, respectively. Thus, the impact of the oil boom is visible both in a comparison with Kazakhstan prior to the boom and in a comparison with neighbouring countries not benefitting from the boom.

However, the state authorities of Kazakhstan have received only part of the public praise for this state of affairs. When asked to assess the national authorities' performance in a 2009 representative opinion poll, only 14% of respondents indicated a positive assessment concerning poverty reduction. For healthcare (29%) and education (39%), positive assessments of the government's performance are still far below the levels of satisfaction with the services offered.[13] One reason is offered by a study of Kazakhstan's youth, which concludes "that what young people are unhappy with is not the quality of education, but its increasing cost" (Umbetaliyeva et al. 2016, p. 63). Another reason may be that corruption is blamed not on the social services themselves but on state administration. In a survey conducted in 2010, a fifth of the population stated that corruption is common ("usually" or "always needed") in the public health system.[14] The finding that public dissatisfaction can increase swiftly under such circumstances

[13] International Republican Institute/Baltic Surveys Ltd./The Gallup Organization: Kazakhstan National Opinion Poll, February 2009, p.10, https://www.iri.org/wp-content/uploads/2009/03/200920March203120Survey20of20Kazakhstan20Public20Opinion20February2014-2320200920-20English20version.pdf (accessed 2 December 2023).

[14] Life in Transition survey: "In your opinion, how often is it necessary for people like you to have to make unofficial payments/gifts in these situations?," Question 3.13 in 2006, 6.01 in 2010 and 8.01 in 2016, https://www.ebrd.com/what-we-do/economic-research-and-data/data/lits.html (accessed 2 December 2023).

was demonstrated—after the end of the period under study in this analysis—by the COVID-19 pandemic. From 2018 to 2020, the share of those satisfied with the health system decreased from 64% to 38%.[15]

As critical voices in politics as well as in the media were repressed by the authoritarian state, the resulting situation fits what Isaacs (2022) has called "opposition ambiguity". The term describes a situation in which the political leadership is uncertain whether social discontent and opposition are the products of individual actors, and thus only of marginal relevance, or are indeed signs of broader dissatisfaction within society. Because of this ambiguity, the attempts of Kazakhstan's ruling elites to address social discontent have remained inconclusive. When real discontent in the population grew, the authoritarian regime by its very nature provided no channels for its expression. At times, the outcome of this situation has been spontaneous (and thus unexpected) outbreaks of protest and violence that have threatened regime stability.

During the period under study, the Zhanaozen protests of 2011 offer a prime example. In the region of Mangistau in Western Kazakhstan, oil workers went on strike in 2010 and again over the summer in 2011, demanding improvements in their economic and social situation—such as higher income and more jobs—from companies and the national government. State authorities reacted with pressure on the leaders of the strike movement. When two companies related to the national state-owned oil and gas holding KazMunaiGaz dismissed more than 2000 employees in reaction to the strikes, workers set up a permanent protest camp in the city of Zhanaozen. The situation escalated after several months as the police started to clear the protest camp violently. Several buildings, including the company headquarters and the seat of the local government, were set on fire. At least 16 people were killed, and more than 100 were injured. Riots continued for another two days but were brutally suppressed by police in the context of a state of emergency and curfew imposed by President Nazarbayev (for concise summaries of the protests, see Isaacs 2022: 103–107; Satpayev and Umbetaliyeva 2015. For visual impressions, see FSO 2021).

Official propaganda blamed "criminal elements" for the conflict. At the same time, a conciliatory message was disseminated to the broader population. The government suggested incorporating the concept of "social

[15] Central Asia Barometer, Spring 2020 (questions B13f) compared to Spring and Fall 2018 (questions B7f), https://ca-barometer.org/en/cab-database (accessed 2 December 2023).

partnership" into labour law, and President Nazarbayev announced a social policy initiative in 2012. However, no social policy reforms related to the demands made in Zhanaozen were enacted. The next major social policy reform was the highly unpopular pension reform of 2013. In response to the Zhanaozen protests, the state reacted primarily with increased political repression throughout the country, and especially against independent media (Maltseva 2017, pp. 195–198; Satpayev and Umbetaliyeva 2015, pp. 127–128).

In their analysis of the Zhanaozen protests, Evans and Sil (2020) also pointed to another Soviet legacy relevant for social policies: in the socialist planned economy, trade unions were incorporated into the state apparatus and thus were means of state control in the planned economy instead of independent representatives of the workers and their interests. This relationship with state authorities did not change in Kazakhstan after the end of the Soviet Union. Hence, workers were deprived of established channels to voice their demands and enter into negotiations. More broadly, Maltseva (2017, p. 185) summarises that "the Kazakhstani government ultimately lacks important liberal mechanisms to effectively communicate with and engage various social groups, identify major sources of popular discontent in a timely fashion, and prevent their escalation".

Although the Zhanaozen protests of 2011 were the longest, largest and most violent protests in that decade, the general problem remained, and protests were rather widespread considering the level of authoritarian repression. An analysis of public protests in Kazakhstan during the 2010s demonstrates that protests directly relating to social policy issues—including employment and Zhanaozen, but not counting labour action—accounted for nearly half of all protests, considerably outnumbering protests for democracy and human rights issues (Pleines 2021; see also Pleines 2019).

Conclusion

The popular remembrance of the Soviet welfare state created public expectations that were disappointed by the social policies of post-Soviet Kazakhstan. The result was considerable public discontent. In this regard, Kazakhstan is similar to most other post-socialist societies, which had abandoned Soviet-style economic and social policies. Concerning the tension between popular expectations and neoliberal reform policies, Kazakhstan belongs to a group of post-socialist countries, which, first, since the early 2000s, had the financial means to support an expansive social policy and, second, had established authoritarian control over society, which made it rather independent from popular expectations.

In the case of Kazakhstan, this phenomenon resulted in an inconclusive social policy that combined some generous measures with failures of larger systemic reforms and rather high informal costs outsourced to the population. The political leadership tried to mask policy failures with pompous state propaganda. The population had no established channels to voice its concerns. This absence was less a consequence of the socialist legacy of trade unions closely cooperating with company management and state officials (as Evans/Sil 2020 argue in their analysis of the Zhanaozen protests) and much more the result of the general repression of independent political or social movements and mass media in an increasingly authoritarian political regime.

This situation led to a case of "opposition ambiguity" in which the political leadership hoped that its attempts would be enough to pacify or even satisfy the population, but could not be sure because true public sentiment was difficult to gauge. As the Zhanaozen protests demonstrated in 2011, a relevant part of society was so dissatisfied with the social situation that it was willing to rise up and demand improvements despite violent state repression.

Thus, this case study concludes that high public pressure for a generous social policy is a legacy of the established Soviet welfare model, which has an important impact not only on social policy but also on broader political dynamics, even under authoritarian rule. The reason is that even a fully authoritarian state cannot counter social policy expectations simply with rhetoric. If the generosity of state social policy falls substantially short of public expectations, this gap—which is experienced by large parts of the population in their personal lives—will cause widespread dissatisfaction with the political leadership, potentially leading to violent protests.

A fully authoritarian regime usually has the coercive means to successfully suppress public protests. Nevertheless, the socialist legacy of social policy expectations has thus far posed a much greater threat to the stability of the authoritarian regime in Kazakhstan than the political opposition or demands for human rights and democracy; it has also had a much larger policy impact, even in the absence of violent protests. Ultimately, however, this legacy has not been strong enough to induce the authoritarian regime to recreate a generous welfare state. Instead, "opposition ambiguity" seems to have resulted in an ambiguous social policy.

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CHAPTER 5

The Welfare State in Yugoslavia and Its Successor States: The Case of Family Policy

Sonja Drobnič and Keohni Son

Introduction

After World War II, socialist countries in Central and Eastern Europe (CEE) established extensive public welfare systems that, relative to their level of economic development, were associated with very high social expenditure. In describing Yugoslavia (Pusić 1987) and Hungary (Kornai 1992), those authors coined the term "premature welfare state" to characterise this development. Welfare expenditures represented one of the largest items in the state's consolidated budget, including (1) cash benefits, such as pensions, maternity benefits, child benefits, family allowances, sick pay, student scholarships, social assistance, and unemployment

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compensation; (2) benefits in kind, such as medical care and medication, public education and training, nursery schools, daycare centres, retirement homes, and labour-market services provided at reduced or no cost; and (3) price subsidies on consumer goods and services, including housing (Kornai 1992, p. 14).

Declaratively, the rationale for such comprehensive state involvement in social welfare lay in the fundamental principles of the socialist system, often enshrined in constitutions, which were the right to work and the right to social benefits, including access to free healthcare and education (Kopits 1991). An important rationale behind the welfare generosity—understood as a combination of inclusiveness and scope of benefits—was also the output legitimacy of socialist states, reinforced by the Cold War system competition (Obinger 2025). The sources of financing for public services were payroll taxes and general revenues, usually channelled through the state budget; in turn, the benefits were distributed and administered predominantly through the workplace. Thus, if we consider the model of family–state–market relations (Daly 2021), these societies were characterised by a conspicuous absence of markets in all areas of social life. At the same time, the role of the family in welfare production was diminishing due to rapid industrialisation and the wide-ranging inclusion of women in the labour force, leaving the state to take over as the comprehensive welfare provider.

Needless to say, in the context of low or shrinking economic growth, declining labour productivity, and unfavourable demographic trends, universal and essentially free access to welfare benefits led to a rise in the payroll tax burden, high budget deficits typically financed with central bank credits subject to neither an interest charge nor an amortisation schedule, and, ultimately, a deterioration of benefits in kind and erosion in the real value of cash benefits (Kopits 1991). The inability of the state to fulfil comprehensive welfare commitments undoubtedly contributed to the political and social tensions that resulted in the abrupt collapse of the socialist regimes in CEE.

In this chapter, we focus on Yugoslavia and its successor states, addressing the features of family policy and related statistical indicators in the period before the country's disintegration, and on the associated policy reforms in the post-Yugoslav countries (PYCs). To understand the current situation in PYCs, it is necessary to refer to the special case of Yugoslavia and the legacy of the socialist period. As noted elsewhere, for 40 years, "Eastern Europe" was erroneously considered a political monolith (Glenny

1990), and the "Cold War methodology", involving the construction of Eastern Europe as a homogeneous entity (Zaviršek 2012), was much too often used by social scientists. We assert that Yugoslavia was distinct, both historically and in its economic and political structure, from the centrally planned economies of CEE. Its specific development shaped the formation and development of the welfare system in general, and family policy in particular. We therefore take this opportunity to position the historical Yugoslavia in its political and policy landscape before proceeding to examine the current state of affairs in PYCs.

Yugoslavia's Socialist Past and Its Welfare System

State Formation and Its Characteristics

The so-called "old Yugoslavia" emerged at the end of World War I, after the collapse of the Austro-Hungarian Empire and the Kingdom of Serbia, and was known as the Kingdom of Serbs, Croats, and Slovenes until it was renamed the Kingdom of Yugoslavia in 1929. It laid the foundation for the creation of the Federative Peoples' Republic of Yugoslavia after World War II, which incorporated additional territories and ethnic groups. Yugoslavia was a multi-ethnic and multi-religious country with the aim of uniting various South Slavic peoples, including Serbs, Croats, Slovenes, Bosniaks, Montenegrins, and Macedonians. It also included significant minority populations of Albanians, Hungarians, and others. The different regions and ethnic groups within the country had distinct histories and cultures, rooted in Orthodox Christian, Catholic, and Islamic traditions, with different official languages, and relatively large autonomy in various affairs, including those related to social policy.

The state encompassed six constituent republics and two autonomous regions. The federal republics were Bosnia and Herzegovina, Croatia, Macedonia, Montenegro, Serbia, and Slovenia. Within Serbian borders, Kosovo and Vojvodina had the status of autonomous provinces, while the remaining area of Central Serbia never had its own regional authority.

After World War II, the Yugoslav Communist Party led by Josip Broz Tito introduced a one-party system in the country. However, tensions started to build between Yugoslavia and the Soviet Union over ideological and strategic differences, particularly the imposition of Stalinist policies on the Eastern bloc countries. In 1948, the Soviet Union and its allies expelled Yugoslavia from the Cominform, an organisation designed to coordinate the policies and actions of European communist parties, marking the official rupture between Yugoslavia and the Eastern bloc and bringing with it significant economic and political consequences for the country. Yugoslavia lost the political and economic support of the Soviet Union and had to reorient its foreign policy and find new economic partners. This prompted a deviation from the path taken by the Soviet Union and other socialist CEE countries and led to a unique development of its political and economic system. As declassified documents from the North Atlantic Treaty Organization (NATO) of the time stated, "For some years now, Yugoslavia has been skilfully zig-zagging between East and West, particularly in the economic field" (NATO 1977, p. 1).

Politically, Yugoslavia remained a one-party system but introduced policies that set it apart from other socialist states in the region. The country was one of the five founding members of the Non-Aligned Movement, a group of countries around the globe that aimed to remain neutral in the Cold War, asserting their independence from both the United States and the Soviet Union. This allowed for a more flexible foreign policy and greater engagement with countries on both sides of the Cold War divide. Unlike other socialist CEE countries, Yugoslavia opened its borders in the 1960s, and this policy came to be identified in official statements as one of the defining, distinctive, and positive features of the Yugoslav socialist variant (Zimmerman 1987). Open borders prompted a large international migration to North/Western Europe, where labour migrants were readily awaited and sometimes actively recruited. In addition, there was strong internal migration from less to more economically developed republics and autonomous regions within Yugoslavia.

International migration occurred at a time when the formerly agricultural country was experiencing an accelerated process of industrialisation, accompanied by two main problems: a lack of technological skills and a significant surplus of workers. Yugoslavia was the only socialist country in the region that experienced and acknowledged open unemployment. In socialist states, employment was defined as a state-guaranteed social right. In the context of planned economies, official unemployment was nonexistent, and, as a rule, the demand for labour exceeded the labour supply. However, in Yugoslavia, early attempts to introduce elements of a market system into a planned economy resulted in persistent and increasing unemployment from the 1950s onwards. The average unemployment rate, which was about 5% in the 1950s, rose to 10% by the mid-1970s, and by the end of the 1980s reached 15%, with large regional disparities (Drobnič and Rus 1995).

In the economic sphere, Yugoslavia introduced some market competition within its socialist framework, which resulted in the emergence of so-called "market socialism". Unlike in other CEE countries where the state controlled most economic activities, Yugoslav companies had more autonomy in decision-making, including setting prices and determining production levels. The most distinctive feature, however, was the emphasis on "workers' self-management" (Zimmerman 1987). In Yugoslavia's economic model, the means of production were collectively owned, and workers had a significant say in the management of their enterprises. This worker self-management system allowed for more decentralised decision-making within the economy compared to other socialist economies that relied on central planning.

Nevertheless, it has been repeatedly noted that societal development was characterised by the dominance of the political system over the economy (Bernik 1989) and other social subsystems (Kolarič 1991). Along the same lines, Rus (1990) asserted that the general developmental policy in Yugoslavia dominated both economic and social policy; these were intertwined and subordinate to political goals. This, in turn, implies that social policy developed largely independently of the economic capacity of the state.

Welfare Approach

The emergence of the welfare state in Yugoslavia can be traced through three stages (Pusić 1987): the period of war and reconstruction, the beginning of industrialisation, and the development of the welfare state in the period 1960–1980. During World War II, most infrastructure and social institutions were destroyed. The country lost 11% of its population,[1] with 283,000 children left orphans and a total of 2.3 million children registered as in need of some form of care or assistance (Pusić 1987, p. 157), indicating the extent of the social problems faced by the emerging local authorities in the post-war period.

In 1947, after an extensive nationalisation of the means of production (except land), the state initiated the process of industrialisation in the predominantly peasant society, which led to increasing urbanisation and a host of associated new social problems. First steps were taken to establish the welfare state. A central social security system was created, health

[1] Total population size in 1947 was 15.68 million (Statistički godišnjak Jugoslavije 1990, p. 95).

services were socialised, housing was nationalised, free compulsory education was extended to eight years, and childcare institutions started expanding, following the increase in women's labour force participation (Pusić 1987). The Yugoslav welfare state included social housing programmes that gave workers tenants' rights over expropriated property and newly built apartments. The state assumed wide-ranging responsibilities, but implementation was poor due to low economic development and low productivity. Also, it began as, and largely remained, a dual system of welfare, with social rights for the new industrial workers far exceeding those of the peasants in the rural areas (Stubbs 2019).

In the period 1960–1980, before the major economic crisis of the 1980s, the country experienced strong growth in gross domestic product. The population increased by 21% to 22.3 million people, and employment levels almost doubled. This was the result of a very high investment rate of nearly one-third of the GNP and rising employment from 2.97 million in 1960 to 5.80 million in 1980 (Pusić 1987, p. 159). The welfare state was enshrined in the constitution that was adopted in 1963 and promulgated the right to work (with unemployment benefits in case of unemployment), work protection, a minimum wage, paid vacation, health protection for all citizens, free education, old-age, disability and survivor pensions, and special social protection for disabled war veterans, for mothers and children, and for families in general (Pusić 1987, p. 160). Several new social programmes were established, financed by the growing national income. This comprehensive system reflected the centrality of the political system and its ambitions to regulate the entire social system (Kolarič 1991).

Worker's self-management was a distinguishing feature of Yugoslavia's economic system and was intended to both foster a sense of responsibility and motivation among workers and to decentralise economic decision-making. Workers were the "owners" of their companies: the firms were not only economic entities but also formed a specific segment of the welfare system. Numerous social services were organised and provided through the firms. These could include provision of hot meals, recreational and vacation facilities, access to housing, childcare facilities and health services, education, and qualification programmes (Kolarič 1991), along with occasional price subsidies on consumer goods, to name a few. In this way, firms also performed the role of social policy agencies. This created a strong incentive for people to participate in formal paid employment; non-participation could lead not only to economic deprivation but also to marginalisation and exclusion from benefits provided through the firms. This is one of the reasons for the comparably high labour force participation among women, who almost always worked full-time (Drobnič 1997).

On a more general level, this development was perceived as a dilemma between freedom and security (Svetlik 1992). The socialist state achieved political security through the political stability of the one-party state and economic security of individuals through permanent employment and protection for workers from company closures. It also provided social security through a range of universal social programmes, through which state institutions, including state enterprises, offered services to all employees, pensioners, and their families. The price for this security was limited freedom in economic, political, and social aspects of life. This, in turn, moulded passive individuals who avoided responsibility and risk-taking, which posed a significant obstacle to modernisation (Svetlik 1992, p. 221).

The Breakup of Yugoslavia and Welfare Systems in Post-Yugoslav States

Political Developments

Yugoslavia's economic and political system ultimately proved unsustainable in the face of the global economic changes and profound national-level economic crisis of the 1980s. This crisis was characterised by high inflation, escalating debt, and a struggling economy. Amidst the economic crisis, welfare programmes were scaled back significantly. Socialist Yugoslavia, much like Latin American countries, adhered to International Monetary Fund-led adjustment programmes that resulted in cutbacks across various welfare sectors, ushering in urban poverty for the first time since World War II. This reinforced the notion that maintaining such an "extensive" welfare state was unaffordable during periods of economic recession (Stubbs 2019).

In the first decades after the war, a delicate balance between the various ethnic groups within the country had been maintained. However, with Tito's death in 1980, a power vacuum emerged. The significant regional economic disparities and diverging views on the political and economic development of the country, resulting in economic and political rivalries among the Yugoslav republics, found expression in the resurgence of nationalist sentiments (Sekulić et al. 1994). In the context of external economic and political pressure, different ethnic groups began asserting their distinct identities, a process that was further intensified by historical grievances and territorial disputes. Nationalist leaders played a pivotal role in manipulating and mobilising ethnic particularism, exploiting these sentiments for political gain (Flere and Klanjšek 2019).

Ultimately, in the early 1990s, increasing political tensions between federal states and autonomous regions led to the breakup of Yugoslavia, giving rise to the creation of several independent nations. In 1991, Slovenia, Croatia, and Macedonia declared their independence. The Ten-Day War in Slovenia and the more prolonged conflict in Croatia marked the beginning of violent disintegration. Bosnia and Herzegovina, with its diverse ethnic composition, became the epicentre of the armed conflict that ended in 1995 with international mediation, resulting in the reorganisation of the country into two entities—the Bosniak-Croat Federation and Republika Srpska—with complex power-sharing arrangements.

In the late 1990s, tensions between Serbian communities and ethnic Albanians escalated in the province of Kosovo, erupting into a violent conflict with Serbia. A string of United Nations Security Council resolutions failed to instal peace, and only a military NATO intervention in 1999 ended the war, leading to the establishment of the United Nations administration in Kosovo. However, the situation in Kosovo, which currently has partial diplomatic recognition, continues to be unstable. In 2003, the remaining Federal Republic of Yugoslavia was reconstituted and renamed the State Union of Serbia and Montenegro. This union effectively ended in 2006, following Montenegro's formal declaration of independence.

All these violent conflicts left indelible scars, resulting in loss of lives, displacement of populations, and destruction of infrastructure. This legacy continues to shape the political and social dynamics of the region, with far-reaching implications for the development of the national welfare systems.

Implications for PYC Welfare Systems

Economically more developed successor states, which historically had stronger ties to Western Europe, such as Slovenia and Croatia,[2] had a better starting position. They were less affected by the disintegration of

[2] Slovenia has been a member of the European Union since 2004 and part of the Eurozone since 2007; Croatia joined the EU in 2013 and the Eurozone in 2023.

Yugoslavia in terms of the destruction of physical infrastructure and institutional foundations, allowing them to better retain and develop social protection measures for their populations. Also, these countries are more systematically included in comparative statistical databases, enabling a solid analysis of social policies.

North Macedonia, by contrast, has faced challenges in developing a robust welfare state. Its development has been impeded by several factors, including economic challenges, political transitions, and an unmet need for structural reforms. As part of a broader social reform process, efforts to enhance the country's welfare system led to the introduction of the new Law on Social Protection (LSP) in 2019. This legislation brought about systemic changes, aiming at deinstitutionalisation, decentralisation, and pluralisation in social services. The LSP is a systemic law with broad coverage linked to many other laws in different domains, including family and child protection. Important individual changes include the reorganisation of social services, the reduction of the previously existing fragmentation of financial benefits, and extension of access to financial benefits for certain user groups, including parents and caregivers (Bornarova and Bogoevska 2022).

In spite of extensive international assistance, Bosnia and Herzegovina faces challenges in establishing a comprehensive welfare state. The complex power-sharing arrangements have implications for the provision of social services, resulting in different systems in different parts of the country. This complexity also affects the availability of data on social protection, which is challenging to obtain, particularly in cross-national data sources.

Serbia and Montenegro, which remained in a union until 2006, were significantly affected by the breakup of Yugoslavia in both the economic and political spheres. Both countries have been undergoing reforms in various sectors, including social welfare. Montenegro faced severe challenges, particularly regarding high unemployment and a large number of refugees and migrants. The process of transition triggered a re-traditionalisation of society, resulting in the loss of many positive elements from the modernisation of the previous Yugoslav period (Filipovič Hrast et al. 2020). The authors argue that comprehensive socio-political measures in Montenegro were introduced only in the 2000s and were primarily intended to address the consequences of policies from the 1990s.

Serbia, too, was deeply affected by the violent events during the disintegration of Yugoslavia. Ten years after Serbia joined the United Nations in 2000, a growing need for active social policy to mitigate rising poverty and inequality during the transition was identified. Serbia spent relatively little on social protection, and even less on poor households. The World Bank suggested that social protection programmes should be the only category of public spending to be expanded (Arandarenko 2011). Although delayed, reforms in Serbia in the area of social assistance were estimated to have been more rapid and systematic than in most other transition countries. Ivančev et al. (2010) point out that two of the most important non-contributory programmes targeting poverty in Serbia are Material Support for Low-Income Households and the Child Allowance.

Below, we explore these developments in more detail by examining family policy at the end of the 1980s, before the disintegration of Yugoslavia, and its evolution in PYCs. Generally, although family policy in Yugoslavia was addressed at the federal level, individual federal republics and autonomous regions had substantial autonomy in shaping their specific family-related programmes and policies. As a result, policy measures began to diversify considerably even before the disintegration of Yugoslavia, and the programmes in the PYCs reflect these differences.

Family Policy

Scholars define contemporary family policy as government activities intentionally designed to support families, enhance the well-being of family members, and strengthen family relationships (Bogenschneider 2006; Gauthier 1996). Without referring to the term itself, Yugoslavia introduced quite early several elements of what is today understood as "family policy". The country was a socialist federation, and as such, its approach to family policy was influenced by socialist principles and the broader political ideology of the time, with a strong emphasis on equality, particularly income and gender equality.

Scholars overwhelmingly agree that income inequality in socialist countries was substantially lower than in other systems at comparable levels of industrial development (Heyns 2005). Gender equality was also an important element of official ideology, and women's status was to be protected with social policy measures, including leave policies and childcare services. However, this ideological commitment was primarily related to women's equal rights and duties at work and in politics, with "emancipation" understood as women's participation in paid employment, in line with the post-war ideal of a "strong, courageous and determined woman" (Černič

Istenič 2007, p. 478) who is economically independent. The private domain remained virtually unaffected (Švab and Humer 2013), leaving women to a continued unequal imposition of household and care work.

In the following sections, we explore three forms of family policy interventions through which the state can support families in performing their functions: the provision of money, time, and services. Our focus is on policies related to childbirth and child-rearing. Support for families with children can be provided in the form of money (e.g., child benefits, child allowance, baby bonus), time allocation (e.g., maternity, paternity, and parental leaves), or infrastructure (e.g., childcare and early education).

Child Allowance

Child allowances are an important component of family policy aimed at providing financial support to families with children. The general purpose is to help alleviate the financial burden of raising children and promote the well-being of families. Child allowances should ensure that parents have the financial means to provide for their child(ren)'s basic needs, such as food, clothing, and shelter. They reduce child poverty and improve the overall standard of living for families. These allowances are typically provided on a per-child basis, with the amount varying depending on factors such as the child's age, the number of children, and the family's income.

Yugoslavia in the 1980s

We first aim to provide a general picture of Yugoslavia's population in the 1980s, before the disintegration of the country. Statistical data based on the last national census in 1981, as well as other sources compiled in the Statistical Yearbook of 1989, are presented in Table 5.1. This overview clearly shows significant disparities among federal states and autonomous regions, with implications not only for economic development but also for family policy measures. According to Čipin et al. (2020), fertility trends in Yugoslav regions mirrored global fertility trends. The differences between the most and the least developed parts of Yugoslavia were as large as the differences in fertility levels between the high-income and least developed countries of the time.

The age structure of the population is particularly telling. On the one hand, Kosovo was an outlier in terms of fertility and family organisation. In the twentieth century, the region experienced a significant lag in

Table 5.1 Overview of statistical data on Yugoslavia and its republics and autonomous regions in the 1980s

	Yugoslavia	*Bosnia and Herzegovina*	*Montenegro*	*Croatia*	*Macedonia*	*Slovenia*	*Serbia*			
							Total	*Serbia w/ out regions*	*Kosovo*	*Vojvodina*
Population size (Census 1981)										
Total	22,424,711	4,124,256	584,310	4,601,469	1,909,136	1,891,864	9,313,676	5,694,464	1,584,440	2,034,772
Age 0–4	1,862,656	365,332	54,601	326,696	191,642	149,642	774,743	398,669	235,912	140,162
Age 5–9	1,837,285	375,765	52,632	321,116	184,854	144,940	757,978	401,190	221,376	135,412
Age 10–14	1,787,851	393,024	53,314	315,888	178,681	140,064	706,880	378,480	198,699	129,701
Age 15–19	1,845,050	433,304	57,569	335,788	178,205	143,846	696,338	385,081	172,284	138,973
Age 20–64	12,959,300	2,296,558	315,835	2,741,367	1,042,950	1,098,881	5,463,709	3,532,758	678,695	1,252,256
Age 65+	2,034,478	250,366	48,021	524,264	128,261	209,180	874,386	571,997	72,427	229,962
Unknown	98,091	9907	2338	36,350	4543	5311	39,642	26,289	5047	8306
% age <15	24.5	27.5	27.5	20.9	29.1	23.0	24.1	20.7	41.4	19.9
Number of households (Census 1981)										
	6,195,826	1,030,689	142,692	1,423,862	435,251	594,571	2,568,761	1,661,576	228,870	678,315
Average household size (Census 1981)										
	3.62	4.00	4.09	3.23	4.39	3.18	3.63	3.43	6.92	3.00
Child allowance for low-income families (children, in thousands)										
Year 1989	1819	228	63	319	169	140	901[a]	444[a]	324	133
Children in pre-school educational facilities										
Year 1989	435,932	34,316	10,044	89,729	39,334	75,838	186,671	121,323	12,738	52,610

Source: Statistički godišnjak Jugoslavije (1990)

[a]Preliminary data

demographic transition compared to the rest of Europe and other Yugoslav regions. Even as late as 1981, 41.4% of the population in Kosovo was below the age of 15. A very high fertility rate and traditional agricultural life with extended families are also reflected in the average household size of 6.9 persons per household. By contrast, household size in Vojvodina, Slovenia and Croatia was close to three persons, and children under 15 constituted only about 20% of the population (Table 5.1).

At the end of the 1980s, a monthly monetary child allowance was paid to about 1.8 million children across Yugoslavia (Table 5.1) with the aim to improve economic and educational conditions for children's upbringing. The benefit was targeted at low-income families and was fairly selective. The exact conditions and the level of support were regulated by the individual republics and autonomous regions.

Child Allowances in PYCs

For the PYCs, we rely on data collected from various sources for the Welfare State Information System (WeSIS) of the University of Bremen (Tran et al. 2025). The evolution of this policy measure is presented in Figs. 5.1 and 5.2. Figure 5.1 displays the inclusiveness of child allowance policies. We distinguish between employment-based and residency/citizenship-based schemes, assessing whether all groups of workers in the agricultural, industrial, and commercial sectors, as well as self-employed

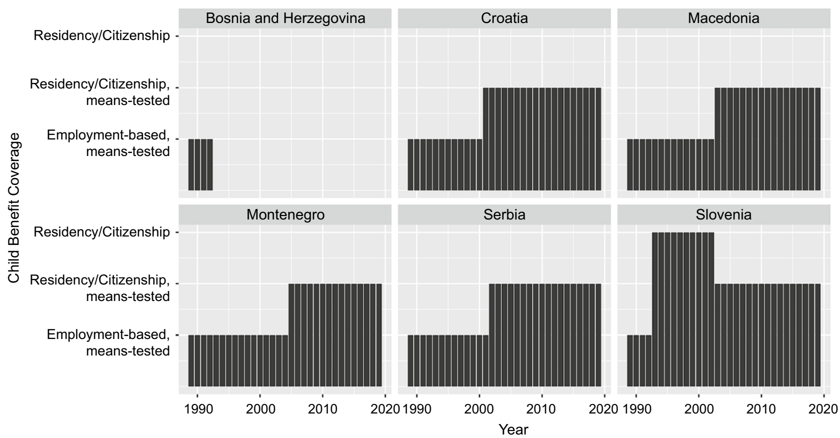

Fig. 5.1 Child allowance in post-Yugoslav countries

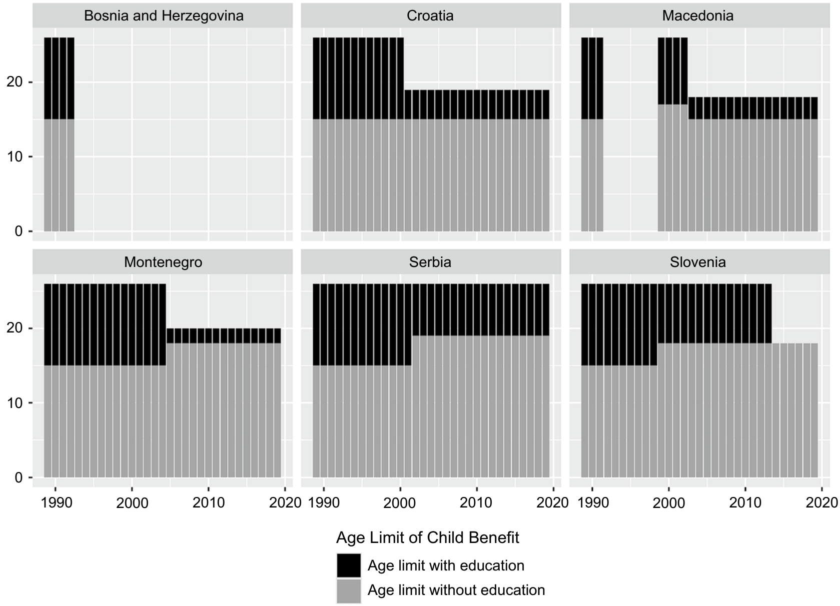

Fig. 5.2 Age limit for child allowance in post-Yugoslav countries

individuals and residents in general, are covered by family benefits. Furthermore, we assess whether the benefit is means-tested. In the early 1990s, child allowances were employment-based and income-tested in all PYCs.

In Bosnia and Herzegovina, the state-level programme was discontinued in 1992, with each region in the Federation eventually introducing its own regulations. Four PYCs extended eligibility from employment-based to residency/citizenship-based schemes, targeted at low-income families with children: Croatia in 2001, followed by Serbia in 2002, Macedonia in 2003, and Montenegro in 2005. Slovenia was the only country that introduced a child allowance with universal eligibility as early as 1993; however, it transitioned to a means-tested system in 2003.

The age limit for receiving child allowance payments varied over time and depended on children's educational status. All PYCs started with child benefits paid up to reaching the age of 15, and some PYCs later raised the upper limit to 18 (Fig. 5.2). Moreover, after 2000, Croatia, Macedonia, Montenegro, and Slovenia decreased the age limit for children who were pursuing higher education, reducing the gap between children with and without higher education. For instance, Slovenia previously had a universal child allowance that was paid up to the age of 26 for young adults pursuing higher education. However, in 2014, the country abolished the distinction in the age limit depending on educational status and restricted its child allowance to ages 0–18. As a substitute, young adults over 18 pursuing secondary or tertiary education were offered access to a system of state stipends.

Maternity/Parental Leave

Another form of support for families with children is through time allocation. Access to paid maternity, paternity, and parental leave is one of the most significant contributions that states make to alleviate parents' challenges in balancing work and family responsibilities. This policy provides parents with the essential time needed to care for their newborns and young children, fostering early childhood development and a healthier work-life balance. Additionally, parental leave can promote gender equality by allowing fathers to take an active role in childcare.

Leave Policies in Yugoslavia

Maternity leave, first introduced in the 1920s following the 1919 Maternity Protection Convention, was extended during the socialist period and was conceived as a measure contributing to both work-family reconciliation and child development. It was initially limited to employed women, excluding agricultural workers on their own farms, self-employed women, and students. In 1946, legal regulations stipulated 12 weeks of maternity leave for pregnant women, with six weeks before and six weeks after birth (Leskošek 2015).

Based on an examination of official gazettes, Leskošek (2015) provides a detailed account of the evolution of leave-related laws and regulations in the first decades after World War II. In 1949, a new regulation extended maternity leave to 90 days, with income replacement ranging from 75% to 100%, depending on the employment history before the leave. Moreover, a mother had the right to interrupt her work every three hours for breastfeeding for a duration of six months after birth, or eight months if ordered by a physician. If the distance between her workplace and her child rendered this unfeasible, she had the right to work four hours per day until the child was six (or eight) months old. In cases in which the mother was the sole caregiver for the child, this right was extended until the child was three years old. Due to practicality issues concerning breastfeeding regulations, in 1952, all mothers gained the right to part-time employment in the first six (or eight) months of the child's life, with an income replacement rate of 75%–100%.

The Labour Act of 1957 extended the duration of maternity leave to 105 days and stipulated that part-time work during the breastfeeding period counted as full-time employment for retirement purposes. In 1966, the leave period was further extended to 133 days, with the condition that it must begin at least 28 days before the expected birth. The law also confirmed the right to part-time work until the child reached eight months of age. The final Yugoslav Labour Act in 1973 only specified a minimum length of 105 days for maternity leave, leaving specific regulations to the individual republics (Leskošek 2015).

A search for new mechanisms to regulate political conflicts and persistent tensions between central and regional powers led to the development of new institutions and procedures for decision-making, and culminated in wide-ranging constitutional changes (Burg 2014). With the 1974 Constitution, the jurisdiction and responsibilities between the federal state, on the one hand, and the constituent republics and autonomous regions, on the other hand, were redefined. Only basic minimum rights of workers and citizens remained under federal law, while the responsibility for the systemic regulation of various social policy areas was transferred to the individual republics and autonomous regions. From this time on, Yugoslav republics introduced divergent policies that reflected the unequal economic, social, and cultural situations in the various regions. For example, in 1974, Slovenia extended the basic federal maternity leave of 105 days with an additional full-time parental leave of 141 days with 100% income replacement or a part-time 4-hour working day until the child was 12 months old. Furthermore, parental leave could also be used by the father if the couple agreed upon the division of leave (Leskošek 2015). Even if men rarely used their rights to parental leave, this was a novel and notably progressive gender arrangement at the time.

Policy Evolution in the PYCs

Disparities in rights and regulations between Yugoslav republics emerged long before the disintegration of the country. Thus, some developments in successor states can only be understood if the inter-state differences in former Yugoslavia are acknowledged. Dobrotić (2022) provides a comprehensive overview of the development of leave policies in PYCs. In particular, the detailed description of changes in leave duration and structure, leave benefits, and eligibility criteria in the online appendix is a valuable source for tracking the dynamics of policies in the period 1990–2020. In addition to the information provided by Dobrotić and Stropnik (2020), we use data collected from various sources for the WeSIS at the University of Bremen (Son et al. 2020; Tran et al. 2025).

Figure 5.3 displays the duration of child-related leave policies in PYCs. We do not explicitly distinguish between maternity, paternity, and parental

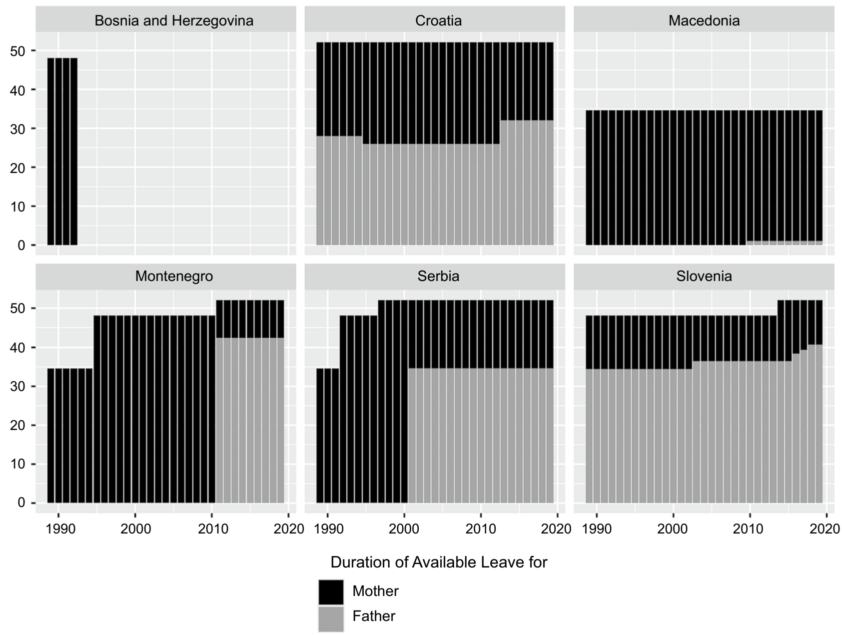

Fig. 5.3 Duration of parental leave (in weeks) in post-Yugoslav countries, available for mothers and fathers

leave. Instead, we identify the duration of leave available to the mother and the duration available to the father of a newborn, some of which may have to be negotiated between parents.

