

Carmelo Mesa-Lago, *Evaluation of Four Decades of Pension Privatization in Latin America, 1980–2020: Promises and Reality*. Mexico City: Fundación Friedrich Ebert, 2021. Figures, tables, abbreviations, notes, bibliography, appendixes, 204 pp

Professor Mesa-Lago is one of the first authors to highlight the importance of studying the political economy of pension systems, beginning with his book *Social Security in Latin America* (1978). Later, he was one of the first authors who began to elaborate substantiated criticism of the Chilean experience of individual capitalization (1985). Then (2008) he formalized a structural-type pension reform typology, consisting of a substitute model that closed the public system for a private system of defined contributions (Chile, Bolivia, Mexico, El Salvador, and the Dominican Republic); a mixed model, in which a public system was maintained and private management of funds was incorporated as a second pillar (Argentina, Costa Rica, Uruguay, and Panama); and a parallel model, in which the new private system entered directly into competition with the public pension system (Colombia and Peru).

To frame the literature developed by Mesa-Lago more broadly, the study of pensions is relevant because these reforms must deal with financing problems and demands from different actors involved in this area. The solutions to the various demands and limitations caused by problems related to public pension finances are not usually reached in a single reform process. For example, Latin America is a region where old age pensions have been an essential axis for developing welfare regimes or schemes since the 1920s, with a heavy inheritance of fragmentation and segmentation that reproduced labor market inequalities (Cruz-Martínez et al. 2021). The current challenges are characterized by a context of inclusion of the excluded in the form of noncontributory pensions, while contributory schemes experience financing difficulties and worsening future sustainability, due to factors related to the demographic structure of the countries (Arenas de Mesa 2019).

In addition, Latin America is experiencing a context of population aging and a consequent increase in the old age dependency rate, which calls into question the fiscal sustainability and equity of the architectures of pension systems. According to ECLAC, the population over 65 years of age doubled (from 3.7 percent to 7.7 percent) between 1965 and 2015, while in numbers, it grew from 9.1 million to 47 million. By 2065, it is estimated that 24.4 percent of the region's population, equivalent to 183.5 million people, will be 65 years of age or older. Consequently, this Mesa-Lago monograph is a must-read reference for an overview, especially regarding the role of pensions in national strategies for social protection and poverty alleviation, particularly in a post-COVID recovery context.

This work aims to evaluate the promises of privatization, considering the principles of Social Security, based on a bibliographic review and in the

context of the 40 years since the pension system in Chile was privatized. In this way, the author seeks to deepen the pension