At the onset of Yugoslav disintegration in 1990, the policy design of leave benefits differed across the republics and autonomous regions, with durations ranging between 34.6 and 52.1 weeks. In line with the Yugoslav federal policy, the replacement rate was 100% of previous earnings. However, the time span considered for the calculation of income replacement could vary: it could be the last month before the leave started, the last three months, the last 12 months, or the previous calendar year (Dobrotić 2022). In addition, income ceilings on leave benefits were introduced or withdrawn in many PYCs, including Croatia, Serbia, and Slovenia. Therefore, in reality, the replacement rate could differ substantially between PYCs.

Bosnia and Herzegovina had a 12-month maternity leave in 1990, with a full replacement rate. Following the armed conflict and the establishment of the country's complex political structure, the legal framework on leave benefits was decentralised, resulting in various regulations and even the withdrawal of maternity benefits in some areas. North Macedonia maintained a 9-month duration for leave throughout the observed period (Fig. 5.3), available exclusively to mothers. Fathers were granted the right to up to 7 days of paid vacation upon the birth of the child under the Labour Relations Law, similar to other significant family events. However, they were not entitled to childcare leave of their own.

Serbia (in 2001) and Montenegro (in 2011) both restructured their leave policies. They transformed the earlier maternity leave into a maternity and parental leave, a family right transferable to the father. Croatia and Slovenia distinguished between maternity and parental leave from the beginning of their independence. There have been variations in the duration of leave available to fathers, including the introduction of a specific paternity leave and additional bonus time if both partners use the leave, but also retrenchments (see details in Dobrotić 2019, 2022; Dobrotić and Stropnik 2020).

Childcare Services

The third form of state support for families with children involves the provision of services. Accessible and affordable childcare services play a vital role in assisting parents as they balance their work and family responsibilities. State childcare services aim to facilitate the participation of parents, particularly mothers, in the workforce. This support can contribute to gender equality and economic stability for families. Moreover, quality early childhood education and care (ECEC) can have a positive impact on a child's cognitive, social, and emotional development.

Childcare Services in Yugoslavia

In line with the socialist focus on gender equality and women's employment, it was recognised early on that providing childcare facilities was an essential contribution to the inclusion of women in the labour force. Childcare facilities were envisioned for children aged 1–6, that is, after the one-year maternity/parental leave and before children entered elementary school. However, data on childcare services are scarce. In 1989, about 436,000 children were enrolled in pre-school educational facilities (Table 5.1). Although these statistical data do not allow for an exact calculation of the enrolment rate, it is obvious that large differences existed between the individual republics and autonomous regions, as well as between rural and urban areas. Rough estimates based on 1990 data indicate that the enrolment rate of children aged 0–6 ranged from only 7.7% in Bosnia and Herzegovina to 17.3% in Montenegro, 19.9% in Serbia, 25% in Croatia, and 49.5% in Slovenia (Dobrotić 2019, p. 15). No legal entitlement to ECEC existed, and accessibility was limited due to the lack of ECEC places.

Stropnik (2001), who focused on Slovenia but also described the general characteristics of childcare under the socialist period, stressed that during the socialist period, public childcare centres were the only legitimate, formally organised, and subsidised providers of pre-school childcare. Private childminders existed as well, but this form was legal only if associated with childcare centres and allowed only for crèche up to age 3. The development of publicly organised educational and care services for pre-school children in Slovenia was particularly intensive between 1971 and 1985 (Stropnik 2001). A similar observation has been made for Croatia (Baran et al. 2011), emphasising that the primary goal had originally been to facilitate parents' employment, until in the mid-1970s, public discourse shifted to prioritising children's educational needs.

Childcare Services in the PYCs

Underdeveloped childcare services did not meet the population's needs during the socialist period, and accessibility has remained a significant challenge in the PYCs. Only Slovenia experienced noticeable growth in

ECEC enrolment rates, reaching the Barcelona targets on childcare to increase women's labour-market participation.[3] These targets require EU member states to achieve a 33% enrolment rate for children aged 0–2 and 90% for children older than three (Dobrotić 2019).

According to the most recent data of the United Nations Children's Fund (UNICEF), the gross enrolment ratio for pre-primary education is 94% in Slovenia, 73% in Montenegro, 71% in Croatia, 64% in Serbia, 31% in North Macedonia, and 26% in Bosnia and Herzegovina (UNICEF 2023, p. 33). Although some other sources provide somewhat different figures, the overall comparative picture is similar in terms of which countries offer better possibilities for ECEC. Dobrotić (2019), who provides the most detailed overview of ECEC schemes in PYCs, also points out significant regional disparities in availability and costs, leading to the situation that children living in less developed, rural areas and in households with lower socioeconomic status face particularly high obstacles to entering ECEC.

Figure 5.4 shows that Slovenia is the only PYC that has closed the gap between leave entitlements and primary education. Children in Slovenia are legally entitled to a place in a kindergarten from the age of 11 months, which marks the end of parental leave, up to the age of compulsory schooling.

Discussion

In Yugoslavia, particularly during the period of intensified modernisation efforts from 1960 to 1980, the development of the welfare system was a significant endeavour (Pusić 1987). As noted by Stubbs (2019), Yugoslav socialist welfare was certainly exceptional, at times progressive, though never explicitly transformative. It should be emphasised, however, that the Yugoslav project failed to eliminate inequalities among the constituent republics and autonomous regions, which contributed to economic and political conflicts and ultimately the breakup of the federation. These societal differences and discrepancies in economic power are at the core of the diverging trends in inclusiveness and scope of benefits of family policy measures in PYCs.

[3] See https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32022H1220%2801%29.

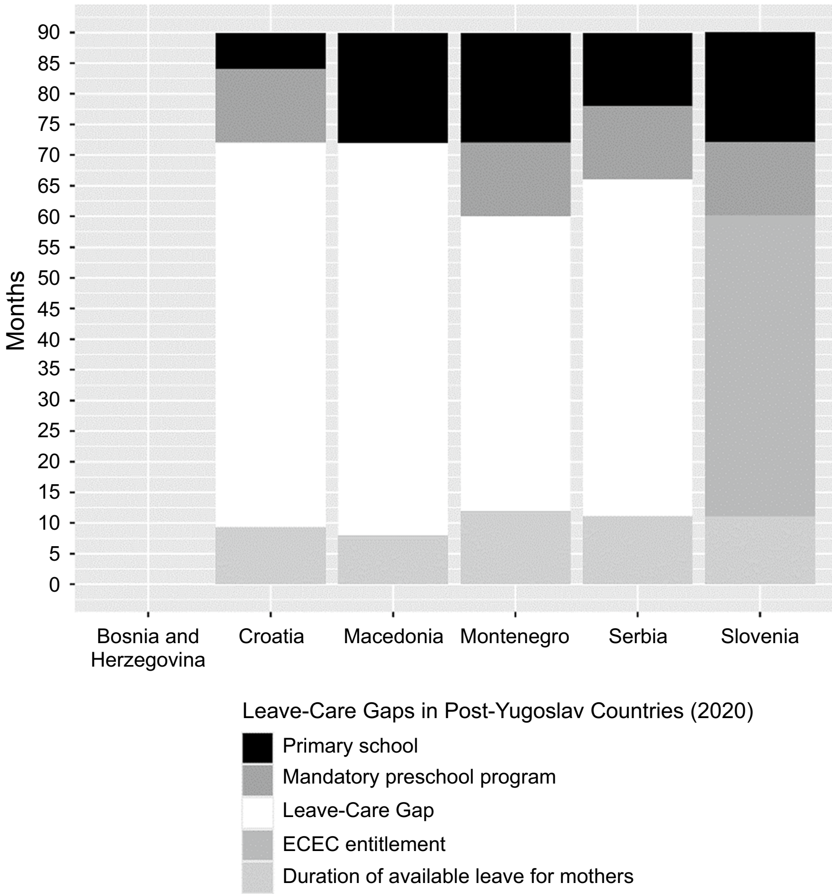

Fig. 5.4 Gap in legal care entitlement between parental leave and compulsory education in post-Yugoslav countries

Family policy in Yugoslavia was conceptualised within the framework of socialist principles and the broader political ideology of the time, with a strong emphasis on equality. However, gender equality was understood as equal participation of women in employment and public life, disregarding gender inequality in private life and family care. No attempts were made to question traditional gender roles involving women's responsibility for child-rearing and housework. To ease tensions between women's employment and their reproductive roles, paid maternity leave, monetary support, and childcare services were established relatively early, but these benefits were primarily limited to the employed population. The scope of benefits differed between the various policy schemes: child benefits were means-tested, while the wage replacement rates for leave policies were fairly generous, often reaching 100%.

The post-socialist transition was accompanied by an erosion of women's equality in the workplace, as argued by Metcalfe and Afanassieva (2005) for CEE countries in general. This transition led to increasing levels of discriminatory practices against women in recruitment and career advancement, fostering a return to traditional gender roles. The deterioration in opportunities for women was also linked to the dismantling of state policies that previously enabled women to balance work and family life.

Not all PYCs started from the same point regarding family policy in 1990, due to divergent developments and varying generosity of policy regulations since 1974. This disparity is particularly evident in the case of leave policies, where significant differences are observed (Fig. 5.3). Only Croatia and Slovenia had introduced parental leave transferable to fathers before the transition period; both expanded these options afterward. A similar pattern is seen with other policy measures: Slovenia managed to retain most of its former social policy achievements, and increased the diversity and quality of its services. This is especially evident in the broad child benefit coverage and childcare services, where the care gap in legal entitlement to care between parental leave and compulsory education has been closed (Fig. 5.4).

The other PYCs followed divergent paths. They were exposed, to varying degrees, to post-transition re-traditionalisation and financial constraints, including the consequences of violent conflicts during the Yugoslav disintegration. In Bosnia and Herzegovina, some state-level benefits ceased to exist as statutory rights, leading to a clear deterioration in parents' rights. In other PYCs, such a downturn is not immediately apparent. However, Dobrotić (2022) stresses that some welfare reforms in PYCs, such as introducing citizenship-based entitlements, although seemingly supporting inclusiveness, also increased the systematic exclusion of some parents from access to childcare-related rights and the opportunity to combine work and care. Thus, less-visible rules embedded in policy design can also lead to a lack of state support and challenge equal opportunities for all parents.

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CHAPTER 6

Generosity of Social Security: The Soviet Stalinist Model and Its Fate in China, 1949–1978

Aiqun Hu

Introduction

This chapter examines the generosity of social security in China under Mao Zedong (1893–1976), the founder of the People's Republic of China (PRC) and Chairman of the Chinese Communist Party (CCP), from 1949 to 1978. "Social security" is defined as government programmes that provide benefits and services in the event of income interruption in the form of social insurance and social assistance, while "generosity" is defined as a combination of inclusiveness (who is covered, conditions for entitlement, eligibility criteria) and the scope of benefits (the level, duration, and

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quality of services granted to an entitled person). The origin of social security can be traced back to late nineteenth-century Germany under Otto von Bismarck, who issued a series of social insurance laws in the 1880s. Since its inception as an institution, social security (and social insurance) has been regarded as part of a country's state-building process.

Although China has a long history of a state granary system for famine relief, social security as part of state-building was imported from the outside world. The PRC in the 1950s often uncritically adopted the Soviet model of state-building in essentially all aspects, with the purpose of building a Stalinist socialism (Bernstein and Li 2010; Kirby 2006; Walder 2015). Such socialism was characterised by a centralised political system based on single-party rule as well as a big-push development strategy. This was realised in a command economy, through rapid industrialisation and forced collectivisation of agriculture. As for social policy, there was not an independent system; it was viewed as inherent in socialism, both a means for, and an end to, socialist construction.

Under Joseph Stalin, during the 1930s, the Soviet Union developed a dual-structured social security system that was backed up by industrialisation, collectivisation, and an internal passport system. This dual-structured system employed different approaches to urban and rural residents. While urban residents enjoyed social security benefits financed by the state, rural residents (predominantly collective farmers by the mid-1930s) had to rely on mutual aid societies established within each collective farm that were entirely supported by the peasants of that farm.[1]

It was the core elements of this dual-structured social security system that were adopted in China in the 1950s, at different paces and in adapted formats. However, the implementation of China's Stalinist social security system in the following decades was deeply influenced by Maoist socialism, which departed from the Stalinist emphasis on differentiation of benefits as well as the gradual institution-building that emerged after the "socialist offensive" (1929–1934) (Bernstein and Li 2010, pp. 7–9). Maoist socialism emphasised continued revolution by stressing voluntarism (human willpower to change the world) through mass campaigns and class struggle, and egalitarianism with the goal of eliminating the

[1] This dual-structured system only began to be changed in 1964, when a pension scheme for collective farmers was introduced to incorporate peasants into the national pension system, a process that lasted over a decade when in the 1970s, peasants finally received benefits basically equal to those of urban residents.

urban-rural divide inherent in the Stalinist model of socialism. The result was the contrasting fates of urban and rural social security in Mao's China.

Historical studies on social security in Mao's era are still rare. Dixon (1981), who built on Kallgren (1969), provides a comprehensive description of China's social security system (1949–1979) under the term "welfare system", while Dillon (2015) examines China's workplace welfare and commune welfare, mainly from 1949 to 1962. These studies entirely ignored the Stalinist dual-structured social security model and its adoption in China.

This chapter is divided into five parts. Part 2 puts the Stalinist dual-structured social security model in perspective by tracing the roots of social security to Bismarckian social insurance of the 1880s, revealing the historical connections between the two systems. Part 3 engages with China's adoption of the Stalinist social security model during the 1950s, with a focus on its (de jure) generosity. Part 4 examines the implementation of China's Stalinist social security system under Maoist socialism from 1958 to 1978, focusing on the contrasting fates of its urban and rural elements in terms of generosity. It concludes by highlighting the main findings, followed by a short discussion of the legacies of Mao's social security within China's present system.

Generosity of Social Policy: Stalinist Dual-Structured Social Security in Perspective

Social policy refers to state policy on social provision. The origins of modern social policy can be traced back to Bismarckian social insurance of the 1880s. It covered workers in selected industries, paying sickness, maternity, and accident benefits as well as invalidity and old-age pensions to the insured at a given percentage of a worker's previous wage under certain eligibility conditions. In addition, it was funded by contributions from both workers and their employers, while it was self-administered with state supervision. Compared with its direct precursors, the voluntary social insurance funds established by workers themselves, the generosity of Bismarckian social insurance was a great improvement (Kohler and Zacher 1982; Rimlinger 1971; Ritter 1986; Rodgers 1998).

After its creation, the Bismarckian social insurance became a global model that was imitated by other countries. Imperial Russia in 1912 adopted the Bismarckian model of social insurance in its Health and

Accident Act. By this time, on the eve of World War I, Russia had about 26 million wage earners out of a total population of 158 million because of its industrialisation since the late nineteenth century. Among these wage earners, about 15 million were industrial workers of all types, and 6.5 million were agricultural labourers (in contrast with non-wage-earning communal or individual farmers) (Melancon 2014, p. 3).

Thus, in 1912, there was a need for social insurance. When the bill was discussed in the Duma, the leader of the Russian social democrats, Vladimir Lenin, proposed his famous social insurance principles, calling for a social insurance system covering all types of social risks for all wage earners and their families at a benefit level of full wages and administered by the workers themselves (Rimlinger 1971, p. 251). Lenin's principles laid down the foundation for the emerging Soviet social insurance model associated with Stalin (Hu and Manning 2010).

The year 1921 saw the establishment of the Soviet state social security system, which was both urban- and class-based as it excluded peasants and so-called "class enemies". Following Lenin's principles, it excluded self-employed peasants (the majority of peasantry, who, in turn, were the majority of the population) and other self-employed workers such as artisans and professionals as well as all landlords, capitalists, and others who were "class enemies". This system included a state social insurance and a state social assistance programme.

The state social insurance covered all wage earners against a comprehensive set of social risks with employers being the sole contributor, but benefits were set at a portion of (rather than Lenin's full) wage replacement level. This was organised on a territory basis under the administration of the Commissariat of Labour; however, the trade unions were responsible for selecting or nominating the entire executive personnel. In this way, workers had control over their social insurance (Rimlinger 1961, p. 404).

The state social assistance programme, which had existed since 1918, shrank its inclusiveness in 1921 by providing benefits to only a few selected groups (wage earners, Red Army soldiers, and those without a family provider) while leaving all other groups with hardly any benefits (Hoffmann 2011, pp. 54–56). For instance, peasants were excluded and never received any state assistance aside from some famine relief (Caroli 2003, p. 33). Overall, this system worked, but not to its full capacity, as enterprises often failed to contribute to these social insurance funds (Hoffmann 2011).

When Stalin came to power in 1928 and launched the first Five-Year Plan (1929–1933), rapid industrialisation and forced collectivisation of agriculture were carried out. Consequently, the Soviet social security system was further formalised into a dual-structured system. It employed different approaches to peasants and urban residents, peasants receiving inferior benefits compared with urban residents (for differentiated benefits, see Caroli 2003, p. 51; Madison 1964, p. 193; for the Soviet welfare model, see Heinrich 2025).

In urban areas, social insurance was meant to foster production and to discipline workers in socialist construction through a series of measures. In 1931, many occupational social insurance funds were established, granting special treatment to workers hired in key industries. In 1933, the trade union (by this time entirely under the control of the Communist Party) became the administrative organ of social insurance, while the Commissariat of Labor was abolished. Shortly after 1936, long-term social insurance benefits, such as old-age, disability, and survivor pensions, and medical care were put together with housing under state budgets (Rimlinger 1971).

While all these changes significantly increased the generosity of social insurance for industrial workers, especially those in key industries, they also allowed the party-state to tighten its control of the workforce through trade unions and social insurance. It is also worth noting that the system of the 1920s, based solely on contributions from enterprises, evolved into a system that was based more on state budgets. Social assistance financed by general state revenues continued in the cities; thus, a state social security system, which was financially guaranteed by state budgets, was established under Stalin, but only for urban residents.

In the countryside, with the collectivisation drive, nearly all peasants (both individual and communal) had been organised into collective farms by 1933. However, collective farms were excluded from the state social security system. Rather, they had their own social security arrangements, both voluntary social insurance and social assistance, financed independently by each individual farm. According to a 1931 decree, each collective farm could set up a mutual aid fund to provide financial aid in the event of lost capacity due to sickness, invalidity, old age, or other contingencies. The fund also provided for old people's homes and for rehabilitation of those unfit for work.

The mutual aid fund was set up by decision of each collective farm at a general meeting, and participation was voluntarily decided by individual farmers. The mutual aid fund was financed by both the collective farm and its members. While the collective farm financed the mutual aid fund from its relief fund (which was itself financed by no more than 2% of the value of its annual gross output), the participating members paid an entry fee and made regular contributions to the mutual aid fund (Lantsev 1973, p. 241; International Labour Review 1947; Madison 1964). Although voluntary, the number of mutual aid funds grew quickly under Stalin. By the end of 1937, there were about 18.8 million collective farmers in about 243,000 collective farms covered by agricultural cooperative societies. These included mutual aid funds and cooperative credit societies, which often served general needs of the rural population (International Labour Review 1939, p. 269).

In terms of social security, the above urban-rural divide was further reinforced by the internal passport and urban residence registration system adopted in December 1932. In the first years of Stalin's rule, mass migration of peasants to cities occurred mainly due to the expanding opportunities for better-paying jobs in cities resulting from the industrialisation drive. By the winter of 1932, however, a crisis caused by a widespread famine in major grain-producing regions, coupled with the resulting massive peasant refugee flows to towns, threatened the rationing system for urban residents that was adopted in 1929.

To prevent peasants from flooding into towns, the Soviet government on 7 December 1932 adopted a system of internal passports which required citizens to register as urban residents to receive passports. Thus, peasants were denied the legal right to possess passports. Meanwhile, a law was adopted in early 1938 to limit peasants leaving collective farms. Thus, the collective farmers, who comprised most of the Soviet population, were legally tied to the land, although beginning in 1934, "the employable" had opportunities (or were even encouraged by the government) to leave their farms and work in cities. The passport law lasted until the 1970s, while the restriction law was never technically abolished, though it was contradicted by later laws (Fitzpatrick 1995, pp. 92–96).

The Stalinist dual-structured social security system was incorporated into the Stalin Constitution of 1936,[2] which confirmed the differentiation of the rights of urban workers and employees over peasants. As Article 120 stipulated: "Citizens of the USSR have the right to maintenance in old age and also in case of sickness or loss of capacity to work. This right is ensured

[2] The English text of the Stalin Constitution of 1936 can be found at: https://www.marxists.org/reference/archive/stalin/works/1936/12/05.htm.

by the extensive development of social insurance of workers and employees at state expense, free medical service for the working people and the provision of a wide network of health resorts for the use of the working people". Thus, the state social insurance was not intended for collective farmers, but rather for "workers" and employees only. The reason for this is that collective farmers (unlike state farmers), as they were not wage earners, were not considered "workers" by the Soviet government, as they had private use of a small plot of land and permanent and free use of the collective land, which in theory was commonly owned by collective farmers (Article 7). Free medical service was intended for all working people but was heavily geared to the needs of urban dwellers.

This dual-structured social security system was adopted in China in the 1950s. However, its two parts started progressing towards very different fates after 1956, when Maoist socialism began its ascendancy. The following two sections explore the adoption and implementation of the Stalinist model in China with a focus on contrasting the urban and rural parts in terms of generosity.

Establishing Stalinist Dual-Structured Social Security in China, 1949–1956

The CCP came to power in 1949 with a vision of building socialism by following the Soviet experience at all levels. The top leadership's consensus on adopting Soviet models was not only a historical continuation of the CCP's experience in the pre-1949 revolution, but also a response to the newly emerged international order of the Cold War. With the world increasingly divided into capitalist and socialist camps, it was simply logical for China to join the socialist one, given that the CCP had maintained close ties, if not always, with the Soviet Union in the decades prior to its seizure of power in 1949 (Chang and Halliday 2006; Pantsov and Levine 2013).

Upon coming to power, the CCP carried out land reform in the countryside that broke up the existing social structures; in the urban areas, it immediately nationalised enterprises previously owned by the Nationalists and foreigners and continued the policy of protecting the interests of both capitalists and workers in accordance with the "New Democracy" (*xinminzhu zhuyi*) adopted in the 1940s. With the completion of economic recovery by the end of 1952, Mao was able to persuade other top officials to accept his idea of transforming China into a socialist economy. Consequently, in 1953, the CCP adopted its "General Line for the Transition Period". As Walder (2015, p. 82) points out, Mao's 1953 General Line was "a thinly disguised copy of Stalin's own statement on the subject". Following the Stalinist model, the CCP launched the first Five-Year Plan (1953–1957) with an investment drive in industry, while elements of the Soviet command economic model were gradually put in place. By the end of 1956, China had established a Soviet-style socialist economic system, with public ownership (state ownership in the urban areas and collective ownership in the rural areas) becoming its foundation (Naughton 2018).

As a crucial part of the Soviet-style big-push development strategy centred on workers and cities, China adopted the household registration (*hukou*) system in 1955, which was learned directly from the Soviet system of internal passports and urban residence registration of the 1930s. This *hukou* system, together with such associated Soviet-style systems as rationing systems for grain, cooking oil, and cloth as well as the government procurement system (adopted by 1955), led to a new urban-rural divide. This urban-rural divide prioritised the urban over rural areas, with the ultimate purpose of transferring agricultural surplus to support urban industrialisation (for a comparison with Eastern Europe, see Ignatova-Pfarr 2025).

This system controlled the size of the urban population, especially of large cities, via mechanisms of not only restricting peasants' migration to cities but also sending certain urban residents to the countryside (Cheng and Selden 1994). The *hukou* system, together with the above-mentioned measures and the Stalinist dual-structured social security to be adopted, led to two different forms of citizenship in China in terms of the social security rights that were stipulated in Article 93 of China's 1954 Constitution, which was, in turn, a copy of the Stalin Constitution.

Urban Social Security

In 1951, China adopted a Soviet-style labour insurance system amid its economic recovery, with its claimed purpose being "protecting the health of paid labourers and easing special difficulties in their livelihood" (Article 1). This national labour insurance had its precursor in the Northeast Labour Insurance system, established on 27 December 1948, following the CCP's regaining of control of the Northeast region (former Manchuria) in November 1948. However, the 1951 labour insurance scheme extended the scope of application from state enterprises to both state and non-state enterprises.

More specifically, the Northeast Labour Insurance Scheme applied to state enterprises in the fields of rail transportation, mining, military industry and supplies, post and telecommunications, electric power, and textiles, while other state-run enterprises would need further authorisation upon their application (Dongbei xingzheng weiyuanhui 1949). The 1951 national regulations, by contrast, applied to both state and non-state factories and mines (and their subordinate units and professional supervisory units) with more than 100 workers and staff, as well as enterprises in railways, shipping, and post and communications and their subordinate units. It is worth pointing out that the 1951 regulations made it clear in Article 2 that the scope of application would be extended after obtaining some experience (People's Daily 1951).[3] Put in other words, enterprises or companies (including state farms) with 100 or more workers and staff in other non-agricultural fields would be incorporated into the labour insurance scheme in the coming years.

According to Labour Minister Li Lisan, who was responsible for both regulations, the reason for covering both state and non-state enterprises rather than merely state enterprises was simply that there were more private enterprises and that many of them were large (Li 1951). Regarding covering specifically enterprises with 100 or more workers and staff, Li explained that large-scale enterprises had well-developed trade unions and administrations, which made it easier to operate and manage labour insurance, while the smaller ones were too scattered to be quickly and efficiently organised for implementing labour insurance—despite his admission that "we know deeply that workers of small factories and stores have a bitter life and are more in need of protection" (Li 1951). Thus, administrative capacity was an important consideration in determining the inclusiveness of the national regulations.

The 1951 labour insurance programme, like the Northeast one, was truly modelled on the Soviet system, especially its two fundamental features. That is, it only required employers to contribute (no worker contributions as in the Bismarckian model), while the trade unions were

[3] The English version of the Labour Insurance Regulations of the People's Republic of China, adopted on 26 February 1951, is available at: https://webapps.ilo.org/dyn/travail/docs/817/Labour%2520Insurance%2520Regulations%25201951.pdf.

responsible for its administration (and the labour administration assumed only a supervisory role). However, there were important adaptations. The Stalinist model put all long-term social insurance benefits, such as old-age, disability, and survivor pensions, and medical care together with housing into the state budget, which provided the strongest financial security for such benefits. But because China lacked the financial resources to do so, it insisted on enterprises as the sole financier for both long-term and short-term benefits (People's Daily 1951).

China's labour insurance system also borrowed heavily from the Stalinist system in terms of eligibility requirements. The old-age pension set a retirement age of 60 years for men and 55 for women, a total of 25 years of work experience for men and 20 years for women, and 10 continuous years of work experience at their current enterprises for both men and women, copying the Soviet requirements nearly in each case. These requirements were quite strict, given China's huge labour surplus at the time (contrasting with the Soviet Union's constant shortage of labour). Following the Soviet system, it stipulated special treatment for trade union members, model workers, and hero veterans while excluding those who were deprived of their "political rights" (*zhengzhi quanli*), including landlords, agents of the former Nationalist government under Guomingdang, and those who were deprived of citizens' rights (*gongmin quan*) by court decisions (Laodongbu 1951, Article 10).

In the socialist transition period (1953–1956), the generosity of China's labour insurance was greatly improved through two major expansions in 1953 and 1956. With the launching of the first Five-Year Plan in 1953, labour insurance was now applied to construction companies (with more than 100 workers and staff); its eligibility was liberalised, and its overall benefit levels were increased. For instance, for old-age pension, the ten years of continuous employment at the same workplace was shortened to five years; all types of benefits against all social risks were improved, with the purpose of providing workers with more incentive to work hard to fulfil the production goals of the first Five-Year Plan. In 1956, the labour insurance system was further extended to commerce and trading companies (with 100 or more employees). Additionally, the All-China Federation of Trade Unions (ACFTU) put forward a proposal to transform the labour insurance scheme into a social insurance scheme by extending it from wage earners only to include salaried employees and government personnel. However, this proposal was dropped (Hu 2015, pp. 108–109).

As the labour insurance regulations only applied to large-scale enterprises, smaller collectively owned enterprises were required to make collective labour insurance contracts with their workers. These contracts often provided benefits at a lower level for the fewer social risks they covered, while some small urban collectives could not afford any labour insurance benefits at all. According to an official figure, in 1957, the overall industrial workforce was about 17 million people, of which 9 million workers had full labour insurance benefits, 7 million workers had partial labour insurance benefits, and about 1 million workers had no benefits at all (Hu 2003, pp. 26–32). In other words, almost the entire industrial workforce of China had gained either full or partial labour insurance benefits by the late 1950s.

Rural Social Security

The establishment of agricultural collectives provided the institutional and financial foundation for providing social security to China's peasants. More specifically, following the model of the Soviet collective farm, Article 53 of China's Model Charter of 1956 stipulated social assistance for the collective peasants that materialised in the Five Guarantees, and in its Article 52 provided for "public health work and member families' medical care" that was realised through the Cooperative Medical System (CMS) (People's Daily 1956).

China's CMS consisted of three parts: a financial mechanism, a network of medical service providers (hospitals and health stations, among others), and administrative institutions. While China's adoption of the CMS was preconditioned on its adoption of Soviet-style agricultural collectives, its elements were combined with rural health stations piloted in Nationalist China under Guomingdang and the CCP's own experience with cooperative health stations in the 1940s and early 1950s.

Inadequate health and medical services in rural areas were a global issue throughout the twentieth century. During the 1920s and 1930s, in coordination with the League of Nations, establishing cooperative rural health stations became a global phenomenon. Such services were adopted in various countries, including those in Eastern Europe, from where they were diffused to Nationalist China as part of its effort to build a modern medical system (Locus 1982; Yip 1992). As a result, Nationalist China experimented with a three-tier rural health station system.

Meanwhile, the CCP organised cooperative health stations at its headquarters in Yan'an. In 1944, the "Mass Cooperative" was established in Yan'an with the support of the *Shanxi-gansu-ningxia* Border Area Government. With many branches across the region, it provided free medical services, including vaccination, while charging a low price for medicines. By 1946, there were altogether 43 cooperative health stations in that Border Area (Li 2020). Around 1950, the CCP experimented with cooperative health stations in the Northeast region, which had completed land reform before 1949 and which had begun to experiment with agricultural collectives. Thus, the provincial governments were able to encourage individual peasants and collectives to establish health stations. By 1952, there were altogether 1290 rural health stations, of which 85 were financed by rural collectives and 225 by the self-raised funds of peasants themselves (Wang 2002, p. 242). The former two types, financed either by rural collectives or by peasants' self-raised funds, were organised on the cooperative principle, while the rest were privately financed.

When China began its collectivisation drive in 1955–1956, the Soviet idea of voluntary insurance diffused to China through the Soviet experts and many translated Soviet books on collective farms while China's own previous experiences in cooperative health stations were still in the collective memory. Thus, Chinese peasants in some places were able to creatively combine the historical experience of rural health stations with the Soviet idea of voluntary insurance to set up the CMS in 1955 and 1956. This was in turn quickly backed by the Chinese government and spread to other rural areas. Thus, the resulting CMS adopted voluntary health insurance as its financial mechanism and rural health stations staffed by peasant-doctors as service providers, and the newly established collectives (former villages) became the lowest-level administrative organ of the CMS.

Among the first places to establish the CMS, Mishan Township of Gaoping County in Shanxi Province was well known. Below the level of "township" ("commune" after 1958) were villages, which were turned into "advanced collectives" in 1955–1956. Mishan Township established a CMS in 1955, including a cooperative health station staffed by peasant-doctors and providing care based on a voluntary health insurance scheme. The health station was financed by the contributions of each collective under Mishan Township, peasants' own prepayments, and the income of the health station from selling medicines. The prepayment agreement (quasi–health insurance premium) stipulated that each participating peasant only needed to prepay 0.5 Chinese yuan per year to receive free medical services, except for medicine costs (Wang 2008, p. 117). With the advancement of collectives, more rural areas adopted this form of CMS in different provinces (Liu and Cao 1992, pp. 502–503).

Implementing China's Soviet-style Social Security Under Maoist Socialism, 1956–1978

The year 1956 signalled a turning point in Chinese officials' positive attitudes towards the Soviet model of state-building. By 1956, when the first Five-Year Plan approached its end, it became clear that the Soviet model resulted in highly imbalanced economic growth, in which industrial production increased substantially, but agricultural production lagged far behind. Given that China was predominantly an agricultural country with a huge population, the Soviet model was viewed as too costly. This view was strengthened by the de-Stalinisation policy adopted by Stalin's successor Nikita Khrushchev in 1956, which led to the deterioration of China's relationship with the Soviet Union. To reduce China's reliance on Soviet aid, Mao terminated the moderate Soviet-modelled economic programme adopted in September 1956. In response to the costly Soviet model, the Party adopted a new General Line in 1957, which was to "build socialism more, faster, nicer, and more economically" (Zheng 1997, p. 154). Consequently, mass campaigns became a tool for policy implementation under Mao's leadership due to China's weak state institutions.

First came the Great Leap Forward (1958–1960), which was based on Mao's vision of transforming China into a communist society within a few years. The underlying ideology was the Maoist idea of "Continued Revolution", which departed from Stalinist encouragement of social differentiation (social inequality) and gradual institution-building in the late Stalinist period. Maoism emphasised egalitarianism and voluntarism. The former aimed at eliminating the urban-rural divide inherent in Stalinism in general and the Stalinist model of social security in particular, while the latter stressed the role of human willpower in transforming the world. Thus, Maoism attributed the issue of inadequate agricultural production to the loss of vitality of the masses and officials, and turned to mass campaigns and class struggle to overcome economic backwardness by appealing to the morality of the entire population.

The Great Leap campaign to set up people's communes began in May 1958; in August, it began to spread rapidly around the country. By

December 1958, a total of 740,000 collectives had been merged into 26,000 people's communes, covering 99% of the entire peasant population (Spence 2013, p. 519). But the Great Leap turned out to be a complete failure, resulting in a great famine by 1960.

In early 1961, the CCP leadership adopted moderate retrenchment policies that lasted through 1963. When the economy began to recover, Mao launched another set of mass campaigns culminating in the Cultural Revolution (1966–1976). While it was a political struggle for Mao to regain lost power due to the failure of the Great Leap, Mao's justification for it was to thoroughly change Chinese culture, which was viewed as trapped in Chinese tradition (labelled as "feudalism") and contaminated by the "revisionism" of the post-Stalin Soviet Union and capitalism of the US, both of which were shown in the retrenchment policies. In addition, Maoism asserted that a new "bourgeoisie" had formed within the Party and the government, as CCP officials had become career climbers. Thus, Mao mobilised the masses to first attack the "four olds" (old ideas, old cultures, old customs, and old habits), and then the establishment.

It was through these two major mass campaigns that the two parts of China's Soviet-style social security system progressed towards their different fates: the urban part centred on labour insurance was weakened during the Great Leap and broke down entirely during the Cultural Revolution, while the rural part characterised by the CMS experienced its first wave of expansion during the former and a great expansion towards universal adoption during the latter.

Urban Social Security

During the Great Leap, with the changed General Line being to build socialism more economically, the expanding trend of labour insurance was curbed. Many newly established small collective enterprises, which hired many rural migrants, housewives, and other urban unemployed people, were not qualified to provide labour insurance due to their small size. Some enterprises reduced benefits, and others stopped paying benefits entirely, while some new enterprises did not even register for labour insurance (Dixon 1981). Eligibility was tightened, while benefit levels were reduced. Thus, workers of state enterprises experienced significant benefit cuts. In some places, workers of state enterprises also started being required to contribute to the labour insurance funds (Dixon 1981, p. 90). In addition, many enterprises stopped transferring part of their labour insurance funds to the higher-level trade unions, instead keeping all the money within their own work units (Hu 2015, p. 114).

During the era of retrenchment (1961–1963), enterprises began to provide generous labour insurance benefits to their workers as a correction for the previous restrictions. All kinds of benefits, including sickness, injury and disability, and old-age pensions, were increased, while preferential treatment was extended from model workers and combat heroes to cadres and white-collar workers (Dixon 1981, p. 95).

But Mao viewed this retrenchment as a sign of loss of revolutionary vitality and launched the socialist education movement, during which the labour insurance was required to implement the principles of serving the party's political core tasks, that is, serving production and the masses (Hu 2015, p. 115). On the eve of the Cultural Revolution, Mao's thought was interpreted to mean fighting against capitalism and "revisionism". Consequently, the work of labour insurance was to decrease the gap between countryside and city, peasant and worker, and manual and intellectual labour (Laodong 1966). Once the Cultural Revolution broke out, the labour insurance regulations could no longer be implemented, as the Labor Ministry and the ACFTU were dismantled at the end of 1966.

In the later years of the Cultural Revolution, labour insurance was restored, but its social insurance-based financial mechanism was abolished. When the ACFTU was dismantled, the General Labour Insurance Fund under its control was transferred to the Ministry of Finance; the Ministry, however, found it difficult to manage. Thus, in 1969, the Ministry announced that "state enterprises should stop contributing to their labour insurance funds" and that "labour insurance benefits formerly paid by the trade unions from the labour insurance funds should be paid directly with cash by enterprises" (Guangdong shengzhi bianzhuan weiyuanhui 2003, p. 205). Accordingly, the accumulated General Labour Insurance Fund disappeared during these years.

Rural Social Security

During the Great Leap, the people's commune movement greatly facilitated the expansion of the CMS. With the establishment of the commune system, townships became communes, and collectives (previously villages) turned into production brigades, which were themselves further divided into production teams. The result was a three-level rural administrative system with the commune at the highest level, followed by production brigades and production teams.

The expansion of the CMS began in Henan province, where China's first people's commune was established in 1958. This first people's commune, named the Satellite Commune, stipulated a CMS in its draft general regulations. According to its Article 18, the commune was to gradually perfect its medical institutions: set up a central hospital at the commune level, a health station at each production brigade, and ensure that each production team has its own health worker and midwife; carry out cooperative medical care, requiring member families to pay an annual cooperative medical fee in return for no-additional-cost medical care; and ensure the commune's hospital transfers severely ill patients to the appropriate hospitals. It further envisioned a publicly funded free medical system when conditions permit. As Article 18 put it, "The commune will provide publicly funded free medical care when the economy is abundant" (People's Daily 1958a). With the draft regulations' demonstrating effect, over 71% of the communes in Henan province had adopted the CMS by the end of 1958 (People's Daily 1958b), while about 20% of production brigades around the country had created the CMS by the same time (Liu and Cao 1992, p. 504), increasing to 30% by 1960 (Wang 2008, p. 118).

During the retrenchment era (1961–1963), the Central Committee of the CCP readjusted its policies towards the commune system, leading to the communes significantly cutting back on their investments in the CMS. In 1962, the CCP criticised the CMS financed by communes or brigades, as some of them provided free medical care, instructing that those that could not maintain their operation could be converted into units jointly run by doctors themselves (Wang 2008, p. 119). As a result, the communes and brigades withdrew their financial support for the CMS. However, the number of the CMS reached its peak in 1962, and then declined only moderately through 1964—46% of communes or brigades around the country ran a CMS in 1962, and this number only decreased to 30% by 1964 (Wang 2008, p. 119). This demonstrates the popularity and affordability of the CMS even without the financial support from the communes.

It was during the Cultural Revolution, especially after 1968–69, that the CMS underwent a rapid growth towards universal adoption around the country. As early as 1965, Mao made calls to shift the focus of the medical work to the countryside, which reflected Mao's egalitarianism aiming at eliminating the widening urban-rural divide. In the first three years, the focus was on dispatching mobile medical teams to the countryside to provide on-site service to peasants, and to train peasant-doctors. From late 1968 and 1969 onwards, the focus turned to expanding the CMS. This can be seen in the many reports published in the People's Daily after 1968, as well as the fact that the People's Daily set up a column entitled "Discussion on the Rural Medical and Health System", which ran for a continuous period of eight years (Cao 2006).

This universal adoption of the CMS began with the People's Daily's publication of a report on barefoot doctors in a suburb of Shanghai city on 14 September 1968, followed by a report on the CMS in Leyuan Commune of Changyang County in Hubei Province on 5 December 1968. The former report promoted the work of peasant-doctors in the countryside, while the latter provided a model of voluntary health insurance to be adopted in the entire country. This promotion was approved by Mao, as was a continuation of his call in 1965. As a result, the CMS was quickly adopted at either the production brigade or the commune level in all rural China: by the mid- to late 1970s, about 90% of the rural population were covered by the CMS (Chen et al. 1993, p. 732; Liu and Cao 1992, p. 504).

Mao died in 1976. As the new era of reform gradually emerged under the leadership of Deng Xiaoping, China's Stalinist social security system was deemed to need change. The labour insurance programme underwent many practical modifications without official institutional changes until the 1990s (except for a 1978 revision, which separated pensions for wage earners and salaried employees). The CMS enjoyed continued expansion in the late 1970s but declined unexpectedly by the early 1980s as a result of the dismantlement of the collective commune system.

Conclusion

This chapter has explored the fate of the Soviet Stalinist dual-structured model of social security in Mao's China, with a focus on its generosity. First, the characteristics of the Stalinist model were discussed, which employed different approaches to social provision for the urban and rural population. Then, the adoption of this dual-structured system in China during the 1950s was analysed. Finally, an exploration into the different fates of the urban and rural social security under Maoist socialism from 1956 to 1978 concluded the chapter.

Mao's Great Leap signalled China's departure from Stalinism and the Soviet Union. While Stalinism encouraged social differentiation, Maoist socialism emphasised egalitarianism with the purpose of eliminating the urban-rural divide built into the Stalinist model. In contrast to Soviet emphasis on gradual institution-building after the socialist drive, Maoist socialism emphasised voluntarism or human willpower. This was due to China's absolute poverty and backwardness coupled with a huge population of which more than 80% were peasants, which materialised in mass campaigns and class struggle. In other words, to overcome China's material backwardness, Maoism attempted to appeal to the entire population's morality through mass campaigns to achieve the goal of egalitarianism by eliminating the urban-rural divide inherent in the Stalinist model in China.

But Maoist socialism was simply an intensified version of Stalinist socialism, working under the larger structure of a big-push strategy, a command economic system, and one-party rule (Naughton 2018). Thus, Maoist socialism could not change the institutional roots of the Stalinist model, but either distorted it, as during the Great Leap, or destroyed it, as in the Cultural Revolution.

In the case of social security, Stalinism promoted differentiated benefits, while Maoism aimed at eliminating the urban-rural divide. The result was the weakening of China's urban labour insurance in contrast with the expansion of the rural CMS. As such, the CMS benefitted the peasants enormously, while the labour insurance could not function as designed to serve the workers. Thus, under the framework of urban-rural divide established in the Stalinist model, Maoist socialism benefitted the peasants, but only within the limits of that urban-rural segregation.

The urban-rural divide continued to influence China's social security reforms in the post-Mao era (also see London and ten Brink 2025). By the mid-1980s, Maoist social security had been criticised as incompatible with the market system that was to be established. But urban social security reform was given priority over its rural counterpart and was the focus in the 1980s and 1990s, regardless of the rapid decline of the CMS by the early 1980s. By the late 1990s, China had adopted the World Bank-recommended neoliberal individual account not only in its pension system for enterprise workers (in 1997) but also in its urban employees' medical insurance system (in 1998), which only worsened the rapidly increasing social inequality of the time (for more on the pension system, see Hu 2012; for urban employees' social insurance, see Müller and ten Brink

2022). Meanwhile, a basic livelihood system (social assistance) began to be established for urban residents in 1997.

In the new century, with the establishment of the urban social security system nearly complete, China began to focus on establishing rural social security as a major means to deal with the increasing urban-rural income inequality. With government financial support, the new rural CMS and a new rural old-age system were established. While the former's inclusiveness was near-universal as early as 2008, the latter greatly increased the percentage of people insured under one of China's old-age insurance schemes by 2009. Meanwhile, a rural basic livelihood system was initiated for rural residents in 2003. Thus, against the backdrop of China's long economic boom, China has basically established a universal social security system covering both urban and rural areas, which has reduced the urban-rural divide in this regard, although the divide itself, as a social institution, still exists.

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CHAPTER 7

One Country, Two Systems: The Skewed Inclusiveness of Professional and Vocational Qualifications in China

Armin Müller

Introduction

Skills and their certification are important determinants of the distribution of incomes and social inequality in modern economies. Their role in influencing social mobility and career opportunities is what rendered vocational education and training an ideologically contested field in China. After the formation of the People's Republic of China (PRC) in 1949, the formation of workplace skills continued to rest primarily on the traditional pillars of apprenticeships and on-the-job training until the 1980s, with some substantial fluctuations. The foundations of the contemporary system of skill formation were laid during the First Five-Year Plan (1953–1957) in a large-scale transfer of institutions from the Soviet Union, supported by up to 10,000 Soviet consultants sent to China (Aulig 2006, pp. 47–48; for details on Soviet skill formation, see: Soltys 1997; Wiessner 1963).

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Two types of upper secondary vocational schools were introduced during this phase: first, the Professional Middle Schools (*zhongdeng zhuanye xuexiao*), oriented towards the Soviet Technikum, trained intermediary professional and technical staff with administrative cadre status[1]; and second, the Skilled Workers' Schools (*jigong xuexiao*) of large State-Owned Enterprises (SOEs) trained skilled workers for these companies (Risler 1989).

In terms of workplace standards for the highly educated, the PRC adopted a Soviet-style Technical Job Appointment System (*jishu zhiwu renming zhidu*), which linked Job Titles to remuneration, along with the core institutions of cadre management (Fan 2016, p. 78).[2] For workers, the PRC adopted the Soviet wage system, which linked wages to eight technical grades and standards (*jishu dengji biaozhun*) and came with a structure of overly narrow occupational classifications rooted in Taylorist work organisation (MoLSS 2006, pp. 59–60; Warner 1995, p. 17). Education and skill formation policy saw continuous domestic and Soviet-inspired policy innovation between 1956 and 1965, but then suffered the cataclysmic impact of the Cultural Revolution (1966–1976). During this period, educational policy shifted radically towards general education for all and a greater emphasis on the rural areas. Vocational education, pre-structured career tracks, and limited social mobility thus clashed with the radically egalitarian agenda of the Cultural Revolution. As a result, Skilled Workers' Schools were closed and SOEs returned to apprenticeship training. Furthermore, Technical Job Appointments were abolished (Risler 1989, pp. 258–284; Su et al. 2019, pp. 1–2).

In the 1980s, market reforms in agriculture and export manufacturing greatly accelerated economic development (Naughton 2018). School-based secondary vocational education was rehabilitated and expanded, while apprenticeships and on-the-job training continued to play an important role (Biermann 1999; Heberer 1994; Thøgersen 1990). There was a diffusion of international—often Anglo-Saxon—certification practices to China, including occupational licensing for lawyers and other

[1] Heberer (2013, pp. 76–77) notes that the term "cadre" does not denote a uniform group: "The term cadre (*ganbu*) has two meanings: On the one hand, it includes all public servants in state offices and institutions […]; on the other, it refers to people with formal management functions in an organization. A distinction must be made between party, administrative and military cadres".

[2] The link to remuneration was broken during the economic crisis of the 1960s, and the entire system was abolished again in the Cultural Revolution (1966–1976).

professions, and skill certificates in construction to compensate for qualification deficits of migrant labour (Chi et al. 2017; Fan 2016, p. 80; Huang 2007, pp. 261–268).

Following an early rehabilitation attempt in academia, education, and healthcare (Fan 2016, p. 78; Su et al. 2019, p. 2), the Ministry of Personnel (MoP) began developing a new system of Job Titles (*zhicheng*) for white-collar workers—formerly intellectuals and cadres. Certificates were a means to strengthen meritocracy in the distribution of Job Titles (Fan 2016, pp. 78–83). At the same time, the Ministry of Labor (MoL) was integrating and harmonising technical grades and occupational classifications and standards for workers across the segmented silo-structure of industrial ministries and their sub-ordinated sectors of the economy (MoLSS 2006, pp. 61–63). The institutional legacy of separate systems for workers and cadres, however, remained.

This changed to some extent during the transition to the "post-socialist" era in the 1990s, when millions of workers became unemployed following the large-scale privatisation of SOEs and collective enterprises. The government sought to manage this socio-economic disruption by enhancing workers' employability, inspired by the English system of National Vocational Qualifications (NVQs) as a functional equivalent to classic social policy. Developed in the context of a de-industrialising Britain, NVQs promised vertical and horizontal career mobility, thus facilitating re-employment and a relatively smooth transition from economic planning to markets.

NVQs conceptualised as a public service (1) the cataloguing of skills and workplace requirements, which should overcome asymmetric information and provide orientation for workers; and (2) certification for everyone based on practical skills and independent of formal education, which should overcome educational privilege and open new paths of upwards social mobility (Young 2013). The government thus decided to integrate the separate systems for blue-collar and white-collar workers and extend occupational standards and certification from the public sector to the emerging private sector (Fletcher 1994; Young 2013). After the industrial ministries were dissolved, authority over blue-collar occupational standards and certificates was concentrated in the MoL, while the MoP remained in charge of white-collar workers. With support from the World Bank, the British Embassy, and the British Council, an integrated system of Vocational and Professional Qualifications (VPQs) for both groups was created and enacted in 2000 (Müller 2021).

In the 2000s, the new system was extended in a labour market characterised by intensifying informalisation (Park and Cai 2011) and rapid technological change. Occupational standards and certificates were often based on old planned-economy standards, which significantly contributed to the successful extension. Other developing countries encountered substantial problems due to the absence of similar regulatory foundations (Allais 2014; Bhattarai 2017). The 2006 China General Social Survey (CGSS) collected nationwide representative data on the take-up rate (i.e., coverage or de facto inclusiveness) of VPQs, though no detailed policy evaluation of VPQs at that point is available (an exception is Huang 2007). In 2007, it became clear that the government was dissatisfied with the new system. In 2008, it concentrated administrative jurisdiction in the new Ministry of Human Resources and Social Security (MoHRSS) and called for substantial streamlining of the system. In the 2010s, the administration of Xi Jinping abolished VPQs with very few exceptions, while the labour market continued to informalise (Rozelle et al. 2020).

This study examines how inclusive the system was, which groups it covered, and what benefits it conveyed. In terms of methods, it relies on a reconstruction of the certificate system as well as quantitative analysis of data from the 2006 CGSS. The reconstructed certificate system and the survey data were linked in a relational database, matching respondents' professions to certificates via fuzzy string matching.[3] Doing so allowed for more precise estimates of coverage. The scope of benefits was analysed via OLS regression, using an amended wage model for the Chinese labour market. Furthermore, the analysis is supported by expert interviews, data from statistical yearbooks, and Chinese secondary literature.

The results indicate that the certificates reproduced status inequality in the labour market rather than balancing it out, despite the formally egalitarian approach of the NVQ system. The integrated certificate system primarily covered white-collar workers, and its benefits depended on the corresponding Job Titles in the state-bureaucratic system. The legacy of planned-economy occupational standards both facilitated and undermined the VPQ system: on the one hand, the standards' existence provided a basis for the certificates, thus facilitating the extension of VPQs. On the other, however, the relevance of public sector occupational standards was eroded by the liberalisation and informalisation of blue-collar labour

[3] The database was realised in MS Access, and string matching was realised through the Simil algorithm in Visual Basic for Applications.

markets, and by rapid technological change. Mechanisms to inclusively design and regularly update the standards were insufficiently effective. Finally, fraudulent profit-oriented practices appeared to proliferate in the absence of a coherent legal framework.

Development of Occupational Standards

This section provides an overview of the historical development of occupational classifications and standards and their somewhat problematic influence on VPQs. Occupational standards are important as they continue to constitute a guiding grid for technical and vocational education and training (TVET), and adherence to the standards marks a dividing line between formal and informal modes of work.

Originally, China's occupational classifications and standards were closely tied to specific pieces of equipment and the knowledge and skills workers specialising in that type of equipment required to operate it. They were set in a silo-structure characteristic of planned economies, with industrial and sectoral ministries controlling the standards in their respective jurisdictions. For blue-collar workers, standards were tied to a hierarchical system of eight technical grades, which in turn were tied to salary levels. However, this approach suffered from a number of problems: for jobs existing in multiple sectors, there were often no generally accepted classifications based on work procedures, no standardised teaching materials and training, and no standardised recognition of work experience between sectors.[4] Due to excessive narrowness and duplication, the total number of occupational standards was huge—about 10,000 as of 1979 (MoL and British Embassy 1996, p. 128).

Economic opening, marketisation, and growing international interdependence required reforms to the system of occupational classifications and standards. The MoL entered a cooperation with the International Labour Organization (ILO) to reform China's occupational classifications in line with international standards. A milestone of this cooperation was the 1993 Catalogue of Work Types (*gongzhong fenlei mulu*) (MoL 1993),[5]

[4] Interview 20180920, with a former member of the Occupational Skill Testing Administration.

[5] The Catalogue was issued in cooperation with 46 sectoral departments and covered 4700 types of blue-collar jobs.

which established cross-sectoral classifications and simplified the hierarchy of eight technical grades into three skill levels: basic, medium, and senior.[6]

After the industrial ministries largely lost their power as veto players in the course of the SOE reforms, the 1999 Lexicon of Occupational Classifications provided a relatively comprehensive collection of blue- and white-collar occupations valid across the economy. It was compiled under the leadership of the Ministry of Labour and Social Security (MoLSS, formerly MoL) (MoLSS 1999, p. 18). It was oriented towards the ILO's International Standard Classification of Occupations, which by 2006 covered 2028 types of occupations in eight larger groups (MoHRSS 2015a). These classifications served as the basis for national occupational standards, which were published in successive compilations and numbered 1055 as of 2011 (Yuan 2014, p. 42). As this number indicates, not all occupational classifications had an explicitly formulated standard. Furthermore, some occupations did not enter the national classification, but these could still be covered by local or sectoral standards. Overall, the long-term trend has been towards a quantitative reduction and cross-sectoral integration of classifications and standards.

Both classifications and standards feature some lingering problems that influenced the dynamics of the VPQ system. First and foremost, China's rapid technological development and changes in the organisation of work have caused equally rapid changes to the work itself, as well as the knowledge and skill requirements connected to jobs. Furthermore, they have given rise to new occupations and rendered old ones obsolete.

These conditions have made it difficult to keep the input-based occupational standards up to date, many having little to do with actual working conditions. For example, only in 2014 did the State Council abolish three VPQs for technicians specialising in Soviet airplanes issued by the Civil Aviation Administration.[7] Around the same time, a home appliance repairer (*jiadian weixiu gong*) would have had to work with digital TVs and DVDs, learning how to do so in vocational school. However, the occupational standard was still based on outdated technologies, and so was the certificate test (Yuan 2014, p. 48). Occupational classifications and VPQs are heeded primarily in the public sector, including by large

[6] Interview 20180920, with a former member of the Occupational Skill Testing Administration. Interview 20190823, with a staff member of the ILO's China office.

[7] Author's database.

SOEs, where trade unions compensate the skill gaps with additional training (Jürgens and Krzywdzinski 2014).

Conversely, small and medium-sized enterprises and the private and informal sectors often ignore the standards. Here, the structure of jobs often contradicts national occupational classifications; standardisation of job duties and required skills exists only within individual firms; and VPQs are largely ignored as well (Yuan 2014, pp. 43, 66–67). Therefore, the effectiveness of any certificate system based on national occupational standards will suffer from mismatches between standards and job profiles and the existence of informal employment. In the course of the 2010s, the government massively downsized the certificate system. However, the underlying occupational standards remain and are intended to guide the design of work roles and TVET alike.

Coverage of VPQs

This section answers the first research question by analysing the coverage of VPQs (i.e., the share of individuals that actually made use of the system)—largely based on those occupational classifications and standards—in 2006. The focus is on the national certificate system, which was reconstructed from regulatory documents establishing VPQs in the period up to 2006 and the lists of VPQs abolished since 2014. This approach has two limitations: first, it may miss some occupations for which the establishment of certificates was not documented, as well as certificates which were already abolished before 2014 (Fan 2017). Second, it does not cover sub-national certificates, which are barely documented, arguably due to their semi- or informal status. As of 2013, some 560 certificates were issued at the national level, while 575 were issued by sub-national jurisdictions (Li 2014). After providing a general introduction to the system of VPQs, this section uses a subset of matched occupations in the CGSS to demonstrate that coverage was high among white-collar workers but low among blue-collar workers.

Since the early 1990s, two separate certificate systems have been developed by the MoL/MoLSS and the MoP in a coordinated fashion as part of an integrated certificate system. In 2008, the two ministries were merged to form the MoHRSS. As noted above, the planned-economy distinction between workers and cadres/intellectuals was reflected in the certificate systems.

Blue-collar workers are today referred to as "skilled personnel" (*jineng renyuan*), and the occupational standards originating from the SOE technical grades became the basis for the certificates targeting this group.[8] They largely work in liberalised and informalised labour markets, where state occupational standards are not necessarily heeded.

White-collar workers are today referred to as "professional technical personnel" (*zhuanye jishu renyuan*), and most occupational licenses and Job Titles target this group. Many white-collar workers have stable employment in the state-bureaucratic system, where certificates can be a pre-condition for getting a corresponding Job Title, and thus taking important steps in standardised and regulated career tracks. Today, the most common proofs of qualification are the recognition of an educational degree and the evaluation of a professional qualification by a committee of experts (Su et al. 2019). As of 2013, most certificates for which there is documentation were issued by sectoral ministries independently. For white-collar certificates, the MoHRSS usually collaborated with sectoral actors, whereas most of its blue-collar certificates were exclusively under its own purview.[9] The involvement of sectoral bureaucracies can improve the quality and relevance of certification considerably, especially if those bureaucracies run most of the employing organisations, as in the cases of in education and healthcare.

Chinese VPQs subdivide into two types: regular level-evaluation certificates (*shuiping pingjia lei*) and occupational licenses (*zhunru lei*).[10] Level-evaluation certificates are themselves divided into five levels: primary (*chuji*), medium (*zhongji*), senior (*gaoji*), technician (*jishi*), and senior technician (*gaoji jishi*). As Fig. 1 illustrates, upwards mobility in this hierarchy of certificates is severely limited, which is partly related to the increasing difficulty of higher certificates.

A teacher at a Skilled Workers' College in a coastal metropolis explained this using the example of the electrician (*diangong*) certificate and the college's optional preparatory courses. Tests at the primary level merely examined introductory material. At the medium level, control technologies entered the test curriculum and professional contents both broadened and deepened. At the senior level, contents began to shift towards

[8] Technical grades continue to exist, however, in some corners of the public sector.

[9] Author's database.

[10] Other terminologies exist too, but they do not always have a consistent meaning across the fragmented framework.

information technology. The technician level had the steepest learning curve, for the test curriculum here broadened and deepened in advanced professional fields and information technology contents. Furthermore, applicants had to write and defend a thesis. In theory, a junior middle school graduate could advance through all these levels without any other formal education, but due to the challenges at the higher levels, the teacher estimated that only one in one thousand students would even be capable of doing so. Tests for senior technician status were very rare due to scarcity of people at that level of skills. The curricular structure of VPQs was thus a challenge to upskilling migrant workers, junior middle school graduates, and dropouts.[11]

As noted above, China's VPQ system integrated qualifications with occupational licensing. Licenses do not have a level, but are usually complemented by level evaluations and issued at the initial level, which is usually either the primary or medium one. But while level-evaluation certificates are valid permanently, licenses need to be periodically renewed. Most licenses are issued by the MoHRSS in cooperation with sectoral organs, or by sectoral ministries independently. Conversely, blue-collar certificates are more often under the sole jurisdiction of the MoHRSS or a sectoral ministry.

While the license provides access to a profession, a level-evaluation may be used to apply for a Job Title. This is apparent in the case of a tourism teacher at a vocational college in West China, who also worked in a travel agency. He had a Senior Tour Guide Certificate (*gaoji daoyou dengji zhengshu*), including the tour guide license. But, as he explained, Job Titles were not conventionally used in the tourism industry. He could also not use the level-evaluation for a corresponding senior Job Title at the college—he only had a medium one—because the MoHRSS only recognised the license but not the level-evaluation, which was under the jurisdiction of the State Tourism Administration.[12]

Table 7.1 illustrates the estimated coverage of different VPQ types among 1052 CGSS respondents working in 77 (of 414) jobs that matched VPQs in the central framework as reconstructed in the database. The VPQs considered here were all enacted before 2005, so there is a reasonable expectation that workers could have attained the certificates by 2006, when the survey was conducted.

[11] Interview 20190917b, with a teacher at a Skilled Workers' College in East China.

[12] Interview 20180906, with a dual teacher at the Tourism College.

Table 7.1 Coverage of central VPQs in 77 matched CGSS jobs

	Blue-Collar Certificates	*White-Collar Certificates*	*Total*
Occupational License	Holders: 0 Workers: 0 Coverage:—	Holders: 254 Workers: 374 Coverage: 67.91%	Holders: 254 Workers: 374 Coverage: 67.91%
Certification	Holders: 79 Workers: 665 Coverage: 11.88%	Holders: 4 Workers: 13 Coverage: 30.77%	Holders: 83 Workers: 678 Coverage: 12.42%
Total	Holders: 79 Workers: 665 Coverage: 11.88%	Holders: 258 Workers: 387 Coverage: 66.67%	Holders: 337 Workers: 1052 Coverage: 32.03%

Source: Author's database and CGSS 2006; n = 1052

The results indicate that white-collar and license certificates strongly overlapped and featured high coverage. Conversely, blue-collar and level-evaluation certificates also strongly overlapped, but featured low coverage. The differences in coverage partly reflect the fact that licenses, unlike level-evaluation certificates, are mandatory, but they also point to higher levels of regulation in white-collar labour markets. As of 2013, there were 95 occupational licenses for white-collar workers, but only 13 for blue-collar workers. There were also 90 special blue-collar jobs for which a VPQ was mandatory under the so-called Work Entry (*jiuye zhunru*) system (MoLSS 2000). It covered 71 persons in four matched jobs, but VPQ coverage was only 9.86%, which points to generally higher levels of liberalisation and informality in blue-collar labour markets.[13]

Many jobs in the database could not be matched with sufficient certainty, partly due to naming ambiguities; additionally, as noted above, the central framework encompassed only a part of all certificates. Finally, as noted above, occupational classifications and standards only covered a portion of the jobs in the economy, and thus limited the potential coverage of any VPQ system based on them.

Table 7.2 illustrates—for 31 sectors of the Chinese economy—the coverage of VPQs, the share of identified jobs with license requirements, and

[13] Author's database.

Table 7.2 Coverage of VPQs by sector

Sector	*VPQ holders (%)*	*Licensed jobs (%)*	*Uncertified workers (%)*
Agriculture, Forestry etc.	23.33	1.67	21.67
Construction	6.61	0.60	18.02
Culture, Sports & Entertainment	21.15	3.85	13.46
Education	65.82	80.17	21.52
Electricity, Gas & Water	32.65	4.08	4.08
Finance	37.70	9.84	8.20
Health / Social Security	52.46	63.11	25.41
Hotels and Catering Services	7.85	1.57	7.33
IT, Leasing & Business Services	14.75	4.92	27.87
Manufacturing	10.51	2.10	23.42
Manufacturing (chemistry)	16.36	0.00	18.18
Manufacturing (clothes)	4.44	1.11	42.22
Manufacturing (electronic equipment)	20.00	2.50	27.50
Manufacturing (general equipment)	31.82	6.82	34.09
Manufacturing (special equipment)	30.30	9.09	39.39
Manufacturing (transport equipment)	21.43	4.29	25.71
Manufacturing (ferrous metal)	12.12	3.03	9.09
Manufacturing (food)	14.58	2.08	33.33
Manufacturing (metal)	6.90	0.00	31.03
Manufacturing (mineral)	22.73	2.27	22.73
Manufacturing (office, culture)	19.51	4.88	34.15
Manufacturing (textile)	9.88	3.70	20.99
Mining	22.03	1.69	13.56
Public Management & Social Orgs.	29.21	8.91	11.39
Real Estate	25.71	8.57	42.86
Research, Tech. Service, Prospecting	42.31	0.00	19.23
Retail	2.96	0.15	5.92
Services to Households & Other	16.13	1.38	16.13
Transport, Storage and Post	29.57	1.66	4.98
Water, Environment & Public Facilities	15.91	0.00	13.64
Wholesale	18.63	7.45	22.98

Source: Author's database and CGSS 2006; n = 4088

Note: The CGSS originally contained a larger number of sectors, some of which have been aggregated using the sector categories of China's statistical yearbooks to facilitate the analysis. Some occupations may have been missed if (a) there was no documentation of the corresponding certificate's creation in the official government documents, and if (b) the corresponding certificates were abolished before 2014, when comprehensive information about central certificates from various administrative bodies became available. Furthermore, informal sub-national certificates are not covered the share of uncertified workers.[14] Coverage of VPQs in the 2006 CGSS means workers holding a VPQ corresponding to their current job, rather than just any certificate. Occupational licensing was highly concentrated in the education sector and the health and social security sector, in which more than half of the respondents worked in jobs with license requirements, while this group constituted less than 10% of workers in all other sectors. Informal work was arguably common in both sectors, given that the share of VPQ holders was lower than that of licensed jobs, and that there were numerous uncertified workers.

Many sectors, especially in manufacturing, largely ignored the national VPQ system and had few VPQ holders altogether. Here, VPQs had often been developed by the old industrial ministries and the sectoral associations they were downgraded to, but the latter were too weak to enforce a broader utilisation. Conversely, sectors with strong sectoral ministries and a strong role of state ownership had higher coverage.

Finally, in services, there were few VPQ holders and few uncertified workers. Here, VPQs were not well developed to begin with, either due to neglect of the service sector under the planned economy or a prevalence of informal work. Informal local license requirements and other informal practices distort the position of some sectors. For example, many construction companies merely rent licenses to fulfil the requirements for public projects, rather than hiring their holders, which decreases VPQ coverage (Hu 2014).

Scope of Benefits

This section focuses on the second research question and analyses the scope of benefits: the increase in salaries associated with holding a certificate. The Chinese literature highlights several factors contributing to both skewed coverage and differences in the scope of benefits.

First, occupational licenses are mandatory, and they create economic rents by limiting access to certain types of jobs (Chi et al. 2017). Most licensed jobs were white-collar jobs, so legal risks and economic rents provide more incentives for white-collar workers to hold certificates than for blue-collar workers.

[14] An uncertified worker holds a job for which there is an identified national VPQ, but does not hold that VPQ.

Second, as noted above, for white-collar certificates, there was a stronger role of sectoral actors, which arguably facilitated better theoretical and practical content.

Third, as illustrated in Table 7.2, the sectors with the highest share of jobs with occupational licensing were run by strong sectoral ministries—most notably the Ministry of Health and the Ministry of Education (MoE). Their ministerial bureaucracies could coordinate occupational standards and certificates with actual workplace conditions of the primarily public employers. Therefore, certificates here were more likely to reflect meaningful skills and link to actual professional hierarchies than in other areas.

Fourth, and closely connected to the previous point, white-collar workers are more likely to work in settings where VPQs are a basis for a Job Title, which made VPQs a meaningful stepping stone in an institutionalised career track.

Fifth, certificates for the two groups were of different quality due to the prevalent arrangements of financing and testing. The appraisal stations that were supposed to conduct the qualifications tests often lacked staff and public funding. Especially in Central and West China, the majority depended primarily on testee-paid testing fee revenues, for which they often competed with their counterparts (i.e., stations run by different levels of government, public service units, and/or the sectoral associations). The problems were particularly pronounced with blue-collar certificates, which required practical tests and substantial investment in staff and equipment to guarantee quality. Conversely, white-collar certificates usually relied on multiple-choice tests compiled at the central level, which could be conducted via computers and required less investment into testing facilities and staff. Appraisal stations were often hosted at vocational schools and colleges, or at other training organs, which had the necessary equipment and staff, but ended up testing their own students. Many stations also cut corners on expensive practical training, lowered the testing standards to be more attractive to testees, or simply forged certificates in exchange for a bribe. In large metropolitan areas in East China, by contrast, such problems were less intense. Thus, there were differences in the skills codified for both groups, which worked to the advantage of white-collar workers (Yuan 2014).

Sixth, underfunding and lax testing undermined the certificates' credibility nationwide. Companies' acceptance of VPQs deteriorated due to their low quality, which resulted from these informal practices and the outdated occupational standards. To compensate for these deficits, companies and sectoral associations increasingly conducted their own appraisals for applicants, even if they already had an MoHRSS certificate; or they required different types of certificates altogether. Both the quality of certificates and the fragmentation of qualification requirements was reportedly worse in Central and West China. The coastal provinces operated somewhat more effective regimes to support their export-oriented economies and increasingly ceased to accept VPQs issued in Central and West China due to their reputation of low quality. This undermined the original idea of setting nationwide standards. Again, these problems affected blue-collar workers more than white-collar workers because of the higher resource requirements of practical testing (Yuan 2014, pp. 53–57).

These considerations are the basis for the following hypotheses to be tested:

- H1: The higher an employee's VPQ, the higher the employee's salary.
- H2: The salary increases are bigger for white-collar workers than for blue-collar workers.

While the institutional setup of central VPQs strongly supports these arguments, a quantitative test is nevertheless in order. The overview in Table 7.1 only represents a subset of respondents in jobs for which corresponding VPQs could be identified. However, as noted above, there were many informal sub-national VPQs, and informal license requirements at the local level were also a common occurrence. Overall, the VPQ system lacked the coherent legal basis and detailed administrative regulations necessary to clarify the rights and responsibilities of the stakeholders at different administrative levels. As a result, they engaged with the system in an uncoordinated manner.[15]

Therefore, the hypotheses are tested via conventional OLS regression, aiming to isolate the causal effect by controlling for the relevant contextual differences between provinces and sectors of the economy. Table 7.3 illustrates the results of three models testing the effects of various

[15] For example, multiple levels of government and sectoral actors in the same city could operate their own appraisal stations; they sometimes issued essentially the same qualification certificate, but based on different testing standards, and without mutual recognition. Someone applying for jobs may need a different entry-level Computer and IT skills certificate for different sectors, or even different positions—white-collar or blue-collar—within the same organisation.

Table 7.3 Scope of VPQ Benefits

	Model 1			*Model 2*			*Model 3*		
Predictors	*Estimates*	*std. Error*	*p*	*Estimates*	*std. Error*	*p*	*Estimates*	*std. Error*	*p*
(Intercept)	5.68	0.23	**<0.001**	5.75	0.23	**<0.001**	5.78	0.23	**<0.001**
sectors	(omitted)			(omitted)			(omitted)		
provinces	(omitted)			(omitted)			(omitted)		
edu years	0.06	0.00	**<0.001**	0.05	0.00	**<0.001**	0.05	0.00	**<0.001**
vocational degree	0.07	0.03	**0.010**	0.06	0.03	**0.026**	0.05	0.03	0.069
work exp	0.01	0.00	**<0.001**	0.01	0.00	**<0.001**	0.01	0.00	**<0.001**
age	0.01	0.00	0.089	0.01	0.00	0.167	0.01	0.00	0.189
age2stn	–0.27	0.07	**<0.001**	–0.26	0.07	**<0.001**	–0.25	0.07	**<0.001**
urban hukou	0.12	0.02	**<0.001**	0.11	0.02	**<0.001**	0.10	0.02	**<0.001**
CPC	0.11	0.03	**<0.001**	0.10	0.03	**<0.001**	0.09	0.03	**<0.001**
female	–0.29	0.02	**<0.001**	–0.29	0.02	**<0.001**	–0.27	0.02	**<0.001**
public	–0.10	0.03	**<0.001**	–0.11	0.03	**<0.001**	–0.12	0.03	**<0.001**
foreign	0.34	0.07	**<0.001**	0.34	0.07	**<0.001**	0.34	0.07	**<0.001**
VPQprimary				0.09	0.04	**0.032**	0.05	0.04	0.237
VPQmedium				0.11	0.05	**0.022**	0.04	0.05	0.467
VPQsenior				0.12	0.06	0.059	–0.01	0.08	0.949
VPQtechnicians				–0.13	0.13	0.324	–0.05	0.13	0.705
JTlow							0.10	0.03	**0.002**
JTmedium							0.10	0.04	**0.015**
JThigh							0.18	0.07	**0.010**
Observations	4669			4669			4669		
R^2 adjusted	0.276			0.284			0.293		

Source: Data was taken from the 2006 China General Social Survey independent variables on salaries. The dependent variable has been log-transformed to limit distortion induced by outliers, and the coefficients are thus measuring effects on logged Yuan. Model 1 is a basic wage model for the Chinese economy as described by Naughton (2018, pp. 220–233), which is also the basis for Models 2 and 3. The variables of the wage model primarily serve as controls here. As expected, in all three models, there is a positive and significant effect of both years of education (edu years) and work experience (work exp). An urban household registration (urban *hukou*)[16] and membership in the Chinese Communist Party (CPC) are also associated with higher income, whereas being female (female) is associated with lower income. The public sector (public) pays somewhat lower salaries, whereas joint ventures (foreign) pay above average. Model 1 explains some 27.6% of the variation in salaries.

This figure rises to 28.4% when a set of dummy variables mimicking the hierarchical structure of VPQs are introduced. A certificate at primary level adds 0.087198 logged Yuan to the salary, corresponding to an increase of 9.11% in actual Yuan. An additional certificate at medium level increases the salary in actual Yuan by another 12.09%. Both effects are significant below the 0.05 threshold, and certificate holders are comparatively numerous. A senior certificate increases the salary by another 13.06% but is significant only below the 0.1 threshold, and there are fewer certificate holders.[17] But overall, the standard errors for the estimates are comparatively high, and for senior certificates the value 0 is encompassed by the 95% confidence interval. The Technician and Senior Technician certificates were not significant, having only few holders.[18] Nevertheless, Model 2 points to a positive effect of certificates on salaries, thus confirming H1.

Model 3 adds a set of dummy variables mimicking the hierarchical structure of Job Titles. Job Titles are highly significant, have better standard errors, and they cancel out the independent effect of the VPQs. This

[16] A household registration combines aspects of a Soviet internal passport (*propiska*) with the classification of a household as either agricultural or non-agricultural. In contemporary China, the system serves for control of permanent migration and constitutes the basis for many public administration processes. As a control variable, it measures the background of a respondent in either rural or urban China, which is associated with differences in education, wealth, and other social characteristics.

[17] Due to rounding issues, the coefficients displayed in the table will not produce the same numbers as cited in the paragraph when exponentiated.

[18] A calculation with robust standard errors does not fundamentally change the results but returns lower errors for the Technician certificates.

indicates that VPQs only lead to higher salaries if they are used to apply for a corresponding Job Title. As the system of Job Titles is primarily applied to white-collar workers in the public sector, this points to the positive effects being enjoyed mainly by white-collar workers. Model 3 thus confirms H2 and explains 29.3% of the variation in salaries.

The results are surprising, as there seems to be no effect of VPQs independent of Job Titles. This indicates that blue-collar workers may not have benefitted from the system at all; in a drastic change from the socialist era, blue-collar work has become de-regulated, and institutionalised upwards mobility has disappeared. On the surface, the certificate system provided an equal framework covering the two groups. But effectively, it reproduced the inequality between them rather than compensating for it.

Reform and Discontinuation of VPQs

The 2006 CGSS survey was enacted at a strategically important time, because a World Bank project that had helped create blue-collar VPQs and occupational standards ended in 2005 (World Bank 2006). The Hu and Wen administration (2003–2013) arguably conducted an evaluation on the basis of the CGSS and other data (e.g., Huang 2007; MoLSS 2006). It subsequently criticised various unintended consequences of the system and ordered the two separate certificate systems of the MoP and the MoLSS to be more closely integrated, a process that occurred alongside the merger of both ministries (State Council 2007, p. 73). Within two years, 1390 certificates were reportedly abolished, though there is a lack of detailed descriptions of this process (Fan 2017).[19]

When the Xi administration took over in 2013, a renewed evaluation revealed that the two certificate systems still operated separately, while many other ministries issued certificates of their own. At a State Council meeting in 2014, Premier Li Keqiang reportedly asked Vice Minister of Commerce and World Trade Organization (WTO) representative Zhong Shan: “What do International Trade Professionals (*guoji shangwu zhuanye renyuan*) actually do?” referring to holders of an occupational license by the same name jointly issued by the Ministry of Commerce and the MoHRSS that was abolished in 2014.[20] “Zhong Shan, do you have this

[19] They arguably included many duplicates, local certificates, or barely used certificates, given the continuing rise in the number of certificates issued illustrated in Fig. 7.1.

[20] Author’s database.

certificate?" Zhong Shan shook his head, and some in the room started laughing. "But you are our WTO representative. If even you do not have it, then I really cannot think of anything" (as quoted in Xin'an Wanbao 2014).

The background to the dialogue is a twofold critique in political discourse around 2014. VPQs gained a reputation of moneymaking with little value added to society. First, many licenses are not practically necessary for the respective jobs. From a legal perspective, VPQs should only be mandatory for jobs that touch on public interest and public security, or that have significant externalities (People's Congress 2003). However, many occupational licenses did not meet these requirements, and neither did many jobs in the Work Entry system discussed above—such as restaurant waitress.

Furthermore, VPQs and licenses are a vehicle for other actors engaged in their production to appropriate part of the increased income that comes with the job in question. This critique was particularly directed at informal licensing by local governments and associations, a practice that continues until today (cf. Fuxin Government 2020). The informal renting of licenses in the construction sector mentioned above constitutes a peculiar variation of this phenomenon: VPQs here covered complex technical jobs, for example engineers or architects, for which there actually are good arguments in favour of licensing. These VPQs were largely issued by the Ministry of Housing and Urban Development and generated income for its bureaucracy and rents for the certificate holders. So excessive licensing came to be regarded a barrier to, rather than facilitator of, employment.

The second point of critique was that many people spent considerable amounts of time and money on acquiring VPQs, which then did not lead to corresponding employment, and thus did not improve income unless they could be rented out.[21] The scope of this phenomenon is difficult to measure, as the 2006 CGSS only covered VPQs that correspond to holders' jobs. In Fig. 7.1, which presents the total number of VPQs issued, one would assume most certificates at senior level and above to correspond to their holders' jobs, even though the informal renting of licenses discussed

[21] As noted above, some construction companies rent certificates from certificate holders to (technically) fulfil the skill requirements for projects by the Ministry of Housing and Urban Development (which also issues the certificates) and its line bureaucracy, rather than hiring the certificate holders themselves. University graduates with a suitable certificate can rent it to a company informally and generate additional income this way, while they in fact work another job.

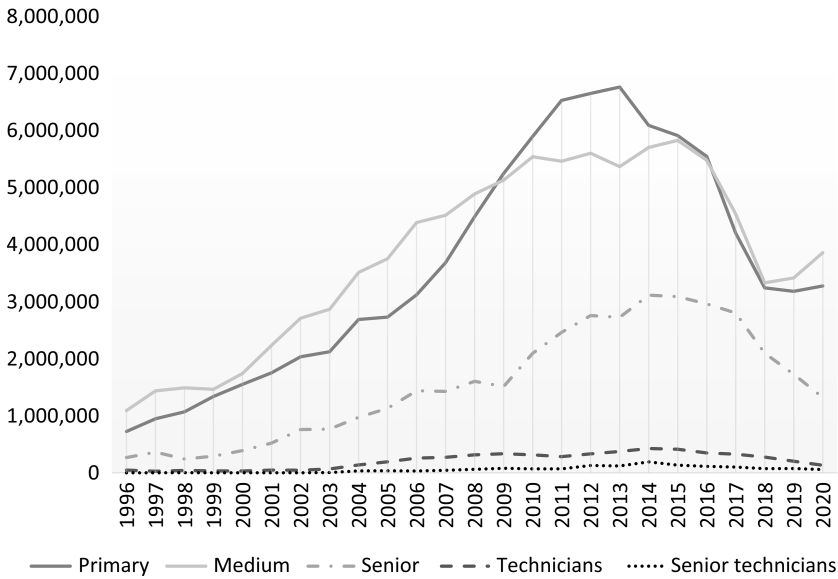

Fig. 7.1 VPQ Certificates Issued by Level. (Source: MoHRSS 2015b, 2018. Note: Not all certificates were established at all levels. Some, for example, lacked the primary level, which partly explains why there were sometimes more certificates at the medium level than at the primary level)

earlier may also encompass these levels. Conversely, both holding multiple certificates and strong horizontal professional mobility would inflate the number of VPQs at the primary and medium levels (see Fig. 7.1) that have no correspondence to one's job.

Many of those certificates also belong to vocational students, who are largely required to obtain a VPQ to graduate (Huang 2007). However, in the media, the problem of graduate unemployment in higher education was a more common issue of discussion. Students at academic institutions often took various multiple-choice tests for white-collar certificates—a practice christened "certificate fever" (*kaozheng re*). But many nevertheless faced unemployment upon graduation or fell for fraudulent or short-lived local certificates (Zhang 2014). In this context, certification and licensing was portrayed as a predatory commercialisation.

The Xi administration thus initiated a second round of downsizing. Between 2014 and 2017, most central VPQs were abolished, reducing the central framework from 560 to 140 certificates (MoHRSS 2017, p. 68). After more reductions in the following years, the MoHRSS ordered the last 76 blue-collar level-evaluations to be abolished in July 2020, including the electrician certificate discussed earlier (MoHRSS 2020, p. 80). Downsizing was accompanied by a delegation of governmental functions to societal actors. Sectoral associations were encouraged to take over level-evaluations for white-collar workers (MoHRSS 2016, p. 3), and companies can now either assess the skills of their employees themselves or delegate this to a social organisation of their choice (State Council 2019, p. 4).

Fieldwork in a coastal metropolis in 2019 revealed that a portion of the certificates indeed shifted to sectoral organisations. A civil servant and tester engaged with VPQs explained that there had been an overall reduction in certificates issued of about 50% in recent years, and for the remainder, they now simply use association stamps instead of state stamps to validate certificates.[22] Associations are relatively weak actors, but the computerised multiple-choice tests for white-collar workers do not require massive organisational resources.[23]

Overall, the Xi administration departed from the idea of an integrated VPQ framework for all employees. Official statistics indicate a drastic reduction in VPQs issued, as illustrated in Fig. 7.1, but no reduction in appraisal stations proportional to that reduction, indicating that these organs largely continue to operate (MoHRSS 2019). In 2021, the national VPQ system was reduced to a core of 59 certificates for white-collar workers (including 33 occupational licenses) and 13 certificates for blue-collar workers (MoHRSS 2021). While tests for abolished certificates have been discontinued, certificates already awarded remain valid.

In 2019, the State Council called for experiments with a new system of skill-grade certificates. The main responsibility lies with the MoE and the MoHRSS, which oversee the implementation inside and outside of vocational schools and colleges, respectively. Just like the remaining VPQs, the new certificates are oriented towards the occupational standards of the MoHRSS, which also serve as guidelines for curricula of vocational schools

[22] Interview 20190917a, with a civil servant in an urban district in East China; Interview 20190917b, with a teacher in a Skilled Workers' College in East China.

[23] This is different from blue-collar certificates, where practical tests require the presence of experts and equipment in the testing facilities.

and colleges (State Council 2019, p. 4).[24] The reform of occupational standards is thus of fundamental importance.

Conclusion

Various developing countries have attempted to implement vocational skill certification systems oriented towards English NVQs. But few have gotten as far as China in the implementation, as the examples of South Africa and—more recently—India illustrate (Mehrotra 2014). One key to this success has been the institutional legacy of the Soviet-inspired systems for wages and technical grades of workers. Where other countries operated in a void, China already had an institutional foundation.

The project of an integrated certificate system for white-collar workers and blue-collar workers was ambitious, but it did not live up to expectations. Despite the formally egalitarian approach, the generosity of the VPQs was biased in favour of white-collar workers in the state-bureaucratic system: coverage among white-collar workers was higher, occupational licensing was more common, and certificates linked up to the formalised hierarchies of Job Titles and the salary increases connected to them. Conversely, coverage among blue-collar workers was low, and this study found no evidence for any material benefits connected to VPQs independent of Job Titles. Many former SOE workers arguably entered the labour market with a VPQ from their previous job, but then did not find a corresponding job in the liberalised and informalised labour market created through market reforms. Furthermore, rapid technological change rendered occupational standards and certificates in blue-collar jobs outdated more quickly, thus undermining the added economic value of those VPQs. Thus, planned economy legacies both facilitated and undermined the reform.

In a similar way, planned economy legacies will influence future reforms in the field of skill certification. State occupational standards continue to be an important point of reference for skill certification, and TVET more generally. The reform and improvement of occupational standards will be a critical condition for the success of these initiatives. Standards need to be frequently updated and adapted to ongoing changes in the economy.

[24] The MoE also promotes a model named "1 + x", originally from Shanghai (Huang 2007, p. 46). In this model, occupational standard tests are accompanied by smaller modules of skills in high demand (MoE 2019, p. 6).

However, in the wake of economic planning, societal organisations that could serve as links between state and economy are often weakly institutionalised. What is more, the network of—often underfunded—appraisal stations will most likely remain a pillar in the new initiatives.

The factors facilitating fraud in the old system are still present, and will affect any new system to the degree that it relies on the same institutional foundation. A long-overdue structural reform of state finances would be required to ensure that expenditure mandates are coupled to appropriate revenue mandates at the local level (Wong 2009), and thus enable professional and effective skill testing. More effective options for up- and reskilling are important assets for a more balanced distribution of incomes and lower economic inequality, especially against the backdrop of rapid demographic transition, a shrinking workforce, intensifying skill-mismatch, and an unprecedented crisis of youth unemployment.

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CHAPTER 8

From Dualism to Dualism: Pension Systems in China and Vietnam

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Introduction

In China and Vietnam, ruling communist parties have instituted market-based economies defined by numerous substantively capitalist features along with social policies that exhibit a mix of progressive and regressive elements. While states in both countries employ some redistributive fiscal and social policies—seen, for example, in budgetary transfers to poor provinces and broad access to basic services—in neither country can social policies be characterised as egalitarian or universalist. This is demonstrably the case with respect to pensions, wherein protections afforded to citizens vary considerably across social classes.

China and Vietnam are unique in the contemporary world as instances of countries in which states ruled by communist parties have successfully

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and stably combined market-based capital accumulation with Leninist political institutions. In these two countries, the state leaderships continue to describe themselves as socialist, but their economies can be considered as post-socialist given that capitalist imperatives are a dominant force, even if communist party leaderships continue to exert influence. Despite the voluminous literature on China and an increasingly large literature on Vietnam, few studies directly compare the two countries' pension systems or place them in a regional or global context (see Chan and Hui 2023). Addressing this gap, we develop a comparison of evolved features of China and Vietnam's pension schemes up to the present and identify similarities and differences. Moreover, we ask whether there are redistributive mechanisms that recall the enduring importance of socialist ideology in both countries (Hypothesis 1). Further, because their post-socialist economies resemble global trends of liberalisation as well as characteristics of other East Asian countries, we examine three additional hypotheses from the literature on neoliberal, productivist, and conservative/familialist welfare models. Methodologically, our approach encompasses an extensive literature review covering both scholarly and policy literature as well as a thorough examination of primary sources such as laws, government reports, and official statistics.

Our research shows that, while avowing commitments to socialism, communist parties in China and Vietnam have evolved broadly dualist patterns of pension arrangements wherein inclusiveness and scope of benefits is contingent on locations within social relations relative to the market economy and the party-state. In particular, we find dualisms between civil servants and the formal sector's industrial and service sector workers on the one hand and informal workers and peasants, who make up the majority of the population, on the other. Older urban–rural dualisms continue to play an important role here. In both countries, expanding market economies have permitted increases in income and improved living standards alongside processes of urbanisation and socio-economic differentiation, while pension policies have offered variable rates of protection to expanding shares of the two countries' populations but have also perpetuated inequalities across class and gender lines, promoted social exclusion, and failed to address income insecurity among vulnerable groups. Within this dualist and stratified pattern, degrees of protection and support in the two countries are variegated, reflecting differences in their socio-cultural, political, economic, and associational institutions.

Evolved Features of Welfare Regimes and Pensions in China and Vietnam

China and Vietnam, the second and fifteenth most populous countries in the world, represent market-Leninist varieties of social order defined by distinct political and economic institutions, and attendant patterns of welfare, precarity, and inequality that are specific to these countries' historical paths to the present (London 2018; ten Brink 2019). In both countries, transitions from "state-socialist" to market-based accumulation regimes entailed significant changes in the allocation of welfare. On the path to market-based political economies, however, welfare dualisms have remained a salient feature.[1]

The macro-historical context of the two countries can be summarised as follows. Following centuries under agrarian dynastic feudalism shaped by Confucian statecraft, and defined by pre-industrial levels of poverty and patterns of social inequality, China and Vietnam were subject to prolonged (if dissimilar) experiences of colonial subjugation that fuelled uneven development and colonial patterns of inequality (London 2018; Osterhammel 1989). Subsequently, both countries saw the emergence and eventual triumph of decades-long anti-colonial struggles for independence led by the Chinese Communist Party (CCP) and the Communist Party of Vietnam (CPV). In both countries, foreign military interventions combined with domestic political competition culminated in large-scale violence and revolution. Having achieved political supremacy, the CCP and CPV from the early 1950s initiated the coercive nationalisation of the means of production in state-owned enterprises (SOEs) and the collectivisation of agriculture.

The evolution of state-socialist social orders entailed the institution of new rules and compliance mechanisms governing all spheres of social life, even as features of industrial organisation and developmentalism in China exhibited certain continuities with economic planning in the 1930s under the nationalist Guomindang government (ten Brink 2019). In Vietnam, the emergence of a command economy occurred first in the north, beginning in the 1950s, whereas in the southern reaches of the country, this

[1] We follow Esping-Andersen (1990), who defined "dualism" as one model of stratification in the analysis of welfare regimes. While dualisation has recently been invoked as a common trajectory of Western welfare states (Emmenegger et al. 2012), manifold dualisms—for example, between urban and rural or between informal and formal workers—also loom large in Asia.

process was delayed until the late 1970s owing to the US war in Vietnam. Vietnam did not, in contrast to China, develop a substantial industrial sector, despite maintaining an erstwhile commitment to the ideals and practices of the heavy industry priority model predicated on "squeezing the peasantry" to accumulate savings for industrialisation (Beresford 1999; Fforde and de Vylder 1996).

Efforts to foster economic development thus promoted a dualistic social structure, wherein the command economy subordinated rural/agrarian regions and populations to urban/industrial regions and populations. This was especially the case in China, but less so in Vietnam, where industry was less developed and war and poverty slowed the implementation of economic plans. Nonetheless, in both countries, the aim of economic policy amounted to "socialist productivism" as it sought to achieve rapid industrialisation through the investment of surplus extracted from the peasantry (Dillon 2015; Naughton 2007; ten Brink 2019).

State-socialist welfare reflected this productivist orientation and its industrial and urban bias. Broadly, social policies were informed by a rhetoric of socialist universalism, supported by mass mobilisation, and financed through public sources, yet it mainly reached civil servants and a privileged segment of the urban workforce. A significant urban–rural dualism prevailed. Structurally, the peasantry was meant to serve industrialisation and the industrial proletariat, yet in principle all citizens were entitled to access to employment, basic services, and care. Compared to other low-income countries, China and Vietnam achieved some impressive gains, especially in basic education and preventive health, even if within a context of generalised poverty. In comparatively more industrialised China, conditions for urban dwellers were better than those in rural areas. By contrast, Vietnam remained overwhelmingly rural and poor, with the exception of Saigon in the south. Moreover, in an overall context of shortage, access to political and administrative power offered greater status and marginally better material conditions and life chances (Malesky and London 2014).

By the 1970s, the performance of command economies in both countries faltered badly in the face of poverty, poor incentives, international isolation and, not least, the violence, chaos, and trauma that consumed both countries over the decades (Fforde and de Vylder 1996; ten Brink 2019). The economies in both countries became untenable, and political leaders reluctantly ceded a greater role for market exchange. In China, reforms commenced in the late 1970s. Though the CPV indicated a commitment to reform in 1986, top-down reforms frequently followed grassroots deviations. Decisive reforms in Vietnam were not enacted until 1988 and 1991 (Fforde and de Vylder 1996).

The expansion of market-based economies in the two countries vastly improved economic incentives and output, attracted foreign investment, and propelled more than three decades of rapid economic growth. In China, coastal regions industrialised first, while interior regions lagged behind. In Vietnam, industrialisation in the 1990s was initially centred around Ho Chi Minh City (formerly Saigon) and to a lesser extent around Hanoi. Since 1990, the two countries have been two of the fastest growing economies in the world.

Today, China and Vietnam are the world's only instances of countries in which ruling communist parties have successfully pursued market-based strategies of capital accumulation in subordination to Leninist political institutions. While communist parties in both countries retain and make use of the socialist, anti-imperialist, and (even) Marxist-Leninist symbolism, they are, in political economic terms, best understood as Leninist or market-Leninist (London 2017; McNally 2012) in the way they institute their economies in subordination to "democratic centralism", the dictatorial rule of party actors, institutions, and structures across all social fields, and the self-legitimating ideological notion of the party's own historical indispensability and determination to rule in perpetuity (Wallerstein and Gao 2012).

Despite similarities in their institutions and social histories, differences between the two countries' economies warrant emphasis. China's economy is, in addition to being large, much richer in terms of average incomes and wealth, and more sophisticated, for example, in terms of productivity, technology, and infrastructure (Malesky and London 2014).

Transforming Welfare Regimes: Continuity and Change

Extended to contemporary China and Vietnam, Esping-Andersen's basic notion of a welfare regime is instructive for understanding continuity and change in their welfare regimes, that is, "the combined, interdependent way in which welfare is produced and allocated between state, market, and family", and its stratification effects (Esping-Andersen 1999, p. 35). In the following, we present how socio-economic transformation has facilitated novel ways in which welfare is produced and allocated between (1) market, (2) state, and (3) family.

1. Under state socialism, livelihoods and social protections were to be pursued through formally guaranteed employment using nominally public production means (e.g., within SOEs or agricultural collectives) and limited allowances available within the planned economy. Where these arrangements failed, the search for economic security depended on a mix of other sources, whether through work on the state-allocated family garden patch, informal labour, black market activity, intrafamily transfers, and various forms of barter, and community assistance. As the two countries transitioned to market economies, livelihoods became dependent on wages, whether in the formal or informal sectors.
2. Under state socialism, essential social services were, in principle, to be provided by the state, at least in urban areas. Under the two countries' emerging market economies, access to essential services (e.g., pensions, education, healthcare) are now guaranteed in principle, but services beyond a basic level became increasingly contingent on a distinctively post-socialist mix of status (e.g., employment within the party state, access to party and state agents[2]) and the ability to make cash payments (Szelényi and Mihályi 2019). Access to services is thus mediated between a mix of formal and informal determinants.
3. Under state socialism, families and communities remained, in principle, institutions of last resort in the search for socio-economic security. In practice, shortcomings of the command economy frequently demanded permanent dependence on both. Under market economies, family and (to a lesser extent) community still emerge as pivotal in providing protection and support. Where support from family and community is not available, employment in the informal economy becomes essential. To employ Geoff Wood and Ian

[2] As Szelényi and Mihályi point out, under state socialism, relations to the communist party, that is, relations to the means of administration, acted as a fundamental determinant of life chances, determining employment, decisions about place of residence, family structure, and access to welfare-supporting services. Although both China and Vietnam experienced prolonged periods of severe poverty that made most poor, access to political and administrative power mediated the kinds of opportunities and supports available to citizens. In the transition to more market-based economies, the importance of locations within party-state relations remains crucial (Szelényi and Mihályi 2019). Opportunities within the market and access to social policies are typically mediated by access to party and state power, though China and Vietnam are not exceptional in this regard.

> Gough's terminology, China and Vietnam have evolved "informal security regimes" (Wood and Gough 2006). In the absence of fully fledged welfare states, welfare must be secured from an array of informal institutions, including the household.

In the following, we show how the changing mix between market, state, and family is expressed in one of the central areas of modern welfare, namely old-age provision.

Pensions in Vietnam

Vietnam's pension system traces its history to the 1940s and 1950s, when the CPV commenced a decades-long endeavour to construct a socialist state, the Democratic Republic of Vietnam (DRV, see Nguyen 2023a, 2023b). These reforms began in 1946, with an extremely modest pension scheme for public employees based on contributions from both employees and employers. State subsidies to the system began in the 1950s, albeit at a low level and in a country that was both deeply impoverished and engaged in efforts to defeat France's failed post-World War II attempts at recolonisation. Following the CPV's defeat of France, in 1954, the pension scheme was expanded to cover all workers (i.e., non-peasants). Inclusiveness was thus broadly dualist and, even outside of agriculture, was limited to government employees, military personnel, and workers in SOEs. Benefits remained at a low level given the context of poverty and slow growth. Between 1955 and 1975, the DRV developed a three-tier system that remains in place today and includes a basic pension, a supplementary pension, and a voluntary pension (Nguyen 2023a).

In 1975, following its military victory over the US, the CPV achieved the political unification of Vietnam. Institutions set in place in the north of the country, including pensions, were extended to the south. Combined, the French-Indochina war and the American war inflicted massive damage, resulting in three to four million deaths (Hirschman et al. 1995). Efforts to institute socialist economic policies in the south faltered, and economic conditions in the country worsened in the face of new wars, in Cambodia (1979–1989) and with China (1979 and 1984). By the mid-1980s, Vietnam's economy proved unsustainable. The eventual dismantlement of the planned economy between 1988 and 1991 and the accelerated evolution of a more market-based economy boosted economic growth; however, this produced massive challenges for pension policies at a time when Vietnam remained among the poorest countries in Asia. Between 1985 and 1995, the numbers of Vietnamese retiring or completing military service—all eligible for pensions—skyrocketed—in a period that coincided with fiscal crisis, the closure of thousands of SOEs, and the demobilisation of one of the largest standing armies in the world.

From the 1990s, rapid growth permitted the gradual expansion of pensions to accommodate a growing private sector and an increasingly diverse labour market. Up to the present, international organisations such as the World Bank and the International Labour Organization (ILO) have advised Vietnam's government on the pension system, providing technical assistance on pension design, financing, and administration (Nguyen 2023a, p. 10). Drawing on such advice, the 1995 Social Insurance Law established the foundations of a more comprehensive social insurance system, including provisions for pensions and the use of pension formulae that started to consider the years of social insurance contributions and the average salary on which contributions were based. In 2008, the state introduced a mandatory pension scheme requirement for private employees. Over the last two decades, reforms have also sought, with very limited success, to include informal workers and agricultural workers and improve the sustainability of inclusiveness.

Structure

Vietnam's pension system today has three tiers, comprising compulsory (basic) pension, a supplementary pension, and a voluntary pension. As Nguyen (2023a, pp. 51–54) summarises: The basic pension is a mandatory scheme paid to all citizens who have reached the retirement age of 60 for men and 55 for women and who have contributed to the social insurance fund for at least 20 years. The supplementary pension is a private pension that is funded by contributions from employers and employees. It is paid to all citizens who have reached the retirement age and who have contributed to the supplementary pension fund for at least 20 years. The amount of the supplementary pension is based on the individual's contributions and the investment performance of the National Pension Fund (NPF). The voluntary pension is a private pension that is funded by contributions from individuals who want to save for their retirement. Voluntary pension schemes are in principle available to informal sector workers, but uptake is low. Notably, and unlike other countries, workers in Vietnam who have not reached the retirement age can retire early and claim their accumulated pensions if they meet certain conditions. For example, workers can retire early if they have a disability or if they have been laid off from their job.

As Kuhlmann and Nullmeier (2022) explain, Vietnam's pensions combine elements of both Bismarckian and provident fund systems. By "Bismarckian", Kuhlmann and Nullmeier are referring to Vietnam's General Social Insurance (GSI or, *Bảo hiểm xã hội*)—the basic mandatory scheme, which is defined by compulsory membership, defined benefits, shared financing (between employers and employees), and state sponsorship. GSI is thus a defined-benefit scheme that covers employees in the formal sector. The provident fund component, the NPF, is a defined-contribution scheme that covers employees in the formal sector and self-employed individuals, *except for civil servants*. From colonial times, civil servants in Vietnam have been exempt from pension contributions as they were considered to be part of the state apparatus and not part of the formal labour market. This gives Vietnam's pension system its corporatist (Bismarckian) character. The exemption both protects and promotes civil servants' interests while also fostering their loyalty to the CPV. The private sector in Vietnam is expanding and becoming increasingly involved in the provision of social protection, including pensions and life insurance (Nguyen 2021). This contributes to diversification of the sources of pension coverage and innovation in pension products but also reflects the increasing financialisation of social life in Vietnam.

Inclusiveness

The inclusiveness of pensions in Vietnam remains low. In 2017, only 29.3% of the working-age population was covered by the GSI, which can be explained by a number of factors, including the informality of the labour market, the low level of wages, and the lack of awareness of the GSI among the population. According to ILO (2023, p. 4), the proportion of the working-age labour force building pension entitlements has increased from around 23% in 2015 to 38% in 2022, which is still relatively low compared to other countries in the region, such as Thailand and Indonesia, which ILO (2019) places at 55% and 48%, respectively. As of 2022, participation in the NPF (individual account) stood at 22.1%.

Scope of Benefits

While increasing, the average pension benefit in Vietnam is very low, often not enough to meet the basic needs of retirees. The amount of the basic pension as of 2020 was Vietnamese Đồng (VND) 242,000 per month

(Nguyen 2023a), or less than $10, or an estimated $66 US Dollar in PPP terms, using the IMF conversion rate. This low level is due to several reasons, including the low contribution rates and the lack of indexation of benefits to inflation. The GSI provides a flat pension that is based on the number of years of contributions. The NPF provides a lump sum payment upon retirement. There is no provision for disability or survivor benefits (Nguyen 2023a).

Pensions are calculated based on a percentage of the average monthly income paid for social insurance, with different rates for men and women and a cap on the maximum pension rate. Pension benefits beyond the basic pension are adjusted annually based on the consumer price index. This means that pension benefits will increase in value over time, even though the amount of the basic pension is fixed. Pension benefits are portable, which means that they can be transferred from one employer to another.

The determination of pension rates (replacement rate) is given via a calculation based on a percentage of the average monthly income paid for social insurance. For women retiring in 2024, the pension rate starts at 45% of monthly income for 15 years of social insurance payment, with each additional year of payment adding two percentage points, up to a maximum of 75%. For men, the starting rate is also 45%, but corresponding to 20 years of social insurance payment, with the same incremental percentage for each additional year up to the 75% cap. There is also a provision for a one-time benefit upon retirement for those whose time of social insurance payment exceeds the years corresponding to the 75% pension rate. This benefit is calculated based on the excess years of payment. By 2023, the minimum pension for pensioners was reported to be VND 1.49 million (roughly $60 USD or $210 USD in PPP), which is equivalent to the minimum base salary (Nguyen 2023a). But once again, the system is dualist, effectively excluding tens of millions of agricultural and informal sector workers.

Pensions in China

China had established urban pensions for SOE employees and civil servants in 1951, as part of its state-run labour insurance system, which privileged government employees, military personnel, and SOE workers, while most rural and other urban dwellers only received rudimentary support (see Dillon 2015; Hu 2025). However, in the course of market-oriented reforms, this system was no longer functional. In the 1980s, party-state elites deemed the old SOE or "*danwei*"-based provision of "costly" pensions, an obstacle to SOE competitiveness (West 1999). At the same time, large parts of the urban population were exposed to the risks of having no old-age coverage at all, especially in the emerging non-state enterprise sector.

It was not until the 1990s that serious steps were undertaken to create a more comprehensive insurance system (ten Brink et al. 2022). In line with market reforms, the mid-1990s and early 2000s saw the formation of a new system of five social insurance programmes for the formal urban sector: pension, health, unemployment, work injury, and maternity insurance. It was driven by a sharp reduction in state sector employment during a major reform of SOEs starting in the mid-1990s, which led to a controversy over how to distribute the social costs of SOE reform (Frazier 2010). According to leading policymakers, the 1997 unification of pensions across enterprises with different forms of ownership and especially the active participation of the private sector, which had a younger demographic structure, could reduce overall pension costs for SOEs (Gong 2003). In addition, benefits to pensioners would stimulate domestic consumption more than laid-off older workers with a lower propensity to consume.

While the pace of this welfare expansion varied across regions and often stalled at the point of programme implementation, inclusiveness in urban pensions expanded significantly from the late 1990s to 2020. Notably, it was not until 2010 that the Social Insurance Law provided the new systems with a stronger legal basis. Indeed, most urban employees with formal jobs now take some level of old-age security for granted.

In addition, a number of measures have been taken to provide pension insurance for informal workers and rural dwellers who make up the majority of the population. As shown below, the result has been a pronounced welfare dualism. China's welfare regime today operates relatively generous contributory insurance programmes for formally employed urban workers, and for civil servants in particular. For the rest of the population, however, only very rudimentary support programmes are available.

Structure

While China's pension system has three tiers, by far the most important is Tier 1, which consists of two schemes: the Urban Employees Basic Pension Insurance (UEBPI), a mandatory social insurance scheme for urban employees, and the Basic Insurance for Urban and Rural Residents (URRBPI), a voluntary scheme for all those not covered by the UEBPI. Tier 2 (occupational pension, where companies or state organs can voluntarily set up occupational schemes) and Tier 3 (private commercial pension, piloted recently) are still underdeveloped and relevant particularly for wealthier segments of society such as civil servants and employees in large enterprises (Chen and Turner 2021).

Urban pension unification in 1997 paved the way for the expansion of the UEBPI, and by the 2000s, all types of enterprises were part of the system (Li 2014). In principle, all urban workers with stable, contract-based employment should now be covered (the self-employed could contribute on a voluntary basis after 2003). Reforms also made it easier for workers to move from place to place because pension contributions were now managed at the provincial level. While the UEBPI is mandatory and based on a mix of employer and employee contributions, combining a guaranteed social pooling element and a (provident fund-oriented) individual savings account, the pension insurance for the rest of the population (URRBPI) is neither mandatory nor funded by employer contributions. Employee contributions to individual savings accounts and a small government subsidy form the basis of this rudimentary form of protection (Zhu and Walker 2018).

Inclusiveness

In 2020, the UEBPI covered 33.98% of the population aged 15–64, and the URRBPI covered 39.48% (pensioners are not included in this calculation; see MOHRSS 2021). The participation rate is relatively high. UEBPI had 434 million participants (including pensioners) in 2020, a sharp increase from 102 million in 2010. URRBPI had 532 million participants (with pensioners) and had also increased significantly since 2010, when only 257 million participated in the URRBPI's predecessors (Chen and Turner 2021). While the increase is impressive, it means that many migrant workers, for instance, are still left out.

Moreover, the uneven development of China's continent-sized economy, and differences in local institutional setups and traditions fostered regional heterogeneity in coverage (Huang 2015). This leads to another form of dualism—between inland and coastal localities, with inland localities expanding the URRBPI extensively to "embrace informal workers, so long as they retain local residency status. In doing so, they have established a regime characterised by a broad yet shallow provision of pension benefits. By comparison, local states in the Chinese coastal provinces have placed less emphasis on reaching out to a broad segment of society and embracing informal workers" (Yang 2021, p. 156). Instead, they have expanded the UEBPI, characterised by narrow yet more generous welfare provisions.

With a view to UEBPI, population coverage is higher in more urbanised and industrialised regions, and lower in regions with large agricultural sectors and populations. While inclusiveness is often higher in socio-economically more developed areas, regional and local variation also reflects distinct economic, social, and demographic particularities. For example, the two most advanced cities in the Yangtze delta, Shanghai and Hangzhou, have a very high UEBPI coverage. In relation to their total population, these cities cover 64.98% and 62.79%, respectively. However, other cities in the same area vary widely, with coverage rates ranging between 21.18% and 55.52% (MoHRSS 2021; NBS 2021).

Scope of Benefits

Pension reform in the PRC is officially portrayed as universalising and equalising. In reality, however, civil servants and urban formal workers, key support groups for the party-state, benefit from much higher levels of protection than the rest of the population. Because insurance schemes link benefits to contributions, those with higher incomes receive more generous benefits. In fact, the government legitimises dualised welfare by arguing that the formal sector of the economy is more productive than the informal and agricultural sectors. In this context, women are particularly disadvantaged in terms of pensions because they are more likely to have part-time jobs, low wages, and temporary employment (Zhu and Walker 2018).

Data from the Labor Statistical Yearbook of China (MoHRSS 2021) show that civil servants and formally employed urban workers, covered by the UEBPI, receive relatively generous pensions—their average annual pension of 40,198 Chinese yuan in 2020 was roughly equivalent to US$5,700.[3] This is more than ten times higher than the annual pension

[3] ILO calculations find that "with 30 years of contribution, the replacement rate is modelled to be between 40 and 74 per cent, which would suggest it complies with minimum pension replacement outlined in ILO Convention 102, but not necessarily those of Convention 128" (ILO 2022, p. 21). However, employees with shorter contribution records achieve significantly lower levels of income replacement. In addition, it is common practice for employers to use an incorrect (lower) wage base for calculating contributions.

provided by the pension scheme for urban and rural residents (URRBPI), which is roughly equivalent (with regional variations) to the 2020 national poverty line of around 4,000 yuan. At about 3% of gross domestic product (GDP) per capita, URRBPI benefits are below the global average for social pensions (ILO 2022). Moreover, the individual savings account component currently makes a limited contribution to benefits, as it is relatively new and most contributors choose the lowest individual account contribution.

Another calculation by Zhu and Walker (2018) arrives at similar conclusions. Based on survey data and distinguishing between civil servants,[4] urban employees and those covered by the URRBPI, they show that the ratio of benefit levels in the early 2010s was 20:14:1. Moreover, while the benefit level of the UEBPI was increased substantially in the 2010s, the minimum level of the URRBPI remained unchanged for a long time, with only a few upward adjustments after 2015, further fuelling inequality.

These dualisms are often associated with older forms of social segregation—meaning, above all, the system of household registration (*hukou*) established in the 1960s, which provided for a strict separation between rural and urban residents and defined their social entitlements (see Hu 2025). Indeed, this urban–rural divide was weakened during the reform process by extending social insurance to migrant workers in the formal sector and by integrating the urban and rural protection systems for the remainder of the population in 2014. Today, a new kind of segregation of the population can be observed, one which is also rooted in the past. Although rising government revenues and per capita GDP have allowed the government to increase social spending over time, they have disproportionately benefited the wealthier segments of the population. Residents with a rural *hukou* and limited prospects for permanent employment continue to be left behind (Wang and Huang 2023).

Unsurprisingly, this constellation prevents a far-reaching and institutionalised redistribution between social classes (Gao et al. 2019). While transfer (and tax) systems can play an important role in reducing inequality, pensions have so far played a limited role in reducing inequality (OECD 2022).

[4] Civil servants receive the most reliable protection in retirement with their higher and more stable incomes. This resembles other countries with strong public sectors such as Mexico.

Assessing Hypotheses from the Literature

Next, we discuss whether our findings on pensions in China and Vietnam are representative of "socialist" welfare, which we define here as redistributive and responsive to citizen demands. We then ask how they differ from and/or are consistent with the findings of the broader literature on social policy in East Asia and beyond. In brief, this literature has identified three broad ideal types. One perspective emphasises significant movement toward "neoliberal" regimes, wherein pension policies reflect a political commitment to expand the role of markets and privatisation (e.g., Duckett 2020; Hu 2012; also see London 2018). Another perspective emphasises "productivist regimes" in countries such as South Korea, wherein social policy, including pensions, are said to be subordinated to developmentalist economic aims (e.g., Holliday 2000; Mok et al. 2017). A final perspective has emphasised "conservative" or "familialist" features of social policy in East Asia, detecting a commitment to promoting the role of the family in old-age support (e.g., Gao et al. 2011; Luong 2023; Saraceno 2016).[5]

Hypothesis 1: China and Vietnam's Pension Systems Are Socialist, That Is, Redistributive

If China's and Vietnam's pension systems were socialist, we would expect broad inclusiveness across the workforce, including formal and informal sectors, emphasising universal access (London 2018). Redistribution mechanisms would likely ensure progressive financing, where higher earners contribute more to support lower earners. State involvement would be significant, with the government playing a central role in funding and managing pensions. Benefits would aim to meet material needs of the elderly, reflecting a commitment to equality and reducing income disparities among retired individuals.

Our findings are largely inconsistent with this hypothesis, but there are significant differences between the cases. The pension system in China may achieve the goal of intergenerational redistribution, although there are doubts about the financial sustainability of its pension system. Nonetheless, as shown above, the two main schemes (UEBPI and

[5] The term "welfare orientalism" is interesting in this context, as it refers to a tendency of Western observers to essentialise Asia on the basis of stereotypes, even as the main trend in East Asia for the last 20 years has often appeared to be social policy expansion (White and Goodman 2006).

URRBPI) do not work to redistribute between social classes. In the early 2010s, there was some enthusiasm among academics about the potential for redistribution in Chinese social security. An important example was the 2015 pension reform for civil servants. The old tax-funded pension for civil servants was abolished and incorporated into the UEBPI. This was hailed at the time as a milestone toward mitigating pension inequality. However, to compensate for the reduced level of benefits, an additional occupational pension (on Tier 2) was compulsorily introduced, allowing civil servants, representing 5.6% of all pensioners, to maintain their privileges (Zhu and Walker 2018). While replacement rates for civil servants have been reduced somewhat, they are still much higher than those for regular employees in the UEBPI in the late 2010s, around 70% as opposed to 40%–45% of employees' average monthly wages (Wang and Huang 2023).

Other studies also have tempered the high hopes. For example, Mok et al. (2017) reject the claim that China under Hu Jintao and Wen Jiabao (2003–2013) shifted from a "productivist" focus to a more "protective" approach (see also Gao et al. 2019). Instead, they find that pensions and other social policies are aligned with economic reforms and selective welfare provision, suggesting a "pragmatic adaptation" of welfare policies to support economic goals while managing social inequalities and regional disparities. Xi Jingping's (2013–) current "eat bitterness" rhetoric, which means enduring hardships without complaint, indicates the continuity of such an approach.

While Vietnam's economic reforms have moved towards a market-oriented system, its pension policies retain elements of a socialist approach that support income redistribution. Benefit levels are also moderately progressive, with minimum pensions exceeding the poverty line and replacement rates slightly higher for lower earners. In contrast, China's pension system has a flat contribution rate, offering less redistribution from higher to lower earners. In addition, it is also very employer-friendly. Local governments have as recently as 2020 adjusted the employer contribution rate to the UEBPI. To reduce the burden on employers, the contribution rate was reduced from 20% to 16% in some large cities, and later across the country (Chen and Turner 2021; ILO 2022). The same employer-friendly approach was also seen in emergency measures during the COVID-19 pandemic (ten Brink et al. 2021).

Finally, there is evidence that worker protests regarding pensions in China are mostly suppressed by the authorities and that the party-state is less responsive to workers' demands than in Vietnam (Chan and Hui 2023). This is linked to the fact that the Vietnamese party-state has less power capacity and therefore may rely more on negotiation and consent to implement measures, while the CCP has greater capacity for control and directive policy implementation.

Hypothesis 2: China and Vietnam's Pension Systems Are Discernibly Neoliberal

If China's and Vietnam's pension systems were neoliberal, we would expect to see increased reliance on the private sector for pension provision. Related policies, often promoted by international organisations such as the World Bank or Asian Development Bank, would likely encourage private pension plans and/or individual savings accounts. State involvement in pension systems would be reduced, emphasising deregulation and market-based solutions (Duckett 2020; Hu 2012). Additionally, we would observe a focus on investment choices and returns in pension schemes, aligning with neoliberal principles of market efficiency.

Despite engaging with global neoliberal forces and implementing some reforms associated with it, this hypothesis cannot be confirmed (see e.g., Luong 2023; ten Brink et al. 2022). Both China and Vietnam operate under a one-party system, which contrasts with the emphasis on liberal institutions and individual freedom central to neoliberalism. Both party-states retain significant control over key economic sectors like land, finance, energy, and the pension system. This contrasts with pure neoliberalism, which advocates for minimal state intervention and privatisation. Moreover, economic policies prioritise domestic development goals like industrialisation and poverty reduction. This differs from the focus on global market integration and free trade often associated with neoliberalism.

However, there is a selective engagement with neoliberalism regarding pensions. Both China and Vietnam adopt a pragmatic approach, selectively incorporating certain neoliberal policies such as individual savings accounts but rejecting others that conflict with their national development goals or societal values. In addition, commercial or private pension schemes have gained in influence somewhat.

Hypothesis 3: China and Vietnam's Pensions Systems are Productivist

If this proposition is correct, we would expect to observe several key variables aligning with productivist welfare principles. These include a strong emphasis on economic development, limited social spending relative to GDP, a reliance on work-based welfare provisions rather than extensive state intervention, and policies promoting productivity and employment as prerequisites for pension eligibility (Holliday 2000; Mok et al. 2017). Such observations would indicate an employer-friendly welfare system (here overlapping with neoliberal principles) designed to support industrialisation and economic growth, with social policies, including pensions, serving these broader objectives.

Based on such a definition of productivism as social policy investment focusing on privileging "productive" segments of the population, China was productivist both before the 1970s and from the mid-1990s onwards, even as the institutional architecture of the pension system differed substantially. Indeed, the current Chinese pension system, with its dualised arrangements, largely confirms Hypothesis 3. Structural change in the economy and related employer preferences are important variables to grasp this. Structural economic change from the 1980s onwards exhibited one key feature: the substantial reallocation of labour from agricultural to non-agricultural sectors and a parallel shift from primarily labour-intensive to increasingly capital-intensive industries. This, in turn, has led to a strong segmentation of the industrial workforce into core workers—with formal and more long-term contracts—and temporary workers, a large underprivileged group of workers, but who continue to serve as a backbone of economic development (Lüthje et al. 2013; ten Brink 2019). As a result, this dual structure of the workforce has strongly influenced the expansion and subsequent maintenance of dualised insurance schemes, with core workers covered by the more generous employee insurance scheme (UEBPI) and temporary workers, covered by the rudimentary resident scheme (URRBPI). Large employers are the main beneficiaries. For them, the combination of urban employee insurance for their core workforce and resident insurance with no employer contributions at all for the rest has been a cost-effective solution.[6]

[6] Nevertheless, companies continue to exploit loopholes even within the urban employee insurance scheme, for example, by basing their contributions on the minimum wage instead of the actual salaries paid.

In contrast, Vietnam's pensions under state socialism could be said to have been nominally productivist, but only insofar as they sought to broadly privilege the country's bureaucracy and (tiny) industrial sector. In practice, this was more a state bias than an industrial bias. Moreover, under the current market economy, there is no leading sector nor a recognisable "labour aristocracy" resembling the wealthiest segments of the core workforce in today's China. Since the 1990s, the salience of the state industrial sector has diminished. Pensions have been expanded, but can hardly be said to privilege a labour aristocracy. Instead, they privilege civil servants and the formal sector's industrial and service sector workers. Overall, Vietnam's pension system remains more legitimacy-seeking than productivist in its orientation, and it continues to exclude large shares of the country's population.

Hypothesis 4: China and Vietnam's Pension Systems Are Conservative, Reflecting Strong Family Responsibility

If China's and Vietnam's pension systems were conservative or familialist, we would expect to observe policies and structures that heavily rely on the family for elderly care. There would be limited state-led redistribution, with pension policies designed to encourage traditional family support systems (Gao et al. 2011; Luong 2023; Saraceno 2016). Benefits would be structured to favour those within conventional family units, emphasising gendered roles in care provision. Policies would also offer incentives for family-based care, reflecting a conservative approach to welfare that prioritises familial responsibility over individual entitlements from the state.

Our research finds this hypothesis to be largely confirmed. To this day, extensive network of informal old-age care is provided by family members, including grandchildren, neighbours, and community members, which complements formal care. According to Luong (2023), familialism currently is the central principle governing care for old people in Vietnam, resisting the influence of global neoliberal ideology (for China, see Shen et al. 2021).

Next to economic pressure, this is linked, first, to deep-rooted Confucian values, emphasising filial piety and family responsibility towards elders. It translates to a strong expectation of family-based care for older adults. Second, while acknowledging the role of the state in providing old-age care, state support remains complementary to family care. In China, this particularly holds for the less generous pension insurance for informal workers and rural dwellers (URRBPI). The benefit level of the URRBPI is usually too low to cover living expenses. With a view to replacement rates, in 2019, URRBPI replacement rates ranged from 10.7% to 15.3% of average monthly wages (Chen and Turner 2021). This generates enormous pressure on the family to compensate. Thus, the state's programme is merely a supportive measure, not a replacement for family obligations.

Conclusion

The evolution of pension systems in China and Vietnam is a fascinating instance of the tensions that arise in contemporary states from the need to promote capital accumulation on the one hand and to ensure social welfare and subjective legitimacy on the other. Our findings show that the party-states in China and Vietnam, while professing a commitment to socialism, have developed broadly dualistic patterns of pension arrangements in which inclusiveness and scope of benefits depend on one's position within social relations relative to the market economy and the party-state. In both countries, expanding market economies have allowed incomes to rise and living standards to improve, while evolving features of pension policy have provided varying degrees of old-age protection to growing proportions of the two countries' populations. Beyond this broadly dualistic pattern, we show that differences in inclusiveness and scope of benefits in China and Vietnam reflect differences in the two countries' socio-cultural, political, and economic institutions. These include the fact that China is much richer in terms of income and wealth, and that the Vietnamese party-state has more limited bureaucratic and coercive capabilities.

Our comparison can serve as a basis for further research. First, there is the need for more in-depth comparisons to conclusively assess the relative "redistributiveness" of both systems, for instance. Secondly, the differences in the economic development and population demographics of the two countries should be considered in future analyses, as these variables have strongly influenced pension generosity both in the past and in the present. Third, comparisons with other Asian welfare regimes are warranted to better understand their similarities and differences, including the role of regime type and level of socio-economic development in welfare generosity.

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CHAPTER 9

Born and Bred from Strife: The Cuban Healthcare Model as a Socialist Response to International and Domestic Conflicts

Elsada Diana Cassells, Berta Lilia Ford Campbell, Gabriela de Carvalho, and Lorraine Frisina Doetter

Introduction

The introduction of the Cuban healthcare system in 1961 has become a landmark in the history of public health. In making health a national priority through the creation of a free, universal, and comprehensive system, the Cuban healthcare model has garnered international praise from foreign governments, international organisations, and scholars for the way it enabled Cubans to "benefit from a level of protection uncommon to a Global South country and to achieve indicators comparable to those of the

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most developed nations" (Lamrani 2021, p. 4). These made the Cuban model recognised as the preeminent prototype for low- and middle-income countries, as well as a source of inspiration for high-incomers (Pineo 2019).

A considerable amount of research has been devoted to examining the effects of the model following its implementation (e.g., Castelló González and Choonara 2019; Iatridis 1990); nonetheless, there is a relative scarcity of studies that delve into the initial influences and circumstances that led to its establishment. To redress this gap in the literature, the present study poses the question: what national and international factors set the stage for the emergence of Cuba's response to the need for social protection in health. By adopting the transnational interdependencies approach, the study traces key historical developments in and around health(care), beginning in the colonial period up to and through the Cuban revolution. Our findings reveal that Cuba's approach to healthcare emerged as a socialist response to various national and international dynamics, ranging from (neo)colonial consequences to nation-building process and Cold War politics.

In what follows, we briefly present the theoretical framework employed in this research, before providing a historical overview of the country, tracing key developments from the colonial period through to the Cuban Revolution. This backdrop is crucial for exploring the revolutionary government's motives in prioritising the establishment of a public healthcare system that sought to address long-standing issues of inequity and access and which leveraged social protection as part of a political strategy within the national and international spheres. Accordingly, the present study explores this evolving role of internal and external conflicts through the lens of the transnational interdependencies approach and concludes with reflections on how they ultimately drove the expansion of healthcare in Cuba.

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Drivers of Social Protection and Developments in Healthcare

In the academic pursuit to map and explain the inception and evolution of healthcare policies, welfare state research theories predominantly focus on factors within the boundaries of nation-states, such as industrialisation, urbanisation, and resource allocation. *Modernisation* theory suggests that industrial and urban growth dismantle traditional support systems, enhancing economic conditions for public healthcare by impacting the resources available for services and dictating the level and quality of care provided by systems (Busse et al. 2017; Obinger et al. 2016). *Conflict and power resource* theories emphasise the role of political structures, where democracy and leftist influence potentially driven welfare provision, although non-democratic regimes also show significant policy activity, possibly to sustain legitimacy (Flora and Alber 1981; Korpi 1983; Mares and Carnes 2009). The *problem pressure* theory considers responses to endemic and exogenous challenges, taking a functionalist view to understanding healthcare system developments in line with assumptions about the adaptability of systems to challenges and demands (Cacace et al. 2008).

Overall, traditional theories of welfare states and social policy research suffer from both inconsistent results and an inherent narrow-mindedness that reflects "theoretical nationalism" (de Carvalho et al. 2021). Notably, there is strong bias in the research that favours wealthy nations, largely ignoring developments in the Global South. This oversight leads to a failure to recognise the nuances of social policy formation and the progression of healthcare systems in nations beyond high-incomers (Deacon 2007; Yeates 2008). To address this, the *transnational interdependencies approach* (Obinger 2025) explores the linkages, or interdependencies, between national and international factors that explain social policy developments.

In line with this approach, *ideational* interdependencies emerging from the transfer of ideas and knowledge across borders are expected to significantly influence domestic social policies (Béland and Orenstein 2013; Kasza 2002; Petersen et al. 2013; Rodgers 1998). Geographical and ideological proximities enhance these exchanges, as similar cultural values, political ideals, and social norms intensify communication and influence between countries (Beck et al. 2006; Obinger et al. 2013). *Political interdependencies* comprise the creation of joint political, social, and cultural associations between countries as well as international organisations playing the role of facilitators or mediators. *Economic* interdependencies through trade and globalisation positively correlate with social policy expansion (Wibbels and Ahlquist 2011).

Migration also impacts social policies, through brain drain from the Global South exacerbating labour shortages in the South and altering social policy frameworks regarding portability of benefits across borders (Carmel et al. 2012; Leibfried and Pierson 1995). *Violent conflicts* and *colonial legacies* also deeply impact social policy development. Military conflicts have historically spurred expansions in social protections to support war victims (Kasza 2002). The colonial management of health in occupied regions laid foundational structures for many post-colonial healthcare systems, driven by the necessity to maintain a healthy workforce for economic productivity (Gros 2016; Lasker 1977).

With this in mind, the present study builds on established theories in social policy that coalesce in the transnational interdependencies framework to explore the role of national and international (and interactions thereof) factors in driving the introduction and generosity—understood as the combination of inclusiveness and scope of benefits—of the Cuban healthcare system in 1961.

The Backdrop of the Cuban Healthcare Model: From (Neo)Colonial Tensions to Revolutionary Thinking

Cuba, the largest island in the Caribbean archipelago, had a population of an estimated 7.5 million persons, and a labour market with conditions reflective of the social and economic inequities and political discordance that characterised post-colonial plantation economies in the hemisphere in the years leading up to the Cuban Revolution (1953–1959). In 1959, approximately 2 million people (about a quarter of the total population) were in employment. Economic life was centred on monopolistic agricultural production, tourism and light manufacturing (O'Connor 1966). Workers in professional and semi-professional classes were concentrated in Havana and other major town centres. Other urban labouring classes included dockworkers, hotel and entertainment industry workers, domestic servants for wealthy households and unskilled workers doing menial jobs (Farber 2015; Zeitlin 1966). Meanwhile in the rural areas, the majority of the peasantry—comprised largely of poor, illiterate, unskilled section of the population—was employed by sugar, coffee and tobacco estates and in the mining sector (V. A. 1959, p. 188).

An understanding of the socio-political, racial and economic context of the pre-revolutionary period is important in assessing the rationale for the revolutionary government's prioritisation of the establishment of a public health system that would address long-standing issues of hospital access for all citizens, the preponderance of privatised medical institutions and high rates of poverty that affected health outcomes (Sintes Jiménez 2011, p. 557). Mapping events from the colonial period to the revolution, this section outlines the national and international factors that resulted in the creation of the Cuban healthcare model.

Colonial and Neo-colonial Tensions in Shaping Cuban Healthcare Beginnings

Cuba was a colony of Spain from 1492 to 1898 (Domínguez López and Yaffe 2017). During the colonial period, Boards of Health empowered with administrative and legislative functions were created to oversee public health on the island. The organisation of these boards reflected the social, class and race relations at a time when enslaved Africans made up a significant portion of the population (Calzadilla-González et al. 2019). The plantation economy of the colonial era was built up around a capitalist mode of labour extraction which calculated sick time as lost profit; hence, healthcare delivery for the enslaved comprised of therapies to limit time off for convalescence (DeMarco 2023).

The US intervention in the Cuban war of independence and its subsequent annexation of Cuba after the ending of Spanish colonialism until 1902 had major consequences for Cuban society. Despite independence in 1902, the US-imposed governance structures were carried over from the annexation period and influenced the shaping of Cuban affairs, especially in domestic political matters and social policy mandates. For example, in 1910, the *Morua Law* was enacted to ban political organising along racial lines. Shortly after, in 1912, over 3000 Cubans of African descent were massacred allegedly for violating this ban. Both instances underscored the rising racial hostilities that accompanied the implementation of US-style racial biases into Cuban domestic affairs (Cole 1980, p. 5). Likewise, on 22 May 1903, the US Congress approved legislation extending American control over Cuban foreign and domestic affairs. Article 5 of this legislation, the Platt Amendment, arrogated to the US extraterritorial oversight over a range of issues. With regard to healthcare, the Platt Amendment empowered the US to intervene if the Cuban government was deemed to be in violation of "the plans already devised or other plans to be mutually agreed upon, for the sanitation of the cities of the island, to the end that a recurrence of epidemic and infectious diseases may be prevented" (Hitchman 1967, p. 344). This external mandate set the stage for the development of a multidimensional post-independence healthcare sector that became a hotbed of graft and corruption as political leaders engaged in a paternalistic provision of health services that reflected US demands (Liebowitz 1969; Rodríguez 2020).

Before 1959, the healthcare system was largely fee-based with upwards of 65% of all medical doctors, as well as most hospital beds and medical services concentrated in Havana, the national capital. There was a total of about 6000 physicians for a population of 7.5 million. The vast majority of hospitals were situated in Havana: whereas the sole hospital in rural Cuba had no doctor and only ten beds, 96 hospitals with a total of 28,536 beds were located in Havana. This system served mostly those in the urban segment of the population who had the ability to pay for private services. It also catered to those belonging to the burgeoning tourism and mining and agricultural industries that were owned by American corporations. Meanwhile, the country had only one medical training facility which was also based in the capital (Lamrani 2021; Sintes Jiménez 2011, p. 557).

Another facet of the system was the private hospitals and medical cooperatives operated by mutual aid societies. These had emerged from the colonial-era beneficent societies which were originally established to provide welfare services to destitute Spanish immigrants (Thorning 1945). In the pre-revolutionary era, these mutual aid outfits became fee-based medical providers catering to elites and professional classes, as well as other middle-class groups through membership subscriptions. Beyond Spanish migrants, affiliation was extended to Cubans of Spanish descent; however, non-White Cubans were excluded from participation (Fitz 2020). These arrangements reflected post-independence social and political policies that encouraged white inward migration to counter the "black fear" that undergirded racism towards black Cubans (Rodríguez 2020; Thorning 1945). Meanwhile, in the rural areas of the country, poorly staffed government facilities provided low-quality care to the rest of the population (Liebowitz 1969).

A commonality of the pre-revolutionary period in both the public and private sectors was the absence of medical training, as the sole medical school at the University of Havana could not meet the demand for medical education and admission was limited almost exclusively to white Cubans (Liebowitz 1969). Moreover, the quest to stave off American direct control of Cuban affairs contributed to the politicisation of health policy, engendered the rural–urban care divide and facilitated corruption so entrenched that health ministry offices became targets of attack by anti-government factions (Rodríguez 2020).

Against this backdrop, from the domestic standpoint Fidel Castro's move to establish a universal healthcare system represented a major political and policy challenge, it required the dismantling of the patron–client health system that had been propped up by neo-colonial capitalist expansion in the areas of tourism and agriculture, and which had been presided over by strong man *caudillo*[1] political figures (Hirschfeld 2017).

Revolutionary Reasoning in Driving the Socialist Turn in Cuban Healthcare

The period in the early 1950s was "an era of anti-imperialism, decolonisation, revolutionary nationalism and social revolution" (Paterson 1994, p. 11). Castro's rise to power was a six-year campaign that had its genesis in *guerrilla*-style attacks against state institutions in eastern Cuba a year after President Fulgencio Batista took power in a coup in 1952. Castro seized on these international conditions, as well as widespread economic, social and racial inequalities and high rates of rural poverty to promote Cuban nationalist sentiments as a counter strike against deeply embedded US interests in Cuban affairs. The defeat of insurgents at the 1953 attack on the Moncada Army Barracks left many participants dead, while survivors including Castro were tried for treason (Castro 2019).

During his trial, Castro outlined a programme of action that would become the cornerstone of (post-)revolutionary national and societal transformation. His defence speech identified the issues of land tenure, industrialisation, housing, unemployment, education as well as "the problem of the people's health" (Castro 2019, p. 285) and political oppression as emblematic of Cuba's struggle for self-determination. Castro was sentenced to 15 years in prison; however, he was granted amnesty in 1955, and he subsequently departed for Mexico, from where he would relaunch

[1] Caudillismo refers to the autocratic personalist leadership style of Latin American rules and dictators in the era after independence from Spain.

his campaign against the Batista military dictatorship. It was during his sojourn in Mexico that Castro first met and joined forces with Argentine Ernesto "Che" Guevara. Together they laid the groundwork for the 1956 return to Cuba and the final phase of what would culminate in the defeat of Batista, who fled the country on 1 January 1959 (Prevost 2007).

On gaining political power, early in the revolutionary period, rising tensions in US–Cuba relations and the pressures of the growing Cuban exile community precipitated the acceleration of the so-called Moncada Programme, which encapsulated Cuba's vision and quest to be liberated from underdevelopment and de facto dependence from US neo-colonialism. Through a series of laws that codified reforms that became emblematic of the central characteristics of the revolution, Cuba targeted economic, social and political injustices and racial inequalities as it became more rooted into the socialist model. For example, massive reforms introduced universal education as well as established a national public health network in 1961 (Schultz 2020).

As Castro continued to consolidate power at the height of the Cold War, the country shifted its gaze outward to developments on the world stage, particularly in Soviet-bloc countries. This led to ongoing policy adaptations and a doubling down on Cuba's own universalistic approach to healthcare (Linares-Tovar et al. 2015; Pineo 2019).

Competing Cold War Paradigms in Solidifying Cuba's Socialist Stance

Internationally, the Cuban Revolution became enmeshed in the complex geopolitical realities of the Cold War. Cuba–US relations entered into a critical phase when initial support for the revolution waned as the revolutionary government's nationalisation of properties owned by American interests led to the imposition of a trade embargo in 1960 and eventually caused Washington to break diplomatic relations with Havana in 1961. As Cuba's embrace of socialism deepened, the US imposed a total trade embargo and economic sanctions which further precipitated Havana's move towards Moscow and the socialist bloc (Prevost 2007, p. 24).

While there is little research on the role of explicit policy learning from the Soviet Union, the timing of and similarities between the health system first introduced in Soviet Russia in 1920 and later adopted in Cuba in 1961 suggest that Cuban policy developments were deeply informed by the Russian forerunner (Terris 1978). In the context of the intensifying

Cold War politics, Cuba's growing alignment with the Soviet Union, and Castro's interest in prioritising healthcare as part of the new revolutionary agenda, looking to the Soviet model for ideological and institutional guidance, would have certainly made sense (Terris 1978). Moreover, the socialist healthcare system provided an answer to the question of how to best dismantle and rectify the otherwise well-developed, highly privatised and deeply stratified system that had been serving Havana elites since independence (Kirk and Michael Erisman 2009).

Co-option of Healthcare as Part of the Nation-building Process in Cuba

For the Cuban government, material and ideological considerations were central to managing national affairs post 1959. First, from an ideational standpoint in forging Cuban development processes, the government deployed Jose Marti's[2] articulation of *Cubanidad*—the sense of identity and belonging that comes with being Cuban—as the anchor for the integration of the disparate economic, social, political and cultural structures and institutions into the framework for national transformation (Cabrera Arús 2021). Second, the post-1959 process was also seen as the first legitimate attempt to exercise the sovereign authority and autonomy of Cuba in the post-independence period. This meant confronting gross inequalities and deeply embedded racism in the country. It also meant that balancing relationships with global superpowers and demonstrating ideological affinity to anti-colonial nationalist movements were all pivotal to Cuba's own perception of the survivability of the new regime (Cassells 2016).

This resulted in a bifurcated approach to nation-building. On the one hand, internationally, Cuba established itself as a non-aligned nation, promoting its own brand of self-determination through socialist development. On the other hand, domestically, Cuban nation-building was carefully curating the social policy processes for groups previously denied equity through the promotion of programmes that guaranteed equality of citizenship for all Cubans. This laid the groundwork for systemic redistributive reforms of the health, education and agrarian sectors, as part of the "universal, centralised, unitary, and planned social programs aimed to provide total coverage, consolidate the state as coordinator and manager

[2] Cuban national hero and the father of Cuban nationalism was the first proponent of the concept of *Cubanidad* (Bodenheimer 2015).

of social policy" (Espina Prieto 2011, p. 13). In the field of healthcare, this approach meant addressing the geographic, occupational, racial and class considerations that were limiting healthcare access.

The Birth of the Cuban Model: A Socialist Stance on Healthcare Generosity

Cuban socialist health policymaking reconfigured the mutual aid self-financed healthcare system that catered to Havana elites and the badly state-run facilities that catered to the poor across the country into a fully inclusive model, the National Health System (*Sistema Nacional de Salud*, SNS, in Spanish) (Fitz 2020; Lievesley 2004). The strong emphasis was on health as a civic right, with guaranteed equality of access for all Cuban citizens in rural and urban settings to free medical care. This was universally provided through a network of state-supported institutions (Lamrani 2021; Lievesley 2004). However, the goal of establishing a highly generous system—that is, a system with high levels of inclusiveness that provides comprehensive benefits (de Carvalho et al. 2024)—presented Cuba with multiple restructuring challenges, including financing and service delivery capacity, that comprised significant investment in infrastructure, medical training and education, as well as research and development of biomedical services. This section outlines these after presenting the main features of the newly built model—the SNS.

An Overview of the Cuban Healthcare Model

The SNS is a wholly state-owned, state-managed and -financed entity that the government has prioritised for financial support (Gálvez González et al. 2018). The mandate for post-Revolution healthcare was first codified in Law No. 717 of 1960, which established the right of free access to healthcare. This was later enhanced by Public Health Law No. 959 of 1961, which established the Ministry of Public Health (MINSAP) and empowered it with operational, regulatory and fiscal oversight of the SNS. The 1976 Constitution represented the comprehensive ratification of the enshrined state obligation to the fulfilment of public health goals and guarantees. In addition, MINSAP coordinated the integration of the 1978 Alma-Ata principles into the Cuban health landscape, thus strengthening the framework for community-based access, which by the 1990s morphed into the family doctor and nurse modality of care (Ramos Monteagudo et al. 2023).

Since 1959, the government has been the sole financier of healthcare through central planning and budgetary allocations. The consolidation of the disparate private and public health providers into a common system under the management of the MINSAP in 1961 created the framework for equitable delivery of comprehensive healthcare for all citizens across the island. From inception, health financing mirrored the organisational structure of healthcare delivery with MINSAP as the centralised coordinating entity at the apex of the system. In the early years of the Revolution, the Cuban government discontinued the use of the national budget process for resource allocation and opted instead for centralised socio-economic planning (Navarro 1972). Since 1959, the Cuban state has provided full funding for SNS activities, including salaries, operational costs of hospitals, health research and medical education and training (Gálvez González et al. 2018). Decisions about health expenditure are formulated through consultative processes involving central, regional, provincial and local political actors and stakeholders (Navarro 1972).

At the provincial level, MINSAP financial disbursements are managed by the provincial bodies working in tandem with local municipalities. These allocations cover system-wide areas of operations, including blood banks, social services and epidemiological centres, which are part of the integrated network of hospitals. Meanwhile at the municipal level, the lion's share of the financing is geared towards preventative modalities of care and the administration of the network of polyclinics, which offer a range of primary care services. In nominal terms, Cuban healthcare expenditure rose from 25.6 million pesos in 1959 to 1.8 billion pesos in 2000. Even during the "special period" of economic austerity after the fall of the Soviet bloc, there was never a decline in the rate of expenditure (Sixto 2002). This trend has continued and presently World Health Organization (WHO) data indicate that Cuba's public health expenditure represents 11% of GDP in 2020 (WHO 2021).

The Establishment of a Highly Generous Healthcare System: Inclusiveness and Scope of Benefits Features of the Cuban Model

The Revolution ushered in an era of unprecedented social welfare generosity for Cuban citizens. In the case of healthcare, the vision for socialised medicine was influenced by the physician, Ernesto "Che" Guevara. His "socialism and the man" campaign became the organising ethos of the generosity of the healthcare system. For Che, medicine and health were central to societal transformation, through the practice of social, humanistic and preventative medicine (Aguiar González de la Peña and Benítez Piñón 2008). In this vein, the redistributive nature of public health reforms in Cuba facilitated the establishment of MINSAP, which signalled a major shift in the modality of healthcare generosity. The termination of the mutual aid health provider cooperatives and the elimination of private medical practice created a centralised health system with free access to universal healthcare for all Cubans (Fitz 2018, 2020). Since inception, the revolutionary principle that all Cuban citizens should have equal access to all medical services from primary care to specialist interventions free of charge remains the status quo.

The socialist character of the Cuban public health system is also observed when considering the model's *inclusiveness*, which identifies which social groups are entitled to receive services (de Carvalho et al. 2024). All Cubans have access to the system, and there has been a clear prioritisation influenced by socialist principles to provide care to vulnerable groups, such as the poor, mothers, children, the elderly and the rural populations (Linares-Tovar et al. 2015; Pineo 2019). This is observed with measures that enhance levels of primary and preventative care, built up around the principles of socialised medicine, and emphasis on desegregating access to care, equality of access to all Cubans and the banning private practices.

Additionally, the country's commitment to provide comprehensive healthcare is reflected in the *scope of benefits* available to the population, that is, the content and levels of available health services. A crucial development was the introduction of neighbourhood health community clinics in 1964. The so-called integral polyclinics provided for increased accessibility and civic accountability and participation in health promotion (De Vos 2005; Fitz 2020). The polyclinic system with a focus on primary care increased the scope of service delivery to Cuban citizens, particularly in rural areas where there was a total absence of hospitals and access to care was limited. The unification of preventative and curative medicine into an outpatient format facilitated the delivery of a range of general, paediatric, dental, epidemiological and social services by specially comprised health teams (Fitz 2018). As such, these polyclinics became the cornerstone of the new model and proved vital to the conversion from private to universal healthcare.

A significant component of the system in its pursuit to expand coverage of population and services was the launch of the Rural Health Services (RMS), which was promulgated under Law No. 723 of 1960. A vital provision was the collaborative initiative between medical students and MINSAP to provide medical service to rural communities after graduation. This programme "reflected national priorities to make health services universally accessible, prevent disease and provide population health education" (Gorry 2012, p. 6). Besides services, the provision of pharmaceuticals was guaranteed by the new model, and costs associated with this as well as the development of drugs and biomedical treatments, were incorporated into the budget of the MINSAP (Sixto 2002, p. 326).

Further, Law No. 41 of 1983 sets out the legal framework for citizen's access to health services. According to Cuban legal guidelines, patients reserve the right to appeal health decisions with the health ministry. Patients were empowered to seek second opinions at specialist institutes with the guarantee that a patient may be seen within 24 hours either by the head of that institute or a person qualified to deal with the diagnosis. These specialist institutes provide state-of-the-art services, undertake medical research and are linked to provincial hospitals, and patients can access care at these locations without referral.

To meet the demands of universal healthcare access and mitigate the consequences of the mass exodus of an estimated 3000 doctors (about half of the country's physicians) that left following the Revolution in response to the ideological turn and the shift from market-driven to a centrally planned economic model (Morales Suarez et al. 2008), an emergency curriculum was developed to expand medical education and training to augment the number of healthcare professionals (Linares-Tovar et al. 2015). De Vos (2005) argued that state sponsorship fuelled the creation of more medical education programmes in response to the mass migration of doctors that had threatened the survival of the sole medical school. Likewise, through the financing of the RMS programme, cohorts of health educators and clinicians were trained and deployed to provide services in the network of hospitals, medical schools and clinics that were established in the first phase of universal public health (Keck and Reed 2012).

The RMS increased medical training, cauterised the brain drain of professionals, and with the establishment of an honours system where newly trained doctors pledged a commitment to enter the public health system, there was a rapid expansion in the number of providers. The SNS at inception utilised a cohort of 750 medical students, doctors and other health professionals to deliver care to underserved communities in remote mountainous and rural coastal areas. This demonstrated significant action toward meeting the fundamental challenge of increasing the doctor–patient ratio, which had declined to one doctor per 1268 inhabitants in 1959 (Lamrani 2021). The government also built 53 hospitals in rural areas by 1970 (Zahid et al. 2021), a major improvement over the sole rural hospital that was in existence in 1959.

Besides the expansion of medical education, the pivot to a holistic healthcare approach required a change in the content of training that focused on conditions that contributed to poor health, especially among the most vulnerable populations. It incorporated training that included scientific practices of disease vector control and epidemiological services, especially focusing on malaria, poliomyelitis, infant mortality incidences and improved pharmaceutical services (Fitz 2020). The enhanced areas of practice, educational and training capacity yielded impressive results, such as a 30-year jump in life expectancy over a 6-year period immediately after the Revolution (Cassells 2016).

The socialist character of the SNS, built around the universalisation of access, through integral polyclinics, enhanced medical training and centralised medical delivery has undergone periodic review but remains constant in the original commitment of preventive medicine and general wellbeing. A significant enhancement of the system occurred in 1964 with the expansion of the basic polyclinic system into a polyclinics model with integrated broad-based community medicine. A central component of this change was the establishment of medical teams that conduct home visits. This shift meant more direct hands-on care and monitoring of patients through "locating essential primary care specialists such as obstetrics and gynaecologists, paediatricians, and internists in virtually every Cuban community" (Keck and Reed 2012, p. 8; see also Fitz 2018).

The establishment of the family doctor modality deepened the polyclinic model in terms of access. Each polyclinic is designed as a standalone centre offering care in around 20 different clinical and social services, in close collaboration with consultation centres and specialised hospitals. Family medicine has become an area of specialisation, and all new doctors must undergo this training. The model is supported by the 24 medical faculties and health training centres that now anchor medical education in Cuba (Lamrani 2021). The expansion in human capital facilitated access to clinical care but also to epidemiological and preventative service delivery, including yearly vaccination campaigns targeting a range of communicable diseases (Beldarraín 2013; Rodríguez Cruz 1984).

Terris (1978) has argued that the public health model developed in Cuba reflected socialist orientation and horizontal policy learning from other socialist states. For example, healthcare sectorisation, the geographic distribution of polyclinics across housing districts and factories and work sites, were similar to healthcare system configurations in Hungary and Czechoslovakia. Likewise, in comparing Cuba with Mongolia, the author has opined that Cuba's decision to forego the implementation of a national insurance scheme was further proof of socialist policy orientation. In converting from a charity-based healthcare system to a fully financed government universal system, as was the case in Mongolia, Cuba was able to increase institutional capacity for medical training and delivery. Moreover, cooperation agreements with socialist partners such as then Czechoslovakia and overseas medical missions as part of the international solidarity programmes solidified the socialist stance (Fitz 2020).

However, the Cuban system has not been without its challenges such as domestic fiscal constraints and external factors such as the waning of global socialism. The fall of the Soviet system ushered Cuba into a "special period" of hardship as economic life contracted when revenue fell because trading and commercial activities with socialist bloc countries dried up, and economic subsidies, financing agreements and other technical support from the Soviet Union came to a halt (Yordanov 2023). These changes threatened to undermine the universal health guarantees and the viability and survival of the healthcare system during this period. Cuba responded to these external shocks by revising its medical diplomacy interactions through a deepening of bilateral and multilateral engagements with external partners in a number of areas.

First, Cuba drew on its reputation in global humanitarian crisis and disaster relief to design and enter into a new phase of medical collaborations which attracted compensation from external partners. These collaborations were executed bilaterally with individual countries entering into contractual agreements with MINSAP for Cuban health professionals to work abroad. Other collaborations were multilateral in nature involving multiple countries, international agencies, such as the Pan American Health Organization (PAHO), and Cuban medical professionals working together to provide vaccines and basic health services to developing countries (Cassells 2016; Petkova 2020; Yaffe 2023). As an example, in Venezuela the Mission Barrio Adentro utilised the services of Cuban medical and healthcare personnel to deliver free healthcare services. In Brazil, the government and PAHO contracted Cuban medical personnel to carry out the Mais Medico programme to provide services for Brazil's indigenous communities and indigent persons (Baggott and Lambie 2019; Cassells 2016).

Second, the special period also ushered in an enlargement of Cuba's biotechnological sector to engage in the sale of pharmaceuticals and biotech products to poor and middle-income countries (Evenson 2007). For example, BioCubaPharma, an agency allied to MINSAP, has engaged in partnerships for testing lung cancer drugs with the United States, transferred vaccine technology to Africa and developed treatment products and therapies in other medical areas for global export. During the recent COVID-19 pandemic, Cuba developed a total of five vaccines which, in addition to meeting domestic needs, were exported to at least ten countries around the world (Medicc 2022).

A third strategy developed during this period was the focus on medical training and education. The establishment of the Latin American School of Medicine (ELAM) in 1999 was a pivotal moment in this period. ELAM was conceptualised to provide medical education for students from the Global South as well as from depressed and underserved areas in the developed world. Through ELAM, Cuba became an important partner for long-term, sustainable medical solutions in many countries with underdeveloped health systems. Cuba became a leading partner in the development of medical schools in countries such as Timor L'Este, Ethiopia, Yemen, and The Gambia, thus contributing to increased capacity in public healthcare delivery globally. In terms of benefits to Cuba, in the area of medical training, Cuba offers fee-based programmes for training in many medical specialisations. These earnings are reinvested into the Cuban public health system (Castelló González et al. 2016; Cassells 2016).

Reflections on the Role of Conflicts as Transnational Interdependencies Driving Healthcare Expansion

The evolution of healthcare in Cuba is deeply rooted in a history of multi-level conflicts which took off during the colonial period and would persist well beyond the official end of the Cold War. It is a history marked by the complex interplay of factors that generated abundant demand for health services to mitigate the severe health damages of domestic and international strife involving the exploits of slavery and diseases in the colonial space, the socio-economic impact of neo-colonial interests and the collective toll taken by wars both hot and cold. Within this context, the assumption of state responsibility and full control over healthcare would become a matter of both societal and political survival, and a fundamental part of nation-building processes.

Crucially, what the Cuban case demonstrates is the significant role played by conflicts as transnational interdependencies driving the expansion of social protection in healthcare. These involved various national economic (urbanisation), political (war of independence, corruption, segregation, political leadership and the revolution), social (slavery, urban vs. rural divide and racial cleavages) and policy field-specific (diseases, disparities in healthcare access, privatisation and a lack of medical training) factors which interacted with or were otherwise influenced by an international constellation of ideas (Soviet model) (Fitz 2020; Terris 1978), migration flows (policies for white migrants) and interdependencies marked by economic (sanctions) and political ties with other countries (alignment with the Soviet Union), and, notably, violence (U.S. intervention, the Cold War).

It is within this complex tapestry of transnational interdependencies that all milestones in healthcare in Cuba would unfold. Indeed, a closer look at the timelines of key developments in healthcare and that of major political, social and economic events reveals a progression of policy in dialogue with the larger socio-political realities of the time: during the colonial period, a Board of Health was introduced to combat the rampant spread of diseases and to assuage social unrest, while sickness funds were established to address the health needs of Spanish settlers. Following the war of independence, US interventionism and a series of internal problems involving segregation, corruption and urbanisation, amongst other challenges, would necessitate the creation of the MINSAP, while opening the door for increasing privatisation. These developments would contribute to growing social inequalities and health disparities that would ultimately pave the way for Castro's rise to power.

It is under Castro's leadership that healthcare would be co-opted as part of the revolutionary mindset and the formation of a new socialist Cuban identity. Crucially, Castro (and Che Guevara) instrumentalised a concern for population health and state responsibility in healthcare as political tools to heal social cleavages through the introduction of a public, universal and free system based on the promise of preventative medicine (Lamrani 2021). Through a series of legislative acts, a national health policy that dismantled the disjointed pre-revolutionary landscape and created a cohesive health ministry emerged.

Beyond the domestic sphere, healthcare was a means of positioning Cuba on the international stage through health policy alignment with the Soviet model and political alliance with the Soviet bloc (Fitz 2020; Terris 1978). When the latter dissolved, rather than weakening its stance, the Cuban response to the changing tide in international politics has been to continue its own socialist approach to healthcare. Thus, changing global dynamics and political instabilities would once again serve to catalyse developments in health policy in the country. By understanding these historical and geopolitical contexts, we gain insights into the Cuban healthcare model's inception, evolution and the enduring principles that continue to define it. The case of Cuba therefore provides fertile ground for observing how deeply intertwined the national and international policy spaces can become, particularly in the context of transnational conflicts.

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CHAPTER 10

Decolonisation, Socialism, and Development: The Fate of Land Reform in Africa

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Introduction

After World War II, land reform was perceived as the ideal welfare and development policy. Around the world, the command-like property transfer toward landless peasants and smallholders was considered a powerful tool of progress and emancipation. The promise of egalitarian liberation was so strongly entrenched in the development and social reform debates of the time that it was shared by governments, intellectuals, and development organisations on both sides of the Iron Curtain. Modern welfare was considered incompatible with maintaining long-inherited unequal property relations in the countryside. Even in the capitalist camp, the notion of large estates and landholding elites dominating political institutions was considered irreconcilable with ideas of modern progress and reform. Some

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of the most encompassing land reforms occurred in occupied Japan and South Korea, where the landholding elites were virtually eliminated by the United States (Huntington 1968, p. 386).

Despite this ideational consensus, land reform remained a fiercely contested policy terrain across the global peripheries in the Cold War decades. The "egalitarian moment", as Low (1995) called it, pushed land reform around the world from the 1950s to the 1970s, but its main triggers proved to be socialist and communist movements, organisations, and parties. The stronger these were, the more elaborate were their networks among workers *and* peasants, and the more endangered landed and conservative elites perceived the countryside. Afraid of revolutionary movements and ideas taking hold among peasants, even conservative elites eventually formulated land reform programmes to strengthen their rural support bases.

In Africa, however, such social reform ideas only became a realistic option *after* decolonisation. European imperial elites rarely, if ever, attempted to weaken powerful, conservative, large landholders where they ruled. In North and Sub-Saharan Africa, land reform entered the political agenda of the emerging national elites that were aiming for independence of their respective countries from the colonial yoke. These fused anti-colonial national liberations with (Arab- and Afro-) socialist ideas of emancipation and equality, for which tackling the socioeconomic bases of colonial rule and subjugation in the countryside was of utmost importance. Wherever national liberation and independence were achieved, land reform was hailed by more socialist-minded parties as a necessary tool in accomplishing rural equality and overcoming the power of conservative, landed elites.

Still, even among the post-independence African governments inclined toward socialist politics, there have been sizable differences in how far land reforms went and how forceful property transfer was. Regarding the generosity of land reforms, there were not only differences in how much land was transferred (scope of benefits) but also in how many peasants and rural families received that land (inclusiveness). Furthermore, there was the issue of how much state support was associated with land reforms, meaning how many peasants received how much public support concerning the necessary inputs (i.e., seeds, tools, machinery, loans, capital) to be able to work the land productively to be able to live off land and labour.

In this chapter, we trace the emergence and evolution of land reform policies in post-World War II North and Sub-Saharan African countries.

To assess how transformative land reforms were, we conduct a temporally structured comparison of land reform episodes in Tunisia, Zambia, and Mozambique after decolonisation. We specifically ask who benefitted from these reforms, how far rural property relations were equalised, what the aspirations of the land reformers were, and which challenges they faced, before the projects of redistributive land reform were given up and the "egalitarian age" was over.

We choose these cases for several reasons: First, we aim to cover the variation of socialism and socialist reform in Africa, each of these countries standing for a larger group of cases of socialist politics after independence. Tunisia represents countries where non-socialist national independence elites were effectively pushed by powerful, socialist labour movements to develop more transformative social and agricultural policies. Zambia constitutes a case of socialist reform centred on the presidential leader of the independence struggle, whose own conceptions of African socialism dominated social policy-making. Mozambique stands for Afro-Marxist political projects in which the main socialist movement took power at independence and promoted revolutionary ambitions against the landed and economic elites. Second, these countries are worthy of comparative analysis because they are usually overlooked in favour of the more paradigmatic cases of Egypt, Tanzania, and Ethiopia. Thus, we focus on the second tier of Arab and African socialisms to conceptually and empirically enrich the academic debate on land reforms in Africa.

Rural Inequalities, Decolonisation, and Socialism in Africa

World War II, the birth of the United Nations, and the emerging bipolar international system created new policy landscapes in Africa and boosted the anti-colonial movements and parties born across African colonies and protectorates in the interwar period (Getachew 2019). While Great Britain and France remained dominant actors in African and international politics for another twenty years, their political, economic, and ideological hold over African populations weakened continuously, and political independence became a realistic goal for African anti-colonial movements. This process was amplified by the unwillingness of French and British colonial elites to commit to and finance their own post-war imperial social reform agendas (Cooper 1996).

European colonial rule had stifled the emergence of social policies benefiting the rural poor. Instead, policies focused on mobilising rural and agrarian resources, their *mise en valeur*, and transforming subsistence agriculture into cash crop-oriented rural economies to fund the colonial budgets. This agrarian commercialisation produced rural inequalities that differed from those of other world regions. Modern colonial-agrarian capitalism in Africa rarely led to Latin American or Southeast Asian scenarios of land concentration and shortage (Bernstein 1992). When it did occur, it was mainly in North Africa; in sub-Saharan Africa, dispossession was predominantly driven by the influx and political empowerment of European settlers, who used their access to colonial authorities to accumulate land and exploit rural labour in ways unimaginable in contexts of overall land abundance.

In principle, European rules favoured instituting private property to promote agrarian commercialisation. Across colonial Africa, however, there were limits to the realisation of statutory land tenure. Land ownership, land tenure, and land use were bound by strong customary principles (Mamdani 1996). Under these principles, access to land and its produce reflected one's position in local social contexts, power constellations, and networks of reciprocity, which could hardly be ordered within any single legal framework. Consequently, owner–tenant–worker relations were regulated through a specific mix of customary land tenure, colonial bureaucratic interests, and local agrarian elite interests, resulting in various interpretations of communal landholding (Mamdani 1996; Peters 2009).

After independence, the new national elites confronted the challenge of regulating landownership and tenancy rights in line with new development ideas and economic policies geared towards more inclusive growth, distributive institutions, and public welfare. Across the continent, national governments instituted new land laws to express their territorial sovereignty and institute the state as the ultimate arbiter of landed property. They nationalised large swaths of land, regulated the different land properties, that is, public/state, private, and communal properties as well as land placed under religious endowments in Islamic law (*waqf/habous*), and specified criteria of land marketisation and effective land use, including land leases.

Many of these first-generation African political leaders were deeply influenced by socialist ideals of liberation. They believed that autonomy and equality could only be realised in the new world of international cooperation facilitated by the UN system (Getachew 2019). Presidents

Nkrumah (Ghana), Senghor (Senegal), Ben Bella (Algeria), Nyerere (Tanzania), Nasser (Egypt), and Lumumba (Congo), to name a few, herewith translated mass sentiments and resistance ideas into new emancipatory political and economic visions. They were troubled by social discontent and political dependency and connected their ruling ideas to the ideologies of European social democracy, Marxism, and the policies of Soviet and Chinese socialism.

A substantive challenge, however, consisted in how to appropriate and "Africanise" socialist programmatic policies and, while doing so, account for the predominantly rural character of twentieth-century African societies. Lacking the industrial proletariat and its resistance to bourgeois states, the conditions for socialism first had to be created (Klinghoffer 1968). To overcome the "backward" economic structures, tribalism, and conservatism associated with rural societies, state elites thus initiated development, social reform, and rural change from above. At the same time, they did do so at their own speed, not constrained by the need for a radical overhaul of existing elites and institutions as in the Soviet or Chinese experience (Ottaway 1978).

In their appropriation of socialist conceptions, African leaders and parties were quite free and creative. There were many expressions of socialist politics in Africa, which stood next to and competed with powerful rivalling ideologies like pan-Africanism, *négritude*, and pan-Arabism. Understandings of African and Arab socialism varied across the continent, reflecting not only the individual leaders' interpretations and translations of these concepts, but also the power of the socialist, labour, and liberation movements in the respective countries and their connectedness with international communism. Thus, socialist thought and practice were institutionalised quite differently, from the ideologically more open interpretations of *Nasserism* in Egypt, Kenneth Kaunda's *Humanism* in Zambia, Julius Nyerere's *Ujamaa* in Tanzania to the Afro-Marxist regimes in Angola, Ethiopia, Guinea-Bissau, and Mozambique in the 1970s (Sun 2019).

This mattered for the question of land reform and rural politics. Overall, the twentieth-century socialist attempts to equalise landholdings, contain private ownership of land, and transform social relations in the countryside were widely considered powerful blueprints for socialist revolutionary action. Having emerged from a radical idea in the writings of Karl Kautsky and Vladimir Lenin, experiences with forced collectivisation in the Soviet Union after 1929, the Mexican land reforms (*Ejido*), socialist agriculture in Eastern Europe after World War II, and rural communism in China demonstrated the capacity of land reform to end rural capitalism, reduce the power of landed elites, modernise agricultural production, and enable new policies of industrial development. The more violent disruptive collectivisation measures in the Soviet Union and China that ended in devastating famines and the death of millions of people were rarely evoked in the developmental discourse of the post-war era, which painted a rather idealised picture of socialist land reform.

Socialist Politics and Land Reform in Africa

How national elites approached the land question after independence was mainly a function of how powerful socialist politics was in the respective settings, how close socialism was to the policy frameworks of ruling elites, and how much pressure for more and deeper social reform was generated within the new national institutions. While pursuing their diverse understandings of land reform, socialist-inspired national elites would face serious limitations to their approaches in the unintended disruption of existing rural social relations and domestic and external backlashes to their transformative policies. How differently this played out in each individual case is presented in the following sections.

Tunisia

French colonisation left Tunisia's population highly unequal. This was a direct result of colonial economic policy, which rested on two pillars: export-oriented agriculture and the extraction of mineral resources. The privatised export strategy mainly benefited French investors, settlers, and assimilated Tunisian elites. It was supported by an economic-administrative division differentiating between communes (colonial zones hosting important settler communities) and *macheikhats* (zones predominantly inhabited by Tunisians). Communes economically benefited from a disproportionate share of investment and infrastructure development as well as a tax system diverting fiscal resources to the capital regions. Moreover, their inhabitants were represented by elected councils, which did not exist in the remaining territory. Tunisia's southern half was subject to military supervision.

Rural populations were particularly impoverished as a result of their dispossession and degradation to a cheap labour reserve. At independence, three-quarters of Tunisian peasants owned little to no land and worked as labourers on the colonial farms or tenants on large "Tunisian" estates (Karabenick 1967). Especially in the country's northern and central regions, these unequal land tenure patterns fuelled popular unrest and anti-colonial resentment. In the militarily governed south, customary systems of collective land use had been left largely intact (Ayeb 2019). Still, the emergence of geographical enclaves of economic development in the form of oasis date plantations and phosphate mines, characterised by the influx of external investments and workers, generated severe grievances. Collective experiences of dispossession, exploitation, and humiliation (*hogra*) across the country inspired socialist thought within the Tunisian independence movement, which relied on urban workers and the impoverished peasantry as its mass base.

After independence, Tunisia's sovereign government only cautiously embarked on a socialist path. President Habib Bourguiba (gov. 1956–1987) set social reform and education as political priorities, yet shied away from dogmatic solutions for economic growth in his attempts to maintain economic stability and privileged relations with France (Simmons 1970). Slow economic development, however, made him increasingly vulnerable to criticism from the socialist left and intensified pressures for developmental planning. Specifically, the lingering agricultural question and the growing influence of left-leaning pan-Arabism forced him to embrace more explicit socialist policies. The turning point was reached in 1961, when the French refused to withdraw from their military base in Bizerte, killing more than 1000 Tunisians in the conflict. Internationally, the adoption of UN Resolution 1803 on Permanent Sovereignty over Natural Resources was on the horizon, encouraging demands to return agricultural land owned by European settlers to Tunisian hands.

In 1961, Bourguiba announced a radical shift in Tunisia's development strategy. The main architect of this new strategy was Ahmed Ben Salah, who had been forced to resign as Secretary-General of the General Union of Tunisian Workers in 1956 for his socialist positions. He was co-opted into the government as Minister of Health and Social Affairs in 1957, and was then promoted to Minister of Economy, Planning and Finance in 1961. His *Perspective Décennale*, a ten-year plan adopted in 1962, stressed the central role of the state in economic development and underlined the government's new orientation through a rhetoric emphasising "socialism", "planned economies", and "cooperatives". In 1964, the congress of the ruling Neo Destour party symbolically changed its name to Destourian Socialist Party.

De facto, however, the break with the past was less decisive than Ben Salah had intended. Ideologically, "Tunisian socialism" reconciled Bourguiba's humanist-elitist political ethics with a programme for economic planning and collectivism. Its architects explicitly rejected Marxism, which they deemed applicable to industrialised, but not predominantly agrarian, societies such as Tunisia. Instead, they emphasised planning and national resources as key to building an independent economy, the liberation of Tunisians from "archaic" social values, and ending exploitative economic relations (Alexander 2016). This came with a rejection of class conflict, replaced by ideas of national unanimity and parallels to Islam (Mussen Jr. 1979). The specific framing of "Tunisian socialism" allowed Bourguiba to protect his "implicit contract" with private capital and, specifically, the land-holding elites (Ben Romdhane 1985, pp. 273–274).

Land Reform as Social Policy

Despite its internal contradictions, "Tunisian socialism" led to one of the most complex agrarian reform programmes on the continent, with permanent consequences for its rural population. The reform process can be broadly described as having three phases:

From 1958 to 1961, the still-hesitant government concentrated on landownership and management reform in irrigated zones within the boundaries of "agricultural capitalism" (Ayeb and Ray 2019, p. 103). Through this, it aimed to simultaneously satisfy the demands of the land-hungry peasantry and the intent to heighten productivity. The latter was deemed crucial to fulfilling the nutrition needs of a rapidly growing and urbanising population, generating agricultural export revenue, and increasing rural welfare. The 1958 agrarian reform law formed the basis for a cooperative agricultural movement combined with large-scale irrigation projects. It encompassed land in irrigated parameters acquired from settlers returning to Europe, expropriated *habous*, and "neglected" collective lands covering an area of approximately 500,000 hectares.

The redevelopment of the Medjerda Valley, not far from the capital city, was the first large-scale resettlement scheme of landless farmers into cooperative villages (Karabenick 1967). The law limited ownership of irrigated land to 50 hectares per person; any excess was redeveloped and split into approximately 5–10-hectare holdings (Parsons 1965). Plot size was larger for non-irrigated land (Zussman 1992). Each *coopérateur* was required to use the land to the utmost and remain part of the cooperative—otherwise, the land would be reassigned. Each parcel came with a simple but modern house. In addition, the state built elementary schools and rudimentary health facilities in these new villages. Financially, the goal was to provide each family with a minimum annual income of 250 dinars, about 600 US dollars at the time (Parsons 1965).

After 1961, the Medjerda scheme served as the basis for the cooperative programme set out in Ben Salah's ten-year plan. The plan laid out a global vision for agricultural (and other) cooperatives and enlarged settlement policies to (semi-)nomadic groups. Initially, the programme focused on the perimeters of irrigated farms acquired from Europeans and expropriated collective land. In 1964, however, the shifts in the ruling party's orientation and the tense political relations with France provided the necessary conditions for the full-fledged nationalisation of European-owned farms. In that year, in a surprise move, the Tunisian government nationalised all remaining 300,000 hectares of land still owned by European settlers. If by the end of 1963, 97 production cooperatives had existed on approximately 114,000 hectares, there were nearly 200 cooperatives by the end of 1964 (Ashford 1967). In the Medjerda valley, the state owned three-quarters of agricultural land by the end of 1964.

The expropriated farms were operated as agro-combinates—mechanised state farms run by a technical elite with salaried agricultural workers—or integrated into *unités de production agricole* (cooperatives). By 1966, the government had resettled more than 9000 peasants, equating to 25% of the anticipated population, in ten cooperative villages (Karabenick 1967). The cooperatives were, per the plan, to be only temporally administered by the state until fully redeveloped and put into the hands of their members. However, the transfer of landownership quickly moved into the background. By the mid-1960s, most of Tunisia's agricultural land was operated as state farms or remained in the hands of businessmen (Simmons 1970).

In early 1969, Ben Salah went a step further by announcing that all privately held land in the country was to be integrated into the cooperative system, following the model of the Soviet Union. Exempted were holdings over 50 hectares with high agricultural productivity, among them the estates of the large, politically influential olive growers in the Sahel region. Within nine months, the land under state control more than tripled. The system now accounted for 1762 cooperatives on 4.1 million hectares of land, putting one-third of Tunisian farmland under the cooperative model (Le Gendre 2019, pp. 251–252). The difference to the prior cooperative system is obvious: Whereas in the Medjerda model landless peasants were brought into development, the cooperative model was now brought to land-owning peasants. Legally, the land-owning cooperative members held on to their land titles upon entering the cooperative. However, they were denied individual use of their property and could not withdraw it, while being obliged to contribute to the cooperative with their labour. Their share of benefits was in turn fixed by the government, while the selling of surplus was not allowed and additional income was not foreseen (Parsons 1965; Simmons 1971).

Problems and Outlook

The state farms and cooperatives formed by the socialist government after 1964 failed in many ways. First, they did not visibly improve rural welfare. Agricultural labourers formerly on colonial farms found themselves in a similar position on state-operated farms. Cooperative members had to grow crops or raise animals as required by central planning and made little profit, if any (Ashford 1967). Second, the reforms generated new social tensions as local peasants had to share the land with "heroes" of the independence movement that the government rewarded by including them in the cooperative movement (Zussman 1992, p. 24). Third, management of state farms and cooperatives was often passed to officials from outside the region, many of whom lacked key competencies and were prone to corruption. Overall, the lack of profits generated by the cooperatives contributed to the peasants' impoverishment. This led to local acts of resistance, including robbing bakeries, planting olive trees with their roots in the air, and protesting for jobs (Simmons 1971, p. 53). In 1968–1969, peasant protests against collectivisation turned violent in Ouardanine, Msaken, and Ksar Hellal (Alexander 2016, p. 112).

The redistributive function of the agrarian reforms was further limited by the wide range of protections and exemptions for landowners and investors. Moreover, while settling landless peasants on cooperative land, the reforms also themselves created landlessness as many smallholders anticipated forced collectivisation by selling their land, livestock, and means of production. Those unable to find work in the emerging industries, however, found themselves indebted to larger landowners and were dependent on working on private or state farms for income. Mounting rural unemployment was only marginally absorbed by the *chantiers de lutte contre le sous-développement*, government-funded job creation programmes. By the late 1960s, the real income level of rural populations had declined in comparison to 1956 and the gap with urban populations had further increased. The years 1965–1969 set off a rural exodus that went contrary to the government's initial objective of stabilising the rural populations and creating a land-owning, modernised peasantry (Gachet 1987).

The inefficiencies and disincentives of collectivisation, coupled with several years of drought, further took a heavy toll on agricultural production and, by extension, the economy. Ben Salah and his allies, however, linked these failures to the fact that the programme was not big enough and had not integrated the large commercialised farms in the Sahel (Alexander 2016, p. 113). When he announced in 1969 that he would do so, it created intense opposition from the private sector and parts of the more liberally inclined ruling party. His opponents used a confidential development report by the World Bank to paint a dramatic picture of the effects of collectivisation (Poncet 1976). This gave President Bourguiba the occasion to sack Ben Salah and realign the government and ruling party with a more mixed-economy course. In October 1969, the government announced that all private holdings could be withdrawn from the cooperatives. Within two months, the percentage of the land held by the state dropped to 13% (Simmons 1971). By March 1970, Ben Salah, his *chef de cabinet*, the Director of the National Union Cooperatives, and others had been placed under arrest for crimes against the state and tried for high treason.

Following the failure of the cooperative programme, the government largely left the rural poor to their fate (Ayeb 2019). It liberalised the land market and shifted towards policies privileging large and capital-intensive farming. By the late 1970s, as few as 3% of the farms constituted 50% of all cultivated land, this percentage being almost evenly made up of state-owned farms and large private farms. Today, the most productive farming areas of the country are also those with the highest levels of unemployment and impoverishment, namely the Northern governorates of Béjà and Le Kef, as well as the agriculturally dominated central governorates of Kasserine and Kairouan (INS 2020).

Zambia

The initial conditions in Zambia at the dawn of independence in 1964 were not favourable for broad-based livelihood security. The British colonial government had purposefully underdeveloped the rural areas to force people into the urban centres to work in the copper mines and on white-owned commercial farms. This dynamic created a significant disparity between the so-called Line of Rail area in the country's centre and the remaining "hinterlands" which would last into the twenty-first century (Wolkenhauer 2022).

One of the dimensions of the stark centre–periphery disconnect was a dual system for land administration, which had been introduced in 1928 through the Northern Rhodesia (Crown Lands and Native Reserves) Order in Council (Bruce and Dorner 1982). The British had given the best land, located along the Line of Rail, to white settlers, for which they removed African communities, resettling them in so-called reserves further away from the centre. The settlers' land was not only far better connected to existing infrastructure—markets, roads, the railway, and services—but also characterised by better soils. It was vested in the British queen and hence termed "Crown Land".

Over time, as the so-called native reserves quickly became overcrowded and it became clear that the British settlement would be smaller than anticipated, new portions of land were transformed into reserves, and a third category of land, trust land, was created in 1947. Though intended for the native population, in contrast to reserves, trust land could be leased to non-natives if beneficial to the community (Baldarelli 2018, p. 96). Both reserve and trust land were administered under customary administration. This meant that chiefs, the traditional authorities in Zambia—who were bestowed with additional powers by colonial rulers, who relied on them for executing their policies in the outskirts (Honig 2022, Chapter 4)—were the key decision-makers when it came to the allocation of customary land. This formed the basis for a bifurcated system of State Land and Customary Land, the former being regulated by the state and the latter remaining under the traditional authorities' jurisdiction.

When Kenneth Kaunda became Zambia's first president in 1964, rural development, and thereby a more just distribution of income-earning opportunities throughout the territory, was one of his priorities. The ideology that he developed, which he termed *Humanism*, combined elements of socialism with what he considered African traditional societal values. More specifically, Kaunda held that "the traditional community was a mutual aid society. It was organised to satisfy the basic human needs of all its members and, therefore, individualism was discouraged. Most resources, such as land, might be communally owned and administered by chiefs and village headmen for the benefit of everyone" (Kaunda 1968, p. 5).

These values, he said, should inform the "new Africa" too (Kaunda 1968, p. 9). Molteno (1973, pp. 546–547) observed that Zambian Humanism resembled social democracy more than "scientific socialism", and more generally that the reading of what Humanism genuinely was differed at the time: some viewed it as a preservation of African traditional cultures, some as reformed capitalism, others as a form of socialism. It is fair to say that it combined elements of all three. Humanism subsequently informed the development plans devised by the United National Independence Party (UNIP) and shaped Kaunda's developmental approach to rural areas, which revolved around the aim to spread the sources of income more widely across the inherited urban–rural disconnect.

Land Reform as Social Policy

The dual land administration inherited from the colonial period continued after 1964 (Crown Land was now called "State Land" and vested in the Zambian President), but significant changes were made in the following years, especially with the introduction of the new Land (Conversion of Titles) Act in 1975. While the colonial system had until 1944 allowed private individuals to obtain land under freehold conditions, the later colonial authorities only gave out leases. UNIP's 1975 Land Act converted all existing freeholds into leaseholds (under lease for 100 years), and from then on allowed only leaseholds of State Land, thereby ending private freehold ownership. A 1985 Amendment to the Land (Conversion of Titles) Act moreover determined in Section 13A that "No land in Zambia shall, as from the 1st April, 1985, be granted, alienated, transferred or leased to a non-Zambian".

The fact that all State Land was now registered as leaseholds while the land was vested in the president ensured strong state control over land allocations and use. Land transactions, for example, required written consent from the president, according to Section 13.1 of the 1975 Act (Kaunda 1987, p. 64). The idea of the socialist/Humanist state system was that UNIP and President Kaunda were acting on behalf of the Zambian people and for the wider societal good, making decisions in their name. For Kaunda, state control over land was closely connected to the redistribution of wealth, for which "land must belong to the State" (Kaunda 1968, p. 73). Quick (1977, p. 396) termed Kaunda's approach a "micro-socialist strategy", in which the means of production were supposed to be held by the communities themselves (in contrast to other countries' macro-socialist approaches emphasising centrally managed state farms).

Moreover, with the 1975 Land Act, the leasehold of land became conditional on its productive use. This provision was supposed to prevent the speculation with land to accumulate private wealth without doing anything to contribute to productive output (Mulimbwa 1998). This was connected to the productivist character of the Humanist developmental ideology: Labour was the most valued input since it was directly derived from the people's efforts. In contrast, the land itself—including its relative usefulness depending on soil conditions, and so on—was not seen to be something that could be possessed since it was provided by nature (and/or improved by the state) and therefore belonged to all people (Bruce and Dorner 1982, p. 20). The Third National Development Plan of 1979 read as follows:

> […] all freehold titles to land were abolished, and it was decided that all vacant and undeveloped lands in urban areas were to revert to the State. The main purpose of these measures was to curb land speculation, control and direct land use in conformity with the economic and social requirements of a humanistic society, and carry forward the economic revolution towards greater self-reliance and social justice. (National Commission for Development Planning 1979, p. 18)

The 1960 Agricultural Lands Act had established a Land Board for administering land allocations; the majority of its members were at the time representatives of the white commercial farming community. The independent Zambian government maintained the Board and ensured equal representation of all nine provinces, but the bias towards larger farmers remained in place. Especially the Commercial Farmers Bureau—the direct heir to the colonial settler farmers' union—kept its influence, and the Board would in the following years often get into conflict with the Minister of Lands (who frequently interfered in the decisions made by the Board), showing that there was a latent divergence of interest between the (large-scale) farmers and the state. In 1970, the President announced new restrictions on the size and amount of agricultural land that could be obtained by one individual (Mulimbwa 1998, 88). Section 18 of the Agricultural Lands Act had already foreseen that land should be preferentially assigned to those who did not yet own land. But this provision was weak since it only applied to rare cases of two competing applicants "of equal standing", leaving much flexibility to the Board. Thus, in the early 1970s, the Minister began to frequently intervene in the Board's decisions to realise the aim of limiting the amount of land assigned to one individual (Mulimbwa 1987, pp. 53–54).

The aim to share the available land widely was motivated by the scarcity of employment opportunities for the country's growing population. In this context, smallholder agriculture became a promising alternative source of livelihood security (Mulimbwa 1998). The Third National Development Plan explained:

> Given the fact that vast land and water resources are still unutilised, the entire surplus and underemployed labour force can be employed gainfully in agriculture and in occupations supporting agriculture. The problem, therefore, is how to contain the people in rural areas and induce them to take to agriculture and other related activities as their permanent occupation. (National Commission for Development Planning 1979, p. 57)

Land distribution was thus directly connected to—one might say, laid the basis for—wider development efforts in that it was intended to ensure access to income-earning opportunities for everyone. It was thus also accompanied by further support and infrastructure for smallholders, in combination clearly fulfilling social policy functions in rural areas. Two institutions in particular were important. First, the National Agricultural Marketing Board (NAMBoard) was founded in 1969 to provide a market for small farmers. It purchased grain every season, which it stored in state-managed silos for periods of food shortage, but also functioned to ensure that farmers had a stable taker for their produce, especially in areas where market access was insufficient. NAMBoard moreover supplied loans and subsidised seed and fertiliser that farmers could later pay for in-kind, that is, through parts of their yield.

The other was the Zambian Cooperative Federation (ZCF), a multi-tier structure organised by the state that oversaw and supported the primary farming cooperatives at the village level, which were strongly promoted by Kaunda himself. The cooperatives were believed to embody the values of Humanism as the means of production were collectively owned and the fruits of labour likewise shared. The cooperatives thereby symbolised what Kaunda regarded as African traditions with a socialist economy. The ZCF moreover acted as one pillar of the one-party democracy: through its structures that reached down to the village level, farmers could communicate their concerns upwards to the centre, all the way to the Central Committee of the party (Scott 1995).

Problems and Outlook

The realisation of Kaunda's vision to redistribute land as a basis for broad-based rural development was hampered by a lack of implementation and monitoring capacity and stood in the way of increasing agricultural yields. The Land Board, first of all, did not always have clear guidance on how to put criteria into effect, such as the rule that someone must demonstrate "agricultural skills". It was further tasked with monitoring the productive use of land through the Office of the Commissioner of Land, but the Commissioner lacked transport and the number of his provincial offices was low (Mulimbwa 1987). Penalising the sale of land was equally unenforceable (Mulimbwa 1998).

As for food production, the departure of many white farmers around the end of colonial rule (beginning in the early 1960s and continuing after independence) left many commercial farms empty. Zambian farmers who could take them over and run them effectively were few in the mid-1960s, which is why the state took over the management of many large farms. By 1981, around one-third of the land was directly managed by the state, which incurred high costs. Moreover, where African farmers had taken over large holdings, they sometimes shifted to activities that were financially easier to manage, such as replacing crops with cattle (Bruce and Dorner 1982).

During the 1970s, many of the larger farms were abandoned. Kaunda's intention to promote production by the masses—such as through cooperatives, which embodied his Humanist egalitarian ideology—thus stood in some conflict with an economically efficient mass production of food, and UNIP's approach therefore shifted over the course of the 1970s towards supporting larger and more capital-intense farms (Bowman 2011; Mulimbwa 1987). Zambian socialist-inspired land reform continued to lose steam, and after years of crisis and structural adjustment, as well as the collapse of the cooperative movement in 1991, the 1975 Land Act was eventually replaced by a new act in 1995 that liberalised the land market, making it easier for foreign investors to access land and for customary land to be converted to state land.

Mozambique

The success of the Mozambican liberation struggle (1964–1975) is often credited to the peasantry, who opposed the forced cultivation imposed by the Portuguese and the privileges conferred to the white settlers. Being a country tied to the global and regional economies through commodity and rural labour exports, the matter of rural development and parallel land distribution was seen not only as a responsibility towards those who had supported the liberation struggle but also as a priority for national development for the new regime that came into power in 1975.

Prior to independence, the colonial regime limited access to (fertile, irrigated, well-connected) land, agricultural inputs, credit, transport, marketing facilities, and access to labour for black people so they could not make an independent living from agriculture (Bowen 2000, p. 3). By confiscating the "good land" and allocating the indigenous Mozambican population only less fertile and smaller plots, the Portuguese forced them to diversify their livelihoods by dividing their households, with (usually) the women, children, the sick, and the elderly engaging in subsistence farming while the able-bodied men migrated to other regions in search of alternative means of income, generally in mining or on settler farms (Bowen 2000, p. 4; O'Laughlin 1995, p. 100).

At the same time, it was in the interest of the colonial administration to maintain family agricultural production, as this allowed for a minimum standard of living and reproduction of the labour force. In southern Mozambique, the Portuguese worked closely with traditional authorities to regulate peasant access to land and labour recruitment (O'Laughlin 1995, p. 99). Land in the centre and northern region was controlled and exploited by the large companies—Companhia de Moçambique, Companhia do Niassa, and Companhia da Zambézia—which relied on forced labour to produce export commodities such as cotton, sugar, maize, and tobacco (Bussotti 2020, p. 41). Access to land and community ties was thus the sole guarantor of a family's minimum well-being. For most of the population, and for most of the time of the Portuguese occupation, this was the only form of social policy the colonial state allowed.

Frelimo—the Mozambican Liberation Front—emerged as an umbrella organisation of different groups from the different regions of the colony, coming together to fight for independence from Portugal. It received massive support in the countryside, as poor peasants were extremely dissatisfied with the colonial forced labour regime while the middle peasantry was frustrated at their inability to accumulate wealth. Both groups actively supported Frelimo in hopes of obtaining not only their confiscated land back but also better access to markets for their agricultural production (Bowen 2000, p. 3). Peasant support was fundamental for the Front's success in the liberation struggle as they provided material support for the fighters.

At independence, Frelimo inherited a territory with no unified identity. The leaders of Frelimo came from the urban elites of the south of the country, with little relation to the lives of the peasants or urban artisans, and ethnically distant from the main groups of the country. Therefore, to govern, Frelimo needed to build a nation. This, in turn, needed to start with the construction of the "new man" of Mozambique: they would speak Portuguese to overcome linguistic barriers and disparate ethnic identities, modernity requiring the replacement of traditional structures (Cahen 1993, p. 48).

According to Cahen (1993, p. 49), this influenced immensely the decision to adopt a specific kind of Marxism, to establish a nation based on universalising principles. In 1977, two years after independence, Frelimo officially declared itself a vanguard Marxist-Leninist party as well as the allegiance between the worker and the peasant, whose common objective is to destroy capitalism (Frelimo 1977). Frelimo's enemy was no longer the coloniser but the Mozambican who had adopted the ways of the coloniser, represented especially in the middle peasantry (Maloa 2011, p. 89). The peasantry was considered to be a reactionary class with individualistic tendencies, resistant to structural changes, to collective ownership of land and of modes of production, and to modernisation. This made them difficult to integrate, in Frelimo's view, into the collectivist socialist project (Mosca 2014, p. 6). Thus, the peasant way of life had to be transformed.

Land Reform as Social Policy

Mozambique's independence in 1975 deeply affected the peasant economy, as the Portuguese administration and settlers abandoned the country en masse. The complete control of the rural economy meant that the exodus of the settlers removed the peasantry's main source of jobs, access to factors of production of consumer goods, and means for marketing agricultural production. Alongside Portuguese emigration, access to migrant labour opportunities in South Africa was practically closed. This impoverished many rural households, especially in southern Mozambique, where dependence on migration was strong. The result was a crisis of material reproduction, drastically reduced productive capacity, and neglect and decline of irrigation infrastructure (Roesch 1988, p. 75).

Now in power, Frelimo recognised the importance of agriculture and prioritised it as *the* means to achieve economic development and modernisation. To this end, it sought to transform the peasants into wage labourers, following the Marxist-Leninist examples of Soviet state farms (Mosca

2014, p. 6). Thus, land that had belonged to European settlers, companies, and even black mid-sized farms was confiscated once more and nationalised. These lands were mostly allocated to state farms and, to a lesser extent, cooperatives under Frelimo's leadership (O'Laughlin 1995, p. 101). The state directed 90% of agricultural investments to state farms, expecting that modernising the means of production with machinery and producing economies of scale would lead to rapid economic growth (Bussotti 2020, p. 43).

Frelimo's goal was the elimination of the peasantry with their graduation to exclusively wage work, to educate them into becoming the "new man", leaving behind their "traditional" ways in order to complete its socialist transition and nation-building project. To achieve this, the entire rural population was expected to move to communal villages closer to the state farms to work there. This also facilitated providing education, health, and water and sanitation services to the communities, many of which had never had access to such services before. The transformation of land relations was deemed necessary for the provision of social policies (Bowen 2000, p. 47).

To the peasantry, however, the new socialist regime did not seem very different from the colonial authorities, as their policies were difficult to differentiate. Despite the benefits of access to services, both state farms and "villagisation" proved unsuccessful. By 1981, only approximately 15% of the population had moved into communal villages (Roesch 1988, p. 76). Despite increased mechanisation, state farms were completely dependent on peasant labour, providing to the majority of people only seasonal work. The peak of need was during harvest, which collided with the peasants' own work schedules (Saad Filho 1997, p. 202). Nonetheless, by 1982, some social benefits of the villagisation policy could be reaped. More than 60% of the 1360 communal villages had water supply systems and schools, and more than 30% had health posts (Bowen 2000, p. 47).

Problems and Outlook

The state farms proved to be money pits, always running on deficits. Barker (1985, p. 69) attributes this to a lack of technical and administrative skills and experience, infrastructure, and agricultural inputs such as fertilisers and seeds. The civil war that started in 1977 greatly dimmed any growth prospects, as the insurgents grouped under Renamo—the Mozambican National Resistance—constantly attacked the population and key infrastructure and production networks, aggravating Frelimo's policy mishaps. Between 1981 and 1983, Renamo was responsible for the destruction of 140 villages, 840 schools, 200 health posts, and 900 rural shops, as well as thousands of deaths throughout the territory, precipitating a food crisis by 1986 (Bowen 2000, p. 58; Roesch 1988, p. 78).

In this already crippling scenario, peasants had little incentive to produce more (or even to work in the state farms at all) for a party that had abandoned them (Bowen 2000, p. 2; O'Laughlin 1995, p. 101). The situation became even more difficult when the Soviet bloc refused to provide financial aid to Mozambique. By 1983, it became clear to the government that it had to change its strategy for rural and national development. Bankrupt, Mozambique turned to the International Monetary Fund (IMF) for economic relief and to revise its approach to the peasantry (Bowen 2000, p. 53).

Prior to 1983, the state responded with more repressive measures, such as forced cropping and villagisation, which alienated the peasantry. Then, in an about-face, the state began distributing land to peasants and switched to promoting family agriculture for economic development, especially where the civil war was most intense (Mosca 2014, p. 8; Saad Filho 1997). According to Roesch (1988, p. 79), there exist no reliable figures on land redistribution during this period, but he estimates that in the Lower Limpopo region in southern Mozambique the state farm sector went from controlling more than 26,000 hectares of land to only about 2500 hectares, distributed between private and family producers.

This redistribution did not result in ownership, as all land still belonged to the state. It did, however, involve the redistribution of the means of production: small farmers received tools, and mid-sized farms with greater production capacity and know-how received tractors, pumps, and trucks (Roesch 1988, p. 80). This resulted in increased differentiation within the peasantry. This new alliance with (some parts of) the peasantry was nonetheless short-lived. Bankrupt and out of options, the state began implementing structural adjustments in 1987 in order to receive economic assistance from the IMF. This marked the Mozambican transition from a socialist to a capitalist state, a further decline in the quality of life of the peasantry, and the introduction of new layers of difficulties for peasants to access lands.

Ultimately, the Frelimo regime did not fundamentally change the alienation of the peasantry from their land initiated by the Portuguese. In practice, many of its rural development policies, such as the concentration of production and investments on state farms, the eventual use of forced labour for agricultural production, and the lack of inputs and market access strategies for family farms were a continuation of old colonial practices. This, alongside the brutality of the civil war, which continuously destroyed critical infrastructure along with any chance of economic development, contributed to mass starvation in the countryside (Bowen 2000, p. 57; O'Laughlin 1995, p. 103). The well-being of the peasantry was now as before very much reliant on their ability to cultivate the land on a subsistence level, as this was the only certainty they had under the circumstances.

The misgivings about the peasantry, based on the Soviet example, constructed a socialist state that sought to "eliminate" this class through villagisation and modernisation processes. Frelimo only recognised the limitations of its rural development strategy *after* extensive complaints by farmers and their eventual shift of support towards Renamo. This was especially true in the central and northern regions, where Frelimo lost the most support (Bowen 2000, p. 59). Redistribution of land was only considered when the existence of the state was threatened by the civil war, economic crisis, and the prospect of losing legitimacy at the support base which had brought Frelimo to power (and kept it there) in the first place.

By the time Frelimo recognised the need to shift its policies and started the dismantling of state farms and redistributing land, it was given a financial lifeline by the IMF. To save itself, Frelimo sacrificed socialism (Bowen 2000, p. 10), and with it the peasantry, whose access to land was bypassed by the privatisation processes that came with the structural adjustments. Very little has changed since for the Mozambican peasantry. Access to land as a means for subsistence is still the main form of social policy the larger part of the rural population has access to.

Contextualising Land Reforms in Africa

In comparative perspective, the cases reveal the following findings: First, land redistribution proved much more complicated than planned. To render land available for redistribution required its appropriation from others. This mainly occurred in settler contexts, such as in Tunisia and Mozambique. Furthermore, determining the amount of land and other benefits to be delivered to small-scale peasants and the inclusiveness of these approaches was far from obvious. In Tunisia and Zambia, cooperative systems were supposed to provide access to inputs for all members on an equal basis, but this equality principle was factually unenforceable as local elites also operated through the cooperative schemes. All three countries displayed serious weaknesses in collectivising farming, whether through state farms or villagisation schemes.

Second, and in contrast to the socialist bloc from Eastern Europe to East Asia, land reform in these countries occurred without socialist politics being firmly anchored in the countries' institutions. In the former, elites reacted with further collectivisation and severe punishment of local opposition whenever they identified problems of peasant indiscipline to bring them in line with their plans. In African contexts, the challenges encountered by socialist elites in the countryside offered few opportunities for such deepening, rather leading them to realise the limits of collectivisation and villagisation. Only the Ben Salah faction in Tunisia reacted with a more radical version of collectivisation in response to peasant resistance to their plans in 1969 (to no avail). The reality of land reform in African settings was one of limited time and power resources. There was only a brief window of opportunity that allowed for *one* big push to reorganise land policies.

Third, the social and redistributive dimension of land reform was overshadowed by its developmental aspirations. Fighting rural inequalities through land reform turned out to be much more complicated than anticipated. Among other factors, this has to do with the fact that land reform is a rather functional social policy type. As such, it is not just about giving (back) land to the tillers; it is also part of wider ambitions of agrarian reform, income redistribution in the agricultural sector, and rural development, particularly the creation of social infrastructures in health and education. The double aim of equalising profit opportunities for peasants (through cooperatives, price policies, marketing boards, input provision, tenancy regulations, and rent control) and increasing agricultural production proved to be a self-contradictory endeavour. The more the agricultural sector was mobilised to finance industrial development and public welfare delivery in the cities, the less credible became the rural welfare promises of socialist elites.

Fourth, it is tricky to establish the generosity of land reforms in this complex policy terrain where progressive aspirations of improving rural living conditions ultimately coexisted with aggressive strategies of coercion and surveillance. Forcing peasant families into cooperatives and collective farming schemes and relocating them to new villages to equalise rural livelihoods was a very intrusive and potentially violent measure that was not necessarily well regarded by small-scale farmers. The more disruptive land reform is, the more it is perceived as illegitimate among rural populations, who may experience it as just another form of injustice in a long history of despotism (Mamdani 1996). The goal to turn peasants into wage workers in state and, in particular, collective farms is hardly considered public welfare by those concerned and directly opposes the moral economy of peasant families.

Fifth, a genuine transformation of the agricultural sectors would have required much greater state capacities than the governments had in these rural settings. This is particularly visible in their inability to set realistic production goals, discipline peasants through collective farming schemes, supervise revenue and taxation, treat members of rural communities equally irrespective of their local power status, and, finally, sufficiently invest in irrigation, machinery, and support facilities. Ultimately, this hindered the realisation of the ambitious reform goals. It has been argued that land reform itself is functional for state building and increasing these capacities (Borras Jr. et al. 2007) and, indeed, the postcolonial state did become a more relevant and capable actor in rural development following these reforms. However, the more states took control of rural economies, land regulations, commodity prices, and market shares, the fewer state elites felt committed to the initial promise of returning land to the peasants. Ironically, only when Frelimo's rule was threatened by Renamo opposition in the peripheries did the socialist government consider its original promise.

In sum, socialist land reform was quickly overburdened with expectations that its proponents were not capable of fulfilling. Socialist-inspired elites did not have sufficient time and authority to deepen the reorganisation of land and agriculture, as they originally intended. And they were not able to solve the contradiction that a more generously conceived redistribution of land, income, and life chances would only have been feasible with more violence and despotism.

Conclusion

What remains of the "egalitarian moment" in Africa? It would be easy to conclude that land reform policies were mainly failures and were never able to deliver on what their proponents had promised, that is, rural welfare and equality. This reading would also nicely fit in with arguments that these perceived failures ultimately cleared the path for the liberalisation of agricultural and land policies, presented as liberating peasants from the hold of despotic and distant state elites. However, to be fair to the advocates of land reform at the time, rural inequalities have increased across Africa since the 1980s despite the liberal aspirations to generate more revenue for rural populations. African land reforms at least managed to slow down the ongoing commodification and accumulation of land after independence. If socialist rural reforms turned out to be more complex than originally anticipated, then the same applies to contemporary rural development and welfare goals, which are similarly out of reach for many peasant families in African countries and which to this day keep the promise of more egalitarian land distribution on the agenda of agrarian reformists.

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CHAPTER 11

Socialist Systems, Global Cultural Spheres and Female Participation in Education

Michael Windzio, Fabian Besche-Truthe, and Helen Seitzer

Introduction

The implementation of socialist political and economic systems as well as post-socialist transformation after 1990 posed serious challenges for institutions and culture in transforming countries. In this chapter, we analyse the effect of these transformations on inclusion in secondary education, with a special focus on girls and women.

Many countries in the Global South gained independence from colonial rule during the height of ideological competition between socialism and capitalism after World War II. These emerging nation states, thus, were confronted with a decision on alignment with either of these sides.

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As a result, socialist political and economic systems became widespread worldwide and across different cultural spheres. In many cases, socialist governments aimed at including (more) women in the labour force and, therefore, provided opportunities for girls and women to pursue higher levels of education. However, socialist systems were not successful in this regard in all cases. Increasing female participation in education turned out to be particularly difficult where local cultures and traditions were not in line with egalitarian gender roles and female inclusion in education and the workforce. Cultural foundations also covaried with the dominant structure of economic production, that is, a dominant agricultural, industrial or service sector. In addition, socialism created a different mindset regarding the necessity of advancements in science and technical fields, which included women in these fields—a change not all countries ascribed to. Accordingly, we formulate two stylised hypotheses: the *socialist transformation hypothesis*, in which we would expect that the top-down political and social transformation into socialist regimes decreased the gender gap in educational participation. In contrast, according to the *cultural persistence hypothesis*, we would expect that the socialist transformation did *not* permanently decrease the educational gender gap because of cultural inertia effects in most countries. Cultural inertia means that the long-term historical evolution of deeply rooted cultural patterns is rather resistant to top-down-imposed institutional changes.

In our study, we analyse *trends in female inclusion in secondary education* in a large set of (post-)socialist countries in a regression discontinuity design (RDD) as well as include non-socialist countries as contrasting cases in multilevel analyses. We test under which conditions the implementation of socialism actually increased the participation of women in secondary education and, at the same time, whether the post-socialist transformation after 1990 decelerated or even reversed the trend towards women's inclusion in (secondary) education. In the second step, we aggregate individual indicators of values and culture related to secularisation and emancipation to the country-year level and apply latent class analysis (LCA) to assign each country-year to a respective cultural sphere. We investigate how these cultural spheres, as well as a country's status as a socialist country, moderate the effect of female participation in secondary education. We also test how cultural spheres and socialism moderate the risk of achieving only lower education for women while controlling for indicators of economic development and individual-level characteristics. In short, we seek to answer the following research questions (RQs):

1. a) Does socialism increase gender parity in secondary education?
   b) Does a post-socialist transformation decelerate or reverse the closing of the gender gap in secondary education?
2. Does culture affect the risk of receiving only a low education for female respondents?
3. Do culture and socialism moderate the risk of female respondents' attainment of lower education?
4. While controlling for economic development and other individual-level characteristics, do culture and socialism still impact women's probability of receiving lower education?

Although we use dependent variables at different levels (macro and micro), in both cases, we assess women's participation, or inclusion, in secondary education. The first set of analyses compares the proportion of women and men participating in secondary education. The second set of analyses examines the risk of only receiving lower education—either not completing or only completing elementary education—that is, not participating in secondary education.

Theory and Research: Culture, Socialism and the Global Gender Gap in Education

Socialism as a political ideology originated during the early industrial revolution of the eighteenth century. Most of the population suffered from poverty and exploitation. Different variants of socialist ideas aimed at improving people's life conditions. Frederik Engels explicitly distinguished between *utopian* and *scientific* socialism (Engels 1892). Although he acknowledged the intellectual roots of modern socialism in eighteenth-century utopian concepts, *scientific* socialism dialectically analyses class antagonism as well as modes of capitalist economic production leading to crisis and deconstructs religious ideologies from a historical-materialistic point of view. Whereas the utopians developed concepts of a better and more just society, scientific socialism claims to have revealed the "laws of motion" in economy and society that lead, in the long run, automatically to the socialist revolution. From this perspective, educating as many people as possible about Marxism and scientific socialism is an important task of public educational institutions. Indeed, most socialist countries have adapted their education system to the political project of socialism (Brown

1957). Organised in powerful trade unions, labour movements should transform the "class in itself" into the "class for itself" under the guidance of socialist parties. Therefore, education systems are also crucial in generating class consciousness (Weymann 2014).

The Russian Revolution in 1917 inspired worldwide socialist movements (Chase-Dunn and Lerro 2014, pp. 320–321). According to Karl Marx's economic analyses, socialist revolutions require an appropriate level of capitalist development, concentration of capital and labour organisation—conditions mostly met in economically developed countries (Lockwood 1992, p. 184). Nevertheless, after most colonies became independent in the post-World War II period, many of them came under the influence of the Soviet Union as the leading socialist hegemon (Chase-Dunn and Lerro 2014, p. 333).

Education in Soviet socialism served the interest of the collective rather than the individual. Practical education and working for society were considered a source of happiness (Chankseliani and Silova 2018, p. 10). The demand for labour was high in the Soviet Union (Brown 1957), and the state was fully responsible for the quality of education and its appropriateness to meet the requirements of a socialist society and economy. As a consequence of the need for qualified workers, socialist countries in Central and Eastern Europe (CEE) had the highest female labour force participation in the world (Avlijaš 2020). It is an open question, however, whether a country's exposure to socialist policies (a) increased overall levels of education and (b) whether socialism *sustainably* decreased the gender gap in education.

In CEE, states were interested in women's labour force participation. In the 1970s, wages were too low for a household to rely on a single income which drove women to work (Brzozowska 2015, p. 691). Finishing education, marrying and having children but staying in the labour force were common social expectations for women in these countries. Most female career opportunities were compatible with family life. Nevertheless, as in Western European countries, fertility has declined since the 1960s (Brzozowska 2015, p. 714). For a sample of 24 Western capitalist and 8 European state socialist countries, Nuss (1980) showed that during the 1970s, women's inclusion in education and labour markets was significantly more advanced in socialist countries. The case of Germany presents a "natural experiment": Lippmann and Senik (2018, p. 885) show that girls' underperformance in mathematics was still common in West Germany in the early 2000s, but this gap was significantly reduced in East

Germany. The reduction in the gender gap in mathematics literacy holds for a larger set of socialist and non-socialist European countries. In socialist countries, "normative pressure changed the conception of gender roles and identity in many dimensions, including girls' school curricula and performance" (Lippmann and Senik 2018, p. 886).

In the global socialist and social democratic labour movement, issues of global inequality were increasingly discussed after 1945. Women in the Global South should contribute to "catch-up" economic development as paid workers. Education and training were considered crucial, even though the early socialist concept of the woman as a "worker and mother" was still influential (Schwartz 1979; Zimmermann 2022, pp. 660–661). Feminists in the Global South were thus eager to develop their own concepts of socialism and feminism because some socialist parties, for instance, the African National Congress in South Africa, mainly focused on issues such as male prisoners instead of women's experiences (Donert 2022, p. 19). However, women in the Global South still disproportionately engage in agriculture and informal work today (Desai et al. 2022, p. 512), which generally raises the question of whether socialist ideas developed in industrialised countries match the conditions in the Global South

The socialist states' requirement of skilled labour and the need to qualify and include women in the workforce does not necessarily imply that socialism sustainably changed gender inequality and gender roles within the family. Despite political authoritarianism in most socialist countries, families often remain the main actors in the intergenerational transmission of culture, particularly in countries in the Global South where the agrarian sector and the need for unskilled labour are still strong. The early Soviet regime tried to counterbalance the influence of families' traditional culture. For instance, the concept of the "new Soviet man" was propagated in kindergarten picture books (Saddington 2019). This example illustrates how socialist regimes had to struggle with cultural inertia and the outstanding role of the family. Indeed, as various empirical studies show, culture seems to be of crucial importance for women's demand for education (Feldmann 2020; Inglehart and Norris 2003), even though the overall pattern is quite complex.

Since socialist transformation was in most cases imposed in a top-down manner, usually by authoritarian governments, it is yet an open question how sustainable the educational outcomes of this transformation were. This question is particularly important regarding gender parity in access to education since different cultural spheres (Martens and Windzio 2022) can considerably differ with respect to issues of gender equality (Inglehart and Norris 2003). In contrast to the top-down imposed institutional transformation towards socialism, cultural differences evolved over long historical periods and often became deeply rooted in people's values, norms and taken-for-granted knowledge (Henrich 2016; Inglehart 2018; Richerson and Boyd 2005). From this perspective, culture might be an important determinant of the gender gap in education and might also moderate the impact of socialism on educational gender inequality.

Feminist researchers argue that values and culture matter for female education. From a qualitative case study in Brazil, they concluded that the education of girls and women even benefited more from democratisation than did men's education. Accordingly, school and education provide opportunities for girls to escape from desperate situations at home (Carvalho and Senkevics 2017). However, some authors criticise the expansion of female education as a neoliberal project, which in the end would even aggravate women's disadvantage (Boyd 2016). A qualitative study in Pakistan showed that traditional gender role orientations favour boys' over girls' education (Chaudhary and Dutt 2022), even though the issue of female education is contested in this country (Durrani and Halai 2020). A macroquantitative perspective corroborates this result by showing that Muslims worldwide tend to agree more often with the statement, "A university education is more important for a boy than for a girl" than non-Muslims (Fish 2011, p. 183). Given this result, cultural traditions might also matter for the impact of socialism on the educational gender gap.

Heath and Jayachandran (2018) argue that there is a feedback loop between increasing female education and increasing female participation in labour markets. In most regions of the world, indeed, the gender gap in education has decreased during recent decades, particularly with respect to primary education. In many societies, the gender gap in education is currently nonexistent or has even turned to the advantage of girls (Ullah and Ullan 2019). In some regions, however, female disadvantage regarding higher educational levels is still considerably high (Evans 2022a; Psaki et al. 2022).

According to what we know from empirical studies, female education primarily decreases the risk of child mortality and improves vaccination rates, children's physical and mental development, and, to some degree, economic growth. The direct effects on labour market participation, in contrast, are comparatively low (Evans 2022b). When evaluating the impact of increasing women's education on women's autonomy and social development, it is also important to consider the heterogeneity of countries in terms of cultural, economic and social structural conditions (Urbina 2022). For instance, country-specific historical traditions and economic path dependencies of post-socialist countries also affect gender differences in participation in tertiary education (Magno and Silova 2008).

Macroquantitative, international comparative analyses have revealed that culture and religion are more important for explaining differences in education than are democratic or authoritarian regimes (Cooray and Potrafke 2011). A recent study based on data from the World Values Survey (WVS) revealed that religious and cultural differences are central explanations of how important education is considered, as well as why some people regard university education as more important for boys than for girls (Feldmann 2020). Similarly, economic studies underscore that gender-related cultural factors are crucial for explaining gender differences in education (Jayachandran 2015; Klasen 2017), which also affects women's opportunities and benefits for self-employment (Ojediran and Anderson 2020). In a similar vein, different post-socialist growth models moderate development in female labour force participation (Avlijaš 2020), which might also affect girls' and women's decisions on educational investments.

According to Donert (2022, p. 8), at a global scale, the "gendered consequences of postsocialism" included a "loss of social rights and material security, and substantial challenges to reproductive freedoms". The "unregulated capitalism" since the post-socialist transformation harmed women disproportionately, particularly with respect to well-being and even sexuality (Ghodsee 2018). We assume that how women experienced (post-)socialism is moderated by cultural spheres. In line with this discussion, we set up two competing hypotheses: the underlying argument of the *socialist transformation hypothesis* is that the high demand for qualified labour also requires educating girls and women. Moreover, since the attempt at creating a "new socialist person" took place in schools rather than in families, socialist states were strongly interested in maximising the inclusion of both boys and girls in the education system for ideological reasons. Consequently, we might expect a comparatively greater inclusion in secondary education in former socialist countries and, in particular, a lower disadvantage for girls and women. In contrast, the *cultural persistence hypothesis* points to the underlying inertia of culture: Even though socialist states also implemented policies to increase the educational participation of girls and women, the effects of these policies were limited due to culturally rooted practices. In addition to the requirements of the mode of economic production (e.g., low industrialisation and high importance of agriculture), different "cultural spheres" around the globe sometimes do not align with the Western model of socialism, gender equality and female participation in the agricultural and industrial labour force.

We define culture as shared practices, norms and taken-for-granted knowledge (Rose 2019, p. 27) transmitted within and, primarily, between generations (Richerson and Boyd 2005). At this abstract level, the concept of culture implies an infinite horizon of possible indicators. Most empirical typologies of global cultural spheres are based on theoretical assumptions on the relative importance of particular dimensions, such as individualisation, self-expression, independence, collectivism or secularisation (Basáñez 2016; Henrich 2020; Hofstede 1984; Inglehart 2018; Markus and Conner 2013; Minkov 2011; Schwartz 2014; Seitzer et al. 2022; Welzel 2013). According to Schwartz (2014, p. 566), these various typologies "show considerable overlap", so that they might indicate "real, robust aspects of cultural difference", even though their theoretical concepts and indicators are quite different. Interestingly, Schwartz's (2014, p. 560) multidimensional scaling analysis results in a typology of cultural spheres quite similar to that of Huntington (1993), who derived his categories from theoretically informed narratives rather than from quantitative data. In our own analysis, we follow Schwartz's (2014) insight into the "considerable overlap" between his own studies and results from the WVS (Inglehart and Norris 2003). From these data, we include indicators of individual values related to secularisation and emancipation (Welzel 2013, pp. 58–63), which we use to derive our LCA typology of global cultural spheres (see next section).

Our empirical strategy targets two levels: the first set of analyses (RQ 1) utilises the female/male gender ratio in secondary education as the dependent variable in each country and therefore operates at the macro level. The second set of analyses (RQ 2–4) utilises individuals and their characteristics as dependent variables and thus operates at the micro level. Table 11.1 describes our strategy and levels of analysis:

Data and Methods

The set of countries we consider for the analysis is restricted by two factors. For some countries covered by the WVS, we are unable to compute the relevant numbers at the macro level. At the same time, some countries

Table 11.1 Units and levels of analysis

	Macro—RDD	*Micro—Multilevel*
Unit of Analysis	Countries	Individuals in countries
Dependent Variable	Gender ratio for enrolment in secondary education (log)	Risk of achieving only lower education
Socialist transformation-hypothesis	Socialism: increases female/male gender ratio Post-socialism: higher or stagnant gender ratio in favour of women	
Cultural persistence-hypothesis	Socialism: stagnant change of female/male gender ratio Post-socialism: decreasing female/male gender ratio or stagnant	Socialism: decreases risk of lower education for female respondents Post-socialism: no transformation

for which we have macro data are not included in the WVS. Thus, we analysed a total of 70 countries in our first analysis, 36 of which had a history of socialism. We define *socialism* based on the V-Dem Project's definition as follows: Raw data were taken from the V-Dem project's indicator "Ideology character (v2exl_legitideolcr)" (Ideology Character). The data are created via an expert survey in which the experts are asked how they would characterise the specific ideology or societal model the government promotes to justify the regime in place. Experts are asked about several ideologies and check all that apply (0=No; 1=Yes). The answers are then aggregated, and their mean is calculated. Based on these data, we have chosen to code a country-year as socialist, when at least half of the experts did so too. Missing data were addressed in a two-way process. First, for countries that were historically part of another larger entity (e.g., the Soviet Union, Yugoslavia, Ottoman Empire, etc.), we used the information for the main entity (e.g., Russia, Serbia, Turkey). Second, we linearly interpolated the remaining missing data. In the last step, we consider only periods of socialism, which lasted at least 15 years and actually constitute some form of state socialism. For instance, Greece under the Panhellenic Socialist Movement (PASOK) government is considered to be socialist according to the V-Dem dataset. However, we believe that PASOK is a left-wing party that leans towards democratic socialism and is therefore more akin to the party family of social democrats, and its government cannot be defined as "state socialism". Finally, since we consider every socialist period distinctly, Czechia, Slovenia and Slovakia experienced a transition from socialism to post-socialism in the early 1990s. Hence, they are treated as distinct subjects in the regression discontinuity estimations.

We use the 2022 edition of the WVS (for a general description of the survey, see Welzel 2013), including data from 1995 to 2022, to analyse the effect of being female on the risk of receiving only lower education. Our cross-classified multilevel model allows us to estimate random effects in the nonnested structure of countries, years and country-years (Schmidt-Catran and Fairbrother 2016). In this model, we allow the slope of being female on the risk of lower education to vary across country-years. By estimating cross-level interaction effects at the country-year level, we test whether the random slope of "female" remains significant even after introducing interaction effects between "female" and cultural spheres, as well as between "female" and having been a socialist country. This approach allows us to test whether (a) there are significant interaction effects and (b) whether these interaction effects help to explain the random variation in the slope of females.

Likewise, country-years are the units of observation we use to classify countries into a probabilistic classification of cultural spheres in LCA. However, we should not analyse global cultural differences in an essentialist way, which would mean assuming that cultural categories are clear-cut, well-defined and mutually exclusive entities. Using country-years as units, in contrast, takes the possibility of cultural change into account by allowing a country to become a member of different cultural clusters over time. The probabilistic and nonexclusive perspective on culture is nonessentialist and results in a typology of overlapping "cultural spheres" (Martens and Windzio 2022). The LCA is based on 257 country-years, resulting in 8 nonexclusive cultural spheres. We ran several solutions ranging from 7 to 12 latent classes and decided in favour of the 8-class solution according to the lowest value of the Bayesian information criterion (BIC) (Appendix 4). Before running the LCA, we aggregated indicators of secular (defiance, disbelief, relativism, scepticism) and emancipative values (autonomy, equality, voice, choice; see Appendix 3) by computing mean values for each country-year, which provided the empirical information to estimate the latent classes.

Macrolevel Analysis: Analysing the Influence of Transitions to (Post-)Socialism (RQ 1a and b)

We start by looking at the macro level and analyse how transitions to (post-)socialism influence the overall access of women to secondary education compared to men's, operationalised through the female/male enrolment ratio (Seitzer and Windzio 2021). Therefore, we utilised RDD, which is a method used to evaluate the causal impact of a treatment by mimicking a randomised controlled trial in a situation where random assignment to treatment is not feasible. We consider two critical junctures in the historical trajectory of now post-socialist countries as distinct treatments: transitions to socialism and transitions to post-socialism. Hence, we build two sets of estimations distinguished by the treatment effect of becoming socialist or post-socialist. Following the socialist transformation hypothesis, we would expect to find a positive effect of the start of socialism on women's access to secondary education compared to men's access. Furthermore, we expect women's access to not significantly decline once a country turns post-socialist. The cultural persistence hypothesis leads us to quite different expectations: Once socialism starts, women's access is rather stagnant and falls after socialism ends. As a dependent variable, we use the gender ratio in secondary education, estimated by dividing the enrolment ratio of women by the men's enrolment ratio. A gender ratio of 1, thus, equals complete equality in enrolment ratios, while a ratio below one—the vast majority of all values—denotes a higher enrolment ratio for males.

The following simple model provides the baseline estimates:

$$\text{GenderRatio} = \beta_1\text{Socialism} + \beta_2\text{Distance} + \beta_3\left(\text{Socialism} * \text{Distance}\right) + \gamma + \varepsilon$$

and

$$\text{GenderRatio} = \beta_1\text{postSocialism} + \beta_2\text{Distance} + \beta_3\left(\text{postSocialism} * \text{Distance}\right) + \gamma + \varepsilon$$

In these models, the gender ratio in secondary education is regressed on the treatment, that is, whether the country has experienced a transition to/away from socialism; on a variable measuring the distance in years to this transition; and on an interaction effect between those two variables to test for differences in slopes before and after the transition. The coefficient

β_1 thus displays the average treatment effect of transitioning to, or away from, socialism. Because we might not see immediate effects of the transition, we tested for a significantly different slope several years before and after the transition (see below) (β_3). To account for country-specific trajectories, γ controls for country-fixed effects. In the final estimations, only those observations which (a) actually experienced a respective transition and (b) were close to the timing of the transition were included. These *bandwidths* are set to 20, 15 and 10 years before and after each event, respectively. Since we are interested in the treatment effect of a transition to (post-)socialism, inflating the estimation with observations far from the respective transition would bias the estimation. Tables 11.2 and 11.3 report the results of both of these estimations.

Considering the start of socialism in Table 11.2, our results show that the transition does not constitute a particular point at which the female/male gender ratio in secondary education increases. Considering observations closer to the transition even changes the sign of the treatment effect. However, we can surmise a relatively consistent positive interaction effect: after socialism starts, the female/male gender ratio increases at a greater pace than before socialism.

Turning to the effects of a transition to post-socialism in Table 11.3, our estimations suggest a statistically significant negative treatment effect,

Table 11.2 Regression results, trend including country fixed effects—start socialism

	Female/Male Gender Ratio (log)		
	Bandwidth 20	*Bandwidth 15*	*Bandwidth 10*
Socialism	0.110	0.116	−0.048
	(0.068)	(0.076)	(0.091)
Distance to transition	−0.002	−0.008	0.014
	(0.004)	(0.006)	(0.011)
Socialism: Distance to transition	0.015^{**}	0.027^{***}	0.019
	(0.006)	(0.009)	(0.015)
Observations	1527	1157	786
R^2	0.033	0.033	0.041
Adjusted R^2	0.007	−0.002	−0.010
F Statistic	16.730^{***}	12.525^{***}	10.727^{***}
	(df = 3; 1486)	(df = 3; 1116)	(df = 3; 745)

Note: $^{*}p < 0.1$; $^{**}p < 0.05$; $^{***}p < 0.01$

Table 11.3 Regression results, trend including country fixed effects—end socialism

	Female/Male gender ratio (log)		
	Bandwidth 20	*Bandwidth 15*	*Bandwidth 10*
Post-Socialism	−0.017**	−0.014*	−0.008
	(0.009)	(0.008)	(0.009)
Distance to transition	0.002***	0.002***	0.0003
	(0.001)	(0.001)	(0.001)
Post-Socialism: Distance to transition	0.0001	0.001	0.002
	(0.001)	(0.001)	(0.001)
Observations	1891	1442	983
R^2	0.055	0.032	0.009
Adjusted R^2	0.033	0.002	−0.035
F Statistic	35.809***	15.179***	2.859**
	(df = 3; 1848)	(df = 3; 1399)	(df = 3; 940)

Note: $^{*}p < 0.1$; $^{**}p < 0.05$; $^{***}p < 0.01$

at least when considering bandwidths of 20 and 15 years. While there is no interaction effect, we can see that the further removed a country is from socialism, the lower we would expect the female/male gender ratio to be. However, this effect is much smaller in magnitude and would on average take a country approximately 7 years to restore the gender ratio already achieved during socialism. This indicates a “rollback” of the effect of socialism on the female/male gender ratio: after socialism, the gender gap does not continue to close; rather, this change stagnates. Crucially, we presume the effect of “Distance” to be highly correlated with the general global trend of including women in secondary education; thus, it is not correlated with being a post-socialist country per se.

In sum, our estimates quite clearly support the *cultural persistence hypothesis*. On the one hand, we see that during socialism, gender ratios can be expected to be more in favour of women. However, this is not necessarily attributable to the transition to socialism. On the other hand, we quite clearly surmise an initial drop in gender ratios, meaning that the end of socialism initially disadvantages women’s participation in secondary education.

Multilevel Analysis: Cultural Spheres

Based on the country-year-wise aggregation of individual-level value indicators in the WVS, we used LCA to categorise countries according to their respective cultural orientations. Strictly speaking, we used 257 country-years so that countries could change cluster membership over time, resulting in fuzzy clustering instead of limiting countries to one cluster over all time periods. For each country-year, we aggregated individual-level measures of "defiance", "disbelief", "relativism", "scepticism", "choice", "equality", "voice", and "autonomy" (see Appendix 2 for the wording of the items). Factors related to secularity include *defiance* (goals of making parents proud, respect for authority, pride in nationality), *disbelief* (low importance of religion in one's life), *relativism* (tax evasion and bribery), and *scepticism* (low confidence in police and justice system). Emancipative factors were assessed through *autonomy* (do children learn independence, imagination and obedience at home), *equality* (are jobs and education preferably for men(-)), *choice* (can homosexuality, abortion and divorce be justified) and *voice* (people's choice in government and freedom of speech) (see Appendix 3). The results of the LCA yield eight cultural spheres (see Fig. 11.1 and Appendix 3).[1] The reference group in our multilevel models

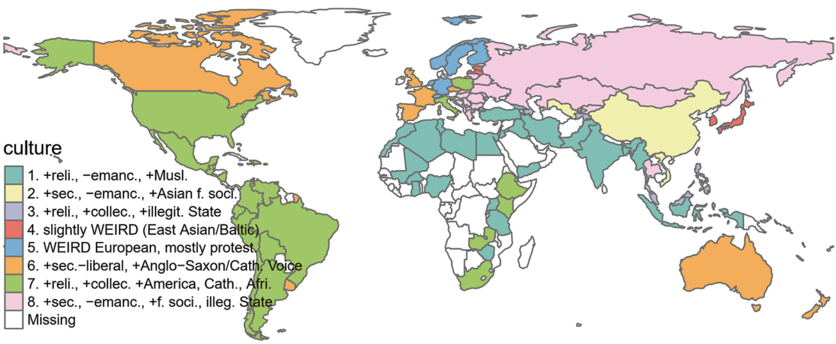

Fig. 11.1 Global cultural spheres according to emancipative and secular values. (Source: WVS 1995–2022, LCA, own computation)

[1] For the visualisation in Figure 1, we assigned each country to the respective latent class to which it belonged most of the years. Appendix 3 provides a detailed list of country-years by cultural spheres.

is country-years, which are "1. *religious, non-emancipated and mostly Muslim*" (Fish 2011). While these country-years score relatively high on the legitimacy of state institutions (low relativity), they generally have lower scores in the equality dimension. The second class are country-years, which are "2. *secular, lower in emancipation but high in state legitimacy, and former socialist countries*", mostly in Central and East Asia. While state legitimacy is high in these countries, emancipation is particularly low. Class three, "3. *religious states with low state legitimacy*" also show comparatively low values for emancipation. Country-years in class four, which are often "4. *Western and Baltic states*" are slightly WEIRD (i.e., western, educated, industrialised, resourceful, democratic) (Henrich 2020) and tend to have high disbelief, choice and equality values while also scoring high in the autonomous and voice dimensions. This includes some East Asian and former socialist European countries. Country-years in class five are high in defiance and disbelief and low in scepticism, and emancipatory values are very high. These are mostly "5. *Western European, mostly Protestant*" countries. Class six includes "6. *Anglo-Saxon and Catholic countries*", where defiance and disbelief are high, whereas relativism and scepticism are average. Clusters four, five and six tend to be similar, with cluster five showing the highest scores on emancipation and trust in state legitimacy. Cluster seven includes mostly "7. *religious countries in America and Africa*". These country-years show low disbelief and defiance, but autonomy, equality and voice also tend to be high. Finally, cluster eight includes "8. *former socialist countries*", where relativism and secularity are high and state legitimacy and equality are relatively low.

Table 11.4 helps to label the eight latent classes by showing whether the respective value is on average rather than above or below the mean across all country-years. If the average value in a cluster-year is more than +/− one standard deviation away from the average, there is a 3 or a −3. We assigned 2 or −2 if it was half a standard deviation away and 1 or −1 if it was 0.25 times the standard deviation.

Results

The cross-classified multilevel logistic models in Table 11.5 show effects on the log odds (or the risk) of receiving only lower levels of formal education. The indicator was set to 1 if the respondent had only a low education, which ranged from no formal education at all to a maximum of elementary (compulsory) education only (Appendix 2). According to our

Table 11.4 Description of latent clusters according to values

Cluster	*Defiance*	*Disbelief*	*Relativism*	*Scepticism*	*Choice*	*Equality*	*Voice*	*Autonomy*
1. Religious, low emanc., most. Musl.	−2	−3	−2	−1	−3	−3	−2	−2
2. Secular, low emanc., Asian former socialist	0	3	−2	−2	−2	−1	−2	2
3. Religious, collec., illegit. State	−1	−3	3	−1	−2	−2	0	0
4. Slightly WEIRD (East Asian/Baltic)	3	3	0	0	2	0	0	3
5. WEIRD European	2	3	0	−1	3	3	3	2
6. Secular-liberal, Anglo-Saxon/Catholic Voice	0	3	0	0	3	3	2	1
7. Religious, collec. America, Catholic and Africa	−1	−2	0	2	−1	1	1	−2
8. Secular, low emanc., f. socialist, illegit. State	2	1	3	0	0	−1	−2	0

Table 11.5 Cultural spheres and socialism as determinants of the risk of low education: Cross-classified multilevel logistic regression models

	(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
Female	0.188***	0.292***	0.308***	0.527***	0.266***	0.477***
1. Religious, low emanc., most. Musl.	ref.	ref.	ref.	ref.	ref.	ref.
2. Secular, low emanc., Asian f. socialist	−1.699**	−1.755**	−1.865**	−2.052**	−1.998**	−2.035**
3. Religious, collec., illegit. State	−0.337	−0.323	−0.311	−0.271	−0.300	−0.270
4. Slightly WEIRD (East Asian/Baltic)	−1.392***	−1.370***	−1.118*	−1.862**	−1.895**	−1.867**
5. WEIRD European	−1.248**	−1.215**	−0.618	−0.593	−0.640	−0.595
6. Secular-liberal, Anglo-Saxon/ Catholic Voice	−0.904**	−0.877**	−0.462	−0.436	−0.490	−0.435
7. Religious, collec. America, Catholic and Africa	−0.519	−0.502	−0.0728	0.0126	−0.0222	0.0130
8. Secular, low emanc., f. socialist, illegit. State	−0.805**	−0.793**	−0.507	−0.623	−0.649	−0.615
Female X 1. Religious, low emanc., most. Musl.		ref.	ref.	ref.	ref.	ref.
Female X 2. Secular, low emanc., Asian f. socialist		0.125	0.109	0.0993	–	0.0300

(*continued*)

Table 11.5 (continued)

	(1)	(2)	(3)	(4)	(5)	(6)
Female X 3. Religious, collec., illegit. State		−0.135	−0.152	−0.268*	–	−0.258*
Female X 4. Slightly WEIRD (East Asian/Baltic)		−0.160	−0.196	−0.251	–	−0.229
Female X 5. WEIRD European		−0.227*	−0.251*	−0.342**	–	−0.308**
Female X 6. Secular-liberal, Anglo-Saxon/ Catholic Voice		−0.192*	−0.226*	−0.387***	–	−0.370***
Female X 7. Religious, collec. America, Catholic and Africa		−0.143	−0.168*	−0.278***	–	−0.264***
Female X 8. Secular, low emanc., f. socialist, illegit. State		−0.0877	−0.0940	−0.164*	–	−0.201*
GDP / cap. in 2010			−0.0143	−0.0128	−0.0127	−0.0127
% Muslims			−0.0142**	−0.0109	−0.0108	−0.0109
% Christians			−0.0196***	−0.0157*	−0.0156*	−0.0157*
% no relig. affiliat.			−0.339***	0.134	0.134	0.135
Area: urban			ref.	ref.	ref.	ref.
Area: rural			0.498***	0.433***	0.433***	0.433***
Area: city			−0.516***	−0.480***	−0.480***	−0.480***
Age in years				0.0531***	0.0531***	0.0531***
Satisf. household finances, 1=yes, 0=no				−0.0275***	−0.0274***	−0.0275***

(*continued*)

Table 11.5 (continued)

	(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
Family could save money last year, 1=yes, 0=no				−0.354***	−0.353***	−0.354***
Respondent is chief earner, 1=yes, 0=no				−0.0747***	−0.0738***	−0.0752***
Female X chief earner				−0.146***	−0.151***	−0.146***
Respondent is married, 1=yes, 0=no				0.0746***	0.0745***	0.0748***
Lower class				ref.	ref.	ref.
Upper class				−1.442***	−1.441***	−1.442***
Upper middle class				−1.900***	−1.900***	−1.900***
Lower middle class				−1.255***	−1.255***	−1.255***
Working class				−0.639***	−0.639***	−0.639***
Relig.: no religion				ref.	ref.	ref.
Relig.: Christian				0.271***	0.269***	0.272***
Relig.: Muslim				0.667***	0.666***	0.668***
Relig.: Other				0.411***	0.410***	0.412***
Men more right to job when jobs scarce				0.469***	0.468***	0.469***
Former socialist cntry.			−0.658*	−0.646*	−0.662*	−0.664*
Female X former socialist cntry.			–	–	0.160**	0.118*
Constant	−0.779***	−0.792***	1.105*	−1.029	−1.006	−1.025
R2 (McKelvey & Zavoina), single level model	0.062	0.062	0.125	0.321	0.321	0.321
var(_cons[_all>year_survey])	0.130*	0.130*	0.114*	0.161*	0.162*	0.162*

(*continued*)

Table 11.5 (continued)

	(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*
var(_cons[_ISO3C_])	0.771***	0.780***	0.889***	1.051***	1.042***	1.057***
var(female[_ISO3C_>cnt_yr])	0.0904***	0.0823***	0.0865***	0.0978***	0.113***	0.0934***
var(_cons[_ISO3C_>cnt_yr])	0.349***	0.348***	0.338***	0.414***	0.417***	0.414***

Observations, level: 24 years/87 countries/186 country-years/209,913 persons

$^{*}p < 0.05$, $^{**}p < 0.01$, $^{***}p < 0.001$

Source: WVS 1995–2022, own computation

research question, we are particularly interested in female respondents' risk of receiving only lower education. We enhance the estimation of the effect of being female with a random slope for female respondents over country-years in all models. Model 1 additionally includes dummies of cultural spheres, with latent class 1, *religious, low emancipation, mostly Muslim*, as a reference group. Model 2 extends Model 1 with interaction effects between cultural spheres and being a female respondent, whereas Model 3 includes time-constant country characteristics measured in the year 2010, residential contexts (urban, rural, city), as well as the binary indicator of having been a socialist country or not. Model 4 enhances Model 3 with control variables at the individual level, and Model 5 includes the cross-level interaction term between socialist countries and female respondents. Obviously, not all effects can be interpreted in a strict causal way. However, introducing many control variables, such as agreeing to the item "man has more right to obtain a job when jobs are scarce", which might be an outcome of education rather than a determinant, provides a more severe test of whether the basic explanatory variables related to our hypotheses retain their significance. In all five models, we allow the slope of being female to vary across country-years by introducing a random effect of female respondents at this level in the cross-classified model.

There is also considerable residual variation in the intercepts at the respective levels, which is a strong argument in favour of our modelling strategy. Recall that our approach is focused on the random slope for female respondents, which is related to the strength of the effect of being female on the risk of a low education. By introducing cross-level interaction effects, we explain this residual variation by context characteristics. However, the random slope of female respondents remains significant in all models, even though we find significant interaction effects. In other words, although cultural spheres and being a former socialist country moderate women's risk of a low education, these interaction terms cannot fully explain the variance of this effect across country-years.

Summary of Main Results: Effect of "Female Respondent" Moderated by Cultural Spheres and Former Socialism

The main results of this part of our empirical analysis are shown in Model 6. Conditional on all other explanatory variables, female respondents still have a significantly greater risk of receiving only a low education. Given the interaction effects between cultural spheres and female respondents, the main effect of cultural spheres refers to male respondents. In Cluster 2, *secular, low emancipated, Asian former socialist countries*, men show the lowest risk of a low education, followed by Cluster 4, *slightly WEIRD (East Asian/Baltic)*. According to the interaction effects between female respondents and cultural spheres, the education gap is not reduced for female respondents in Cluster 4, whereas we find risk-reducing effects only for female respondents in Cluster 5. *WEIRD European, mostly Protestant*, 6. *secular-liberal, Anglo-Saxon/Catholic voice*, 7. *religious collectivistic America, Catholic and Africa*, and in 8. *Secular, low emancipation, former socialist illegitimate state.* In other words, in line with the cultural persistence hypothesis, cultural spheres not only considerably differ in the risk of a low education but also reduce the educational gender gap compared with the reference group of 1. *religious, low emancipation, mostly Muslim countries.* In contrast, being a former socialist country does indeed reduce the risk of a low education, and this reduction is considerably stronger for men than for women: in Models 5 and 6, the main effect of "former socialism" refers to men and reduces the risk, whereas the interaction term "female X former socialist country" goes in the opposite direction. It significantly *dampens* the risk-reducing effect for women.

Stepwise Enhancement of the Models in Table 11.5

Examining the details of the six models in Table 11.5 reveals that the effects of former socialism and cultural spheres remain robust after controlling for country-level indicators, even though the main effects of

Cluster 5. *WEIRD European, mostly Protestant*, 6. *secular liberal, Anglo-Saxon/Catholic voice* and Cluster 8. *Secular, with low emancipation, formerly socialist, illegitimate* states lost their significance. In Model 1, compared with men, being a woman is associated with a relatively high increase in the log odds of receiving only lower education, not controlling for individual characteristics. This trend continues across all models: women show a greater risk than men of receiving only a lower education. Compared to Cluster 1. *Religious, low emancipation and mostly Muslim* (a reference group of cultural spheres), most effects of culture are significantly negative, meaning that compared to people in the reference group, people in other cultural spheres have lower probabilities of receiving less education. The log odds of being low educated are strongly reduced in Cluster 2, *secular, low emancipation, Asian former socialist* countries, Cluster 4. *slightly WEIRD* countries (East Asian/Baltic), as well as in Cluster 5. *WEIRD European*, *mostly Protestant*. Culture therefore seems to be associated with education. Moreover, the interaction effects between females and cultural spheres in Model 2 show that women's generally greater risk of receiving less education is significantly reduced in latent Cluster 5. *WEIRD European* and Cluster 6. *secular liberal, Anglo-Saxon/Catholic voice*.

Controlling for Countries' GDP Per Capita and Religious Composition

This pattern remains more or less stable in Model 3, which controls for country characteristics, particularly religious composition, even though there are important exceptions: as already mentioned, the main effect of Cluster 5. *WEIRD European* was not significant, indicating that women, rather than men, are at lower risk in European WEIRD countries than in the reference group. Interestingly, there is no significant effect of GDP per capita in Model 3, whereas compared with the share of other religions in the respective country, "% Muslims", "% Christians" and, in particular, "% no religious affiliation" strongly decrease the risk of being only low educated. Similarly, this risk is lower in former socialist countries, which is what we expected. Moreover, being less educated is most likely in rural areas and less likely in large cities than in urban areas.

Individual-Level Controls

Model 4 includes individual-level characteristics as control variables, which have almost the same effects in Models 5 and 6. The risk of being low educated increases with age and being married and decreases if the household is satisfied with its finances, if the family can save money, and if the respondent is the chief earner, particularly if the chief earner is a woman. Compared with the lower classes, the risk of being only low educated is lower in the higher classes. Interestingly, the negative effect of these risks is even stronger in the "upper middle class" than in the "upper class". While cultural spheres matter regarding the risk of a low education, religious affiliation affects this risk at the individual level: compared with respondents without religious affiliation, this risk is greater for religious people, particularly for Muslims. Agreeing that "men have more right to get a job when jobs are scarce" is positively associated with the risk of low education.

Finally, we still find a negative main effect of former socialist countries on the risk of less education in Models 5 and 6. As already mentioned, however, the educational benefit in former socialist countries is considerably greater for men than for women since the interaction effect "female X former socialist country" is positive and significant. In other words, the risk-reducing effect of socialism is significantly lower for women. Consequently, from a global perspective, socialism was beneficial for education in preventing the risk of being only low educated, but this benefit was mainly for men, less so for women.

Therefore, we conclude that while being female has a statistically positive effect on the risk of receiving less education, different cultural spheres reduce this risk compared with Cluster 1. This trend can be observed in all cultural spheres and models. What is particularly interesting in Model 4 is the negative effect of socialism on the risk of receiving only lower education: Former socialist countries thus seem to increase educational provisions. Being a woman in a former socialist country, however, counteracts this effect (Models 5 and 6). To summarise these results overall, women still seem to be disadvantaged in most cultural spheres. Some cultural spheres strongly increase, and other cultural spheres decrease female disadvantage. Therefore, culture and socialism moderate the probability of women attaining only lower levels of education. Socialism does seem to reduce the risk of low educational attainment, whereas being a woman counteracts this preventive effect. While controlling for economic development and other individual-level characteristics, the effects of culture and socialism still impact women's risk of receiving a lower education. These effects might support the cultural persistence hypothesis but also support the assumption that regardless of culture, women tend to receive less education. In contrast, we reject the argument that socialism is sustainably beneficial for women. Overall, from a global perspective, socialism decreased the risk of being less educated, which was particularly true for men but much less so for women. Socialism was not an equaliser between men and women with respect to education. For illustration, Table A1 in Appendix 1 shows a two-level model with only countries as level-2 units. Figure A1 is a visualisation of the country-specific random slopes of countries that are below or above the average.

Conclusion

Our results support the cultural persistence hypothesis. Our first set of analyses shows that the female/male gender ratio increased during socialism, indicating increased enrolment of women and girls in secondary education compared to their male counterparts, although this effect is rather small and not persistent. After the transition to post-socialism, the female/male enrolment ratio decreased significantly. Our second set of analyses revealed similar results: socialism had a negative effect on the risk of receiving only lower education, while most cultural clusters had, in comparison to the reference cultural sphere of low emancipation in Muslim countries, a similarly negative effect on the risk of receiving only a lower education. However, female respondents had a greater risk of receiving only a lower education. The effect was strong enough to not reverse the interaction effects (culture X female). Even though culture and socialism seem to encourage female respondents' participation in education, the general persisting trend that female respondents participate less often in secondary education prevailed. This gender imbalance in educational participation persists even during transforming socialist times. This can be corroborated by previous research, which found that the increased participation of women in the labour market had stronger effects on the type of career chosen than on other educational effects, such as an increase in educational attainment. Currently, women from socialist countries are more likely to choose STEM careers than women from non-socialist countries (Friedman-Sokuler and Senik 2020).

Other studies also show that women in socialist countries were only able to participate in the labour market, while the generous state provided childcare. As soon as free childcare services were no longer affordable for the state, women had to return to domestic duties, diminishing the early liberation of women in Soviet states. Under state socialism, women were funnelled from universities into white-collar professions but paid less than blue-collar men. After the fall of the Soviet Union, the "refamilisation" movement and the closing of publicly funded care facilities resulted in a return to the home for women (Ghodsee and Mead 2018). With the fall of the Soviet Union—or even the nonexistence of childcare in other socialist countries from the start—women were still required to manage childcare and thus were less likely to attend school and work. Additionally, in many countries, the public's striving for women's inclusion in the workplace did not lead to a change in gender roles within the family and thus depended on the state's intervention to make this change happen. When the socialist phases ended, the previously patriarchal family structures re-emerged in public as well (Ghodsee and Mead 2018; Magno and Silova 2008). Overall, a positive effect of socialism on educational attainment can be observed in our analyses. Despite this result, however, the inclusive effect of socialist regimes on educational attainment is reduced for women. We can thus state that while there might be some effect of socialist regimes on women's educational participation and attainment, this effect might also be attributed to the *general* increase in the educational attainment of women globally.

From a global perspective, socialism increased inclusion in the education system in general, but this process was more beneficial for men than women. Furthermore, top-down socialist intervention in itself did not have the power to change long-ingrained cultural peculiarities concerning female inclusion into secondary education and above. Nevertheless, our wide quantitative lens cannot capture the local mechanisms behind women's education achievements and participation.

Future global research on the interplay of female education, socialism and cultural spheres should include typologies of different variants of socialism, which can strongly differ given their respective economic structures, for example, (post)industrialisation or a high share of the labour force in the agricultural sector. In the same vein, conscription to vastly different growth regimes in post-socialist times should be influenced by cultural spheres and, at the same time, influence women's educational aspirations (Avlijaš 2020).

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CHAPTER 12

The Impact of System Competition on Social Policy: The Cold War and Beyond

Herbert Obinger

Introduction

Compared to a growing literature on the impact of the two world wars on the development of welfare states (cf. Obinger et al. 2018; Obinger and Schmitt 2020), the repercussions of the Cold War on social policy have received much less scholarly attention. This is not least astonishing as both world wars were crucial midwives of the Cold War. The Bolshevik Revolution in 1917 would hardly have been conceivable without the weakening of Tsarist Russia through a long and costly war and the related radicalisation of the labour movement. The October Revolution and the related formation of the first communist regime in the world sent shock waves across the globe as it exemplified the possibility of a violent change of power and created a new political and economic order that promised a different path to modernity. Soon after the revolution, communist parties were established in "Western" countries as well as in large nations of the Global South such as China or Indonesia. Most of them joined the

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Communist International (Comintern), the international network sponsored and led by Moscow to promote socialist revolutions across the world. In consequence, a “Red Scare” was born in the Western world after World War I, which only temporarily lost significance when the Western allies and the Soviet Union closed ranks in the fight against Nazi Germany in 1941.

After Germany’s defeat, the allied military coalition broke up rapidly and tensions between the two emerging superpowers, the United States of America and the Soviet Union, steadily increased. In view of the military success of the Red Army, the Soviet Union was able to considerably expand its sphere of influence in Central and Eastern Europe. With the exception of Austria, communist dictatorships were established in all countries occupied by the Red Army between 1945 and 1948. The Soviet Union also interfered in Turkey and Iran, while a civil war was raging in Greece between Communists and bourgeois forces. The fear of a spread of socialism across the globe sparked off a second Red Scare and led to a turnaround in US foreign policy. In a famous speech[1] delivered in Congress in March 1947, US President Harry Truman promised political, military and economic support of all “free peoples” in their struggle against “aggressive movements that seek to impose upon them totalitarian regimes”. What was specifically meant by this speech, which later became known as the Truman Doctrine, was the containment of communism, and it was the prelude to the Cold War that would shape the world until 1989.

This chapter argues that the Cold War is an important geopolitical factor for understanding welfare state development in West and East after 1945. Even though the Cold War was a global phenomenon (Westad 2005), I will focus on the industrially advanced countries of the Global North where a nexus between this bipolar conflict and social policy development is most likely. The chapter is organised as follows. The next section will briefly discuss system competition between two antagonistic blocs as the key causal mechanism linking the Cold War and welfare state development. Section “The Impact of System Competition on the Western World” examines the impact of system competition on social policy in Western countries, while section “The Impact of System Competition in

[1] President Truman’s “Recommendation for Assistance to Turkey and Greece”, Address to Congress, 12 March 1947, in Records of the United States House of Representatives, 80th Congress, 1st Session, Document 171, National Archives. Available at: https://www.archives.gov/milestone-documents/truman-doctrine (accessed 5 January 2024).

the Socialist World" discusses the social policy repercussions of the Cold War confrontation for the socialist countries in Central and Eastern Europe. The main finding is that system competition had a much stronger imprint on social policy in the socialist world because there was growing pressure over time to improve the living conditions and social protection of the people in order to bolster the regimes' legitimacy and stability. However, this policy was costly, overburdened the centrally planned economies and eventually contributed to the collapse of socialism and, therefore, the end of the Cold War.

The Cold War–Welfare State Nexus: Bipolar System Competition

The Cold War was not only a mere geopolitical context factor but rather a causal factor for explaining the development of social policy in West and East. The key causal mechanism was competition between two opposing political and economic models and the associated struggle for legitimacy and mass compliance. The essence of the Cold War was a confrontation between two different models of modernisation: One based on democracy, markets and freedom, and the other based on social justice, equality and authoritarian collectivism. The two superpowers emerging from World War II were increasingly inclined to export and defend their principles and ideologies internationally (Westad 2005, chap. 1–2). The key strategies in doing so included economic, political and military aid as well as direct or covert interference in the domestic politics of foreign countries.

This competition between two diametrically opposed economic and political regimes affected all areas of political, economic and social life and extended to fields as diverse as defence, sports, culture, science and technology, economic growth, consumption, gender equality, welfare or full employment. A famous example is the 1959 "kitchen debate" between US Vice-President Richard Nixon and Soviet leader Nikita Khrushchev at the American National Exhibition in Moscow, where both leaders heatedly discussed the advantages and disadvantages of capitalism and communism on camera. At the core of the bipolar rivalry was the struggle for political legitimacy or, as Westad (2005, p. 27) has put it, the "hearts and minds" of the people. After the Soviets had developed their own atomic bomb and the age of nuclear deterrence was ushered in, the Soviet Union declared a peaceful coexistence and system competition with Western capitalism in the mid-1950s and the Soviet leadership was confident that socialism would emerge victorious in economic and social terms in the long run. In consequence, economic well-being and social protection became important battlegrounds of the Cold War confrontation. Superior regime performance in comparison with the opponent's policy outcomes became a decisive vehicle for generating mass compliance. This competition, driven by the East–West Conflict, was also played out at the level of international organisations such as the International Labour Organization and the World Health Organization (Birn and Krementsov 2018; Kott and Droux 2013; Maul 2019).

However, system competition did not have uniform impacts on social policy, neither within the two blocs nor between them. Moreover, the intensity of system competition also varied over time and was conditioned by various domestic factors. In many countries, but not everywhere, bipolar rivalry was a push factor for welfare state expansion. Its impact was greater in the socialist world as the superiority of Western capitalism and mounting problems of legitimacy over time put the socialist regimes under increasing pressure to improve social protection and living conditions for their citizens.

The Impact of System Competition on the Western World[2]

Even though the basis of their legitimacy was much broader, the Western democracies were not immune to system competition. Soviet socialism was a threat that prompted the Western world to implement welfare reforms from the very beginning of Bolshevik rule. Social policy scholars have long emphasised that revolutionary fears among political elites were historically an important driving force behind welfare state expansion. In an effort to pacify a growing and radicalised labour movement, the political elites enacted welfare reforms to gain legitimacy (Alber 1982; Rimlinger 1971) or, from a Marxist perspective, to save the capitalist state in times of crisis (Ginsburg 1979). Historical examples from the nineteenth century include the social reforms enacted by Napoleon III in France, Otto von Bismarck in Germany or Eduard Graf Taaffe in the Austrian Empire (Adler 1897).

[2] If not otherwise specified, this section is based on Petersen et al. (2024).

A similar pattern can be observed in the aftermath of the Bolshevik Revolution. The radicalisation of the labour movement during World War I and the formation of communist parties and their support from Moscow posed a real threat of violently overthrowing the political and economic order in war-torn European countries. Rasmussen and Knutsen (2022) provide econometric and case study evidence that the fear of a socialist revolution motivated political elites to make concessions to the working class, such as reductions in working time and improved social protection for industrial workers. Welfare state expansion was the "lesser evil" for the ruling elites compared to a socialist takeover (see Paster 2013 for a similar argument). This push effect on social policy was strongest in countries where soldier and worker councils were established and/or radical trade unions or parties participated in the first Comintern meeting.

After World War II, a similar situation occurred. In the immediate post-war period, when large parts of Europe lay in ruins, social hardship prevailed and the memories of mass unemployment during the Great Depression in the 1930s were still fresh, the existence of a socialist alternative promising equality, a right to work and comprehensive social protection posed a real threat to the stability of Western governments. The communist takeover in Central and Eastern Europe further intensified this fear. As early as 1946, Edward Carr (1946, p. 113) predicted that system competition with the Soviet Union would force Western countries to enhance state intervention. In fact, many West European countries drafted comprehensive welfare reform plans in an effort to establish a new social contract for the post-war period. This was a response to the horrors of mass warfare but also to socialist propaganda in the looming Cold War which praised the social achievements of socialist countries while the Western welfare state was denounced as the sickbay of capitalism and unable to combat unemployment, the structural scourge of capitalism.

In addition, the constitutions in many socialist countries included extensive welfare rights such as free healthcare and education, a right to work, social insurance, maternity and childcare, or equal rights for men and women. Such rights were already part of the Stalin Constitution of 1936. While largely remaining a dead letter at home, these social rights were mainly "international signals. The regime's legitimacy and the competitiveness of the socialist model required that foreign observers be won over" (Smith 2012, p. 388). Against this backdrop, Eric Hobsbawm (1990, p. 21) saw the expansion of the Western welfare state and the emergence of the post-war Keynesian compromise in economic policy as a response to the fear of socialism and bipolar systemic competition:

> All that made Western democracy worth living for its people – social security, the welfare state, a high and rising income for its wage earners [...] – is the result of fear. Fear of the poor, and the largest and best organized block of citizens – the workers; fear of an alternative that really existed and that could really spread, notably in the form of Soviet communism. Fear of the system's own instability. [...] Whatever Stalin did to the Russians, he was good for the common people in the West. It is no accident that the Keynes-Roosevelt way of saving capitalism concentrated on welfare and social security, on giving the poor money to spend, and on the central tenet of post-war Western policies – and one specifically targeted to the workers – full employment.

Although this argument neglects many other factors underlying Western welfare state expansion in the post-war period, such as high economic growth and electoral competition for votes, it is plausible, at least for the early phase of the Cold War, that the sheer existence of the socialist bloc put pressure on Western countries to enact welfare reforms. Romero (2017, p. 311), for example, argues that the threat of post-war communism, although vastly exaggerated, made Western societies "socially more inclusive" and "less unequal". The few existing empirical studies support this argument. Sant'Anna and Weller (2020) have shown that the communist threat during the Cold War led to more progressive taxation and redistribution in Western countries, Obinger and Schmitt (2011) found an impact of system competition on social spending, while Hedin (2016) claims that reforms in industrial democracy in Western countries were accelerated by the Cold War confrontation.

The Red Scare was reinforced domestically by the electoral success of communist parties in the immediate post-war period, notably in France, Italy and Finland. Moreover, communist parties were part of national unity governments in many countries after 1945. They put pressure on the other parties and trade unions by propagating the supposed socialist achievements and pushing for comprehensive social reforms and state intervention in economic policy. They also used their regional and local strongholds as laboratories for social policy with a view to attracting votes and new members for communist unions. However, the relationship between the communist parties and Western welfare capitalism was ideologically ambivalent, especially since the communist party programmes of the time considered the Western welfare state to be a capitalist fairy tale. Although "true welfare" for the population was only possible under socialism, the communists nonetheless pushed for comprehensive social reforms. Western European governments could not fully ignore such demands, especially in the crisis-ridden post-war period (Petersen et al. 2024).

The activities of communist parties and the onset of the Cold War led to two reactions by the other political parties. The first was harsh anti-communism that soon led to the marginalisation or suppression of communist parties. Narratives from the interwar period questioning the communist parties' loyalty to liberal democracy, seeing them as Moscow's Fifth Column, regained prominence. In 1947 and 1948, the Communists were either banned from government or withdrew voluntarily in France, Italy, Belgium, Austria, Luxembourg and Finland (Sassoon 1992). In West Germany (1956) and the fascist dictatorships in Southern Europe, communist parties were banned. In consequence, the influence of the communist parties gradually waned. Moreover, Khrushchev's so-called secret speech at the Twentieth Party Congress of the Communist Party of the Soviet Union (CPSU) in 1956, the building of the Berlin Wall in 1961, and the Soviet military interventions in the German Democratic Republic (1953), Hungary (1956) and Czechoslovakia (1968) delegitimised the communist parties in most Western countries and drastically reduced their political influence (Petersen et al. 2024).

The second response to the communist threat and the Cold War confrontation was ideological revisionism within the social democratic and bourgeois parties, which gained momentum in the 1950s and 1960s. In terms of the former, the Cold War accelerated the de-Marxification of Western social democracy. Western political and military integration and the market economy now enjoyed broader support among Social Democrats. In the face of the communist threat and the lessons from World War II, support for welfare state expansion also increased in the bourgeois camp, notably among Christian Democrats.

Growing anti-communism and the ideological realignment of European mass parties had two important implications for welfare state development in Western Europe. First, a basic consensus on the welfare state emerged across political camps, regardless of ongoing political conflicts over its concrete design. In addition, bipolar system competition strengthened the legitimacy of the welfare state as a third way between US-style liberalism and Soviet collectivism. At the same time, the welfare state was seen as an important vehicle to counter the promises and propaganda of socialism. As early as 1951, Klaus Knorr saw the European welfare state as a bulwark against communism, stating that "it is plausible that the democratic welfare state is the most constructive defence of the free world against Communist expansion, for it offers to many societies, rightly or wrongly dissatisfied with the free-enterprise economy they had, an alternative to the attractions of Communism" (Knorr 1951, p. 448). In a similar vein, German Social Democrat Ludwig Preller (1952, p. 14) emphasised the great importance of the welfare state in regime competition when he declared: "Especially in the Cold War it is welfare state generosity that marshals the biggest battalions". In Northern Europe as well, the welfare state was a "vital instrument in the cold war struggle against communism" (Christiansen and Markkola 2006, p. 21) and all countries of Northern Europe worked closely together to develop a Nordic model in social policy (Petersen 2013). The broad post-war welfare state consensus and the notion of the welfare state as a bulwark against socialist infiltration buttressed the expansion of the welfare state in Europe after 1945.

Second, the Cold War confrontation influenced political coalition-building processes in countries with proportional representation. This is highly important for social policy because coalition building and the related distribution of power resources are key variables for explaining different types of welfare states and their redistributive outcomes (Esping-Andersen 1990; Iversen and Soskice 2006; Manow 2009). In continental Europe, the abovementioned changes in party ideology paved the way for political coalitions between Christian and Social Democrats. These "black-red" coalitions initiated a massive expansion of the welfare state along the inherited Bismarckian lines (Manow 2009). In Northern Europe, too, a broad cross-class coalition between the Social Democrats and the bourgeois parties emerged under the shadow of the Cold War (Petersen 2013), which was the key driving force for an unprecedented expansion of the welfare state in the 1960s and 1970s.

In Southern Europe, the Italian case is particularly instructive when it comes to the impact of the Cold War on welfare state patterns. Covert US interference in Italian domestic politics ensured that the communist party was excluded from the government in 1948 and relegated to the opposition benches for decades. This provided the Christian Democrats with a long-term hegemonic position in domestic politics. The Cold War thus preserved the extreme polarisation in the Italian party system that had been established after World War I. The result was fierce political confrontations between the government parties led by the Christian Democrats and a strong communist opposition supported by militant communist trade unions. This political constellation shaped by the Cold War explains many of the structural characteristics of the Mediterranean welfare state model: generous social protection of insiders whose interests and privileges were represented and defended by powerful communist trade unions, the strong occupational fragmentation of social insurance, the absence of a minimum income, very generous pensions with low entry barriers as a result of political clientelism and patronage, a high degree of familialism and dominance of the male breadwinner model, and highly conflictual industrial relations (Ferrera 1996; Manow 2015).

In the United States with its majority rule, the Cold War strengthened the traditional liberal welfare state model as it reinforced the peculiarities of US social policy such as comprehensive private welfare provision and a huge military welfare state. The rampant anti-communism in the early Cold War is one reason why President Roosevelt's great wartime welfare state promise, the "Second Bill of Rights" (1944), remained a dead letter. After 1945, conservatives saw the welfare state as a slippery slope to socialism and sought to reverse Roosevelt's New Deal reforms of the 1930s and the massive wartime expansion of state intervention (Bell 2025). The Red Scare slowed down the expansion of the welfare state in the late 1940s and 1950s not only in ideological but also in practical terms, as anti-communism during the McCarthy era also targeted reform-oriented civil servants in the state administration (Bell 2010). In Britain, Cold War rivalry was much more important for the overseas colonies, where socialist movements fought for independence, than for the metropole (Whiteside 2025).

In sum, the Cold War was an important factor in many but not all Western countries that contributed to the expansion of the welfare state after 1945. However, the rise of comprehensive and increasingly more generous welfare states in the West was a challenge for the socialist bloc. Even more important in that respect, however, was what Hans Rosenberg (1976, p. 217) described as the "anonymous social policy of the market". As elaborated in the next section, the exceptionally high economic growth rates and the concomitant massive increase in living standards in the capitalist democracies imposed the biggest and most dangerous threat for the socialist world in the competition with the Western bloc.

The Impact of System Competition in the Socialist World

The replacement of the early post-war coalitions between Social Democrats and Communists by single-party communist governments in Central and Eastern Europe in the late 1940s paved the way for fundamental structural transformations of the economy and social policy according to socialist principles (Inglot 2008; see also the contributions in Backes et al. 2019).

From the outset, the communist dictatorships faced the challenge of how to secure and maintain regime stability and legitimacy. Theoretically, three options are available to do so, namely repression, co-optation and enhancing output legitimacy, that is, regime legitimation through performance (Wurster 2019). Repression is the classic instrument of autocracies for securing power, but this approach is also risky because it creates unrest and thus increases the danger of political overthrow (Wintrobe 1998). Co-optation means the granting of special resources and privileges (e.g., welfare benefits) to groups that are essential to regime survival. Finally, political legitimacy can be generated by improving public policies. Of particular importance for creating mass compliance are the population's material and social living conditions.

Even though the communist governments used all three strategies to stabilise their regimes, they were under particularly great pressure to improve regime performance for four reasons. First, and in contrast to the Western democracies, civil and political rights and Weberian forms of legitimacy were lacking. There were neither elections that could change government composition nor had the communist nomenklatura anything in common with what Max Weber described as legitimacy by charismatic leadership (Schmidt 2019). Nonetheless, this did not prevent some communist leaders from celebrating a bizarre personality cult. The second reason is ideological. As ideocracies that promised equality, full employment, social justice and a better life for the working class, the communist dictatorships were under particularly high pressure to succeed in this regard. Third, output legitimacy gained increasing importance the more the communist regimes relied on repression. Finally, the pressure to improve regime performance was significantly reinforced by the Cold War system competition. Comparisons with the West and their own claim to overtake the capitalist democracies in economic performance and social security put the socialist states under considerable strain, as a defeat in this rivalry would delegitimise socialist rule and endanger political stability.

However, the possibilities for enhancing output legitimacy, notably the improvement of the people's socio-economic living standard, inevitably depend on successful economic development. In the formative years, all socialist countries therefore attempted to accelerate industrialisation which, however, came at the expense of consumer goods production. Prioritising increasing production now was supposed to be the precondition for a better life in the future. This had implications for social policy, which was mainly seen as a vehicle to raise labour productivity (Schmidt 2001, p. 699). Nonetheless, the welfare reforms enacted by the regimes were celebrated as socialist achievements and signs of the superiority of socialism.

This can be exemplified by the German Democratic Republic (GDR), where system competition with West Germany was particularly intense immediately after the founding of the two German states (for the following, see Obinger et al. 2025). By far the most important welfare reform in the newly established GDR was the 1950 Labour Code, which introduced a right to work. From the regime's perspective, this social right was a powerful weapon against the capitalist West: it realised an old dream of the labour movement as it aimed at abolishing unemployment. Already the law's preamble denounced the dismal socio-economic conditions in West Germany. While in the GDR the rule of the capitalists had been eliminated, "in West Germany, under the rule of the Anglo-American imperialists, the power of the monopolies and Junkers was maintained. The economy is facing a crisis. Unemployment, exploitation and impoverishment of working people are growing".[3]

In view of the glaring labour shortage, a common problem throughout the Eastern bloc, women's labour was mobilised early on, which necessitated measures to reconcile paid and family work. Moreover, pronatalist policies played an important role in socialist countries in Europe. In September 1950, the GDR passed the Law on the Protection of Mothers and Children and on the Rights of Women which improved occupational safety for women and expectant mothers, established financial support for children and was intended to improve the reconciliation of motherhood and employment. Once again, Cold War rhetoric and comparisons with

[3] Junkers means the landowning aristocracy. Preamble of the "Gesetz der Arbeit zur Förderung und Pflege der Arbeitskräfte, zur Steigerung der Arbeitsproduktivität und zur weiteren Verbesserung der materiellen und kulturellen Lage der Arbeiter und Angestellten", 19 April 1950, BArch, DA 1/20742, fol. 45 [author's translation].

West Germany characterised public pronouncements. For example, a report to the Presidium of the Council of Ministers on the tenth anniversary of the act declared:

> We can state with pride that equal rights for women are one of the greatest achievements of our republic. In West Germany in contrast, fascists, militarists and reactionary monopolists were once again able to occupy positions of power in the economy and the state. The exploitation of working people has not been eliminated, women's work continues to be undervalued, and women continue to occupy a subordinate position in the family, the state and society. The NATO policy of the Bonn government, which is constantly placing new burdens on working people through systematic rearmament and provoking the prospect of nuclear war, is causing a constant reduction in social services and threatens the lives of the German people, indeed of all mankind.[4]

However, the inbuilt inefficiencies of the centrally planned economies (Kornai 1992; Steiner 2017) were the Achilles heel of the socialist regimes in fulfilling their promises of a better life. As early as 1953, the workers' uprising in the GDR indicated widespread discontent within the core clientele of the socialist regime. This was a traumatic experience for the socialist elites (Ritter 2005), who from now on tried to do everything to contain social unrest caused by "bread and butter issues" (Schmidt 2001, p. 775). The pressure to do so was reinforced by building the Berlin Wall, which brutally stopped citizens voting with their feet, since about three million mostly younger and highly skilled people had left the GDR and relocated to West Germany prior to 1961 (Bispinck 2003, p. 306). The uprising in Hungary in 1956 was another alarm signal and its crushing by Soviet troops further increased the legitimacy problems of the socialist elites and put them under pressure to change course.

Stalin's death in 1953 and the Twentieth Party Congress of the CPSU (1956) were significant turning points and paved the way to more expansive welfare reforms in the Soviet Union and the other Eastern bloc countries (Aksjutin 1996; Inglot 2008; Ivanova and Plaggenborg 2015; Smith 2015). The pension reforms enacted in 1956 in the Soviet Union restructured and improved old-age, survivors' and invalidity pensions for

[4] Bericht der zentralen Regierungskommission an das Präsidium des Ministerrates zum 10. Jahrestag des Gesetzes über den Mutter- und Kinderschutz und die Rechte der Frau", 19 September 1960, BArch, DC 20-I/3/332, fol. 19–40, here fol. 19 [author's translation].

workers, while collective farmers were entitled to similar but lower pensions in 1964 (Smith 2015). Bulgaria already introduced old-age pensions for cooperative farmers in 1956, and one year later, informed by the Soviet model, it introduced a unified and more generous pension system for all other groups of workers (Ignatova-Pfarr 2023, pp. 178–189). In Hungary, the inclusiveness of social security schemes was increased after the 1956 revolution (Tomka 2004, p. 109), while Czechoslovakia had already switched to a tax-funded pension system in the early 1950s that was further restructured in 1956, including a lower retirement age for some categories of employees (Rakosnik 2025). In public statements, these reforms and other socialist achievements such as universal, cost-free healthcare and education were accompanied by the Cold War rhetoric that emphasised the superiority of socialism in the systemic competition with Western capitalism (Brehmer 2024, p. 209; Ignatova-Pfarr and Schmitt 2024).

In reality, however, the achievements in social policy remained rather modest in the post-Stalin era, especially in rural areas. In addition, and more importantly, the problems of the shortage economies could not be solved. For example, the healthcare sector was characterised by chronic underfunding, technical backwardness and shortages of pharmaceuticals (Heinrich 2022, p. 42). Pensions were low and were not automatically adjusted to higher wages and the cost of living. The reason was poor economic performance by the planned economies. Despite remarkable progress in terms of industrialisation in their formative years, the socialist economies were unable to keep pace with the productivity and technological standards of the capitalist economies in the long run. Consequently, living standards in the two blocs drifted further and further apart over time. The comparison with Western living standards was humiliating for the people in the East, reduced belief in the superiority of socialism and delegitimised socialist rule. Political oppression and the economy of scarcity led to growing discontent and political uprisings in Hungary (1956), Poland (1956, 1970, 1980) and Czechoslovakia (1968), but also in Soviet cities such as Novocherkassk in 1962.

The response to mounting unrest was twofold. One relied on violence and repression. In consequence, the socialist countries had to finance an ever-increasing security apparatus[5] on top of the high levels of military

[5] Members of the security apparatus typically received special welfare benefits, notably pensions, to ensure their loyalty.

spending[6] during the Cold War era. The other strategy aimed to enhance output legitimacy. Following the Hungarian example, the idea was to "improve the situation of workers, with a comprehensive package of welfare measures and a better supply of consumer goods". The intention of the party leaderships was to "pacify the workers while securing their own power" (Steiner 2017, p. 206). This approach was pushed by Soviet leader Leonid Brezhnev, who, at the Twenty-fourth Party Congress of the CPSU (1971), urged the countries of the Soviet bloc to expand and modernise their social policies (Inglot 2008, p. 165; Smith 2015; Schattenberg 2018, pp. 88–89) in response to rising dissatisfaction with the supply situation among the population and unrest in several Eastern bloc countries. The propagated new stage of "mature" or "developed socialism" should be based on a unity of economic planning and social development (Smith 2012, p. 389).

A good example of this new course in the 1970s is East Germany. In a manner similar to that of other Eastern bloc countries (Inglot 2008, p. 207), Erich Honecker, the new state leader and Brezhnev confidant, strengthened efforts to expand the socialist welfare state and enhance the regime's consumer orientation under the slogan Unity of Economic and Social Policy coined in 1976. While social policy only played a subordinated role in the early years, it now stood at the centre of the party's strategy (Hockerts 1994, p. 794) because the GDR "had no other means of counterbalancing the legitimacy problems caused by a lack of democracy, unsatisfactory economic efficiency and the gap relative to what the people saw as Western standards" (Hockerts 2009, p. 54). Politburo member Harry Tisch succinctly summarised the expectations of GDR citizens towards the state as follows: "Our people want social security, safety, job security, and education from us and the department stores of the FRG [i.e., West Germany]" (quoted from Bartel 2022, pp. 267–268).

As early as the 1960s, the party leadership had to admit that West Germany had overtaken the GDR not only economically but also in terms of welfare state generosity (Schmidt 2001, p. 727). In consequence, the 1970s witnessed considerable efforts to expand social protection in various areas. Already in 1971, a voluntary supplementary pension scheme was introduced as an attempt to raise pensions since the majority of pensioners lived below the poverty threshold (Ritter 2005, p. 19). Moreover, public pensions were raised, albeit in an arbitrary fashion, for example, on

[6] Already in 1952, defence spending claimed almost 24% of the state budget in the Soviet Union (Ivanova and Plaggenborg 2015, p. 67).

the occasion of anniversaries of the GDR. The regime also launched a major housing programme with the aim of building more than 1 million new apartments. In a final act of lauding the social achievements and superiority of socialism, unemployment insurance was abolished in 1977, that is, in the wake of the oil crisis when unemployment in West Germany increased again for the first time since World War II. Declining birth rates gave rise to a pronounced pronatalist family policy from the 1970s onwards. Examples include paid maternity leave, higher child benefits, working-time reductions for mothers and a further expansion of institutional childcare facilities. Much earlier than in West Germany, child raising was translated into pension credits. Finally, price subsidies for convenience goods were significantly increased, particularly in the 1980s when they amounted to more than 20% of the state budget (Schmidt 2001, p. 756).[7] Subsidising the prices for basic goods was a core pillar of the socialist welfare states, and if this spending item is added to the classic social spending categories, the GDR's total welfare spending relative to economic output was higher than in West Germany. The same holds true for military and police expenditure (Obinger et al. 2025).

As a result of this social policy expansion, several Eastern bloc countries turned increasingly into what Jarausch (1998) has described as "welfare dictatorships", that is, regimes whose legitimacy and stability were based on a combination of repression and social security (see also Hockerts 2009). The more the socialist regimes relied on repression, the more fiscal resources had to be spent on welfare measures and the production of consumer goods to compensate for the lack of civil and political rights. In addition, the Cold War confrontation pressured the socialist countries to maintain a high level of military expenditure. However, these spending imperatives and the necessity to expand the supply of consumer goods created a heavy burden on the centrally planned economies with their low productivity. Because of limited production capacities and technological backwardness (which also lowered export opportunities), consumer goods had to be imported from Western countries and were financed with Western loans. In addition, oil prices increased after the 1973 oil price shock and the Soviet Union reduced oil supplies to the socialist "brother states" in the 1980s (Bartel 2022). The result was mounting foreign debt which, in turn, imposed austerity pressure (Steiner 2017, p. 206). In consequence, the socialist states ran into an unsolvable fiscal dilemma as there

[7] In the Soviet Union, price subsidies increased from 4% (1965) to 20% in 1989 (Steiner 2017, p. 216).

was growing competition for scarce resources which inevitably led to spending trade-offs, crowded out investment, and slowed down technological innovation. For the Soviet Union Stefan Plaggenborg (2019, p. 54) has noted:

> Social policy demanded investments and huge subsidies that rose rapidly into the immeasurable, while at the same time armaments expenditures were very high. This also explains the recurring debate about the fundamental orientation of planned industry, that is, whether the means of production sector and armaments should be prioritized over the consumer goods industry. However the government and the economic and planning authorities twisted and turned the question, the problem of inefficiency remained. [author's translation]

In other words, the socialist countries were caught in a vicious cycle: Any cuts in military, police, consumption and welfare spending were dangerous as they weakened the main pillars of regime stability, while at the same time the high spending levels devoted to these items were practically not affordable. The US military build-up initiated by President Ronald Reagan in the 1980s further exacerbated this fiscal dilemma and contributed to the collapse of the Eastern bloc's planned economies:

> Ultimately, the Soviet-type planned economies failed because they could not live up to their own claim of being superior to the capitalist system in economic terms too – which served to legitimate communist rule – because of problems inherent to the system: Neither in terms of technology or productivity, nor in consumption, could they provide real alternatives to the capitalist West, quite aside from the question of whether they achieved its level. (Steiner 2017, p. 222)

Beyond the Cold War: Concluding Remarks

The influence of the Cold War on the development of the welfare state has only been studied rarely so far. This chapter has argued that bipolar system competition contributed to social policy expansion in several countries in East and West. However, this impact was much stronger in the Eastern bloc for two reasons. First, social policy was an important and ever-increasing source of legitimacy for the socialist dictatorships. The more they relied on repression, the more the expansion of social policy and consumerist policies was needed to sustain political stability. Second, the socialist ideocracies promised a better life, wealth and social justice and were therefore under pressure to make progress in social and economic policy. Despite some remarkable social achievements, such as cost-free education and universal and cost-free healthcare with its focus on prevention, or a life-long job guarantee, the socialist welfare states were not able to achieve social standards for the majority of the population that went far beyond the subsistence level. This was particularly true of old-age pensions. The superior economic development and the related higher living and welfare state standards in the West reinforced the pressure to expand the socialist welfare systems. The resulting necessity to overspend in social affairs and finance a huge surveillance and military apparatus overburdened the planned economies and eventually led to the collapse of socialism in the Soviet Union and Central and Eastern Europe, which marked the end of the Cold War.

The breakdown of socialism caused a severe economic crisis and tremendous social problems such as mass unemployment and impoverishment in the former Eastern bloc. In the West, the end of the East–West Conflict undermined the legitimacy of the welfare state as a third way between Soviet socialism and American liberalism. The advanced European welfare states came increasingly under attack from neoliberals, who had gained additional tailwind from the breakdown of socialism. Whether the rise of neoliberalism and the demise of socialism means, as Bartel (2022) has concluded in his seminal inquiry, that both blocs were not able to sustain their post-war welfare promises in the aftermath of the oil shocks in the 1970s, is questionable for at least the Western world. There is no doubt that Western welfare states have been restructured in recent decades, but these reforms included cutbacks as well as the expansion of social benefits and services. In contrast to the Western welfare state, the socialist welfare model is dead in the Global North.

However, socialism has survived in some places in the Global South. The few remaining socialist countries such as Cuba, North Korea, Laos and Vietnam show very poor social and economic performance and thus cannot serve as a socialist role model. Judged by the Human Development Index in 2023 (available for 191 nations), these countries are ranked 140 (Laos), 114 (Vietnam) and 83 (Cuba), while no data is available for North Korea. Hence, socialism today has lost both its appeal and its scare. The only exception is China. However, China's political and economic rise is much related to its departure from a planned economy. It was state capitalism that unleashed exceptionally high economic growth rates which lifted millions out of poverty and created a wealthy urban middle class.

However, the rapid economic development also generated an ambitious and increasingly aggressive superpower that aims at expanding its political and economic influence globally.

Reinforced by democratic setbacks in other countries, there are signs of a new Cold War. This looming conflict is no longer a competition between two fundamentally different economic systems but a rivalry between democracy and autocracy linked to different variants of capitalism. Hence, President Truman's dictum delivered in his Congress speech[8] in 1947 that every nation must choose between two alternative ways of life remains valid: The first "is distinguished by free institutions, representative government, free elections, guarantees of individual liberty, freedom of speech and religion, and freedom from political oppression. The second way of life […] relies upon terror and oppression, a controlled press and radio; fixed elections, and the suppression of personal freedoms". It should be added that the second way also typically implies less generous social security.

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[8] See footnote 1.

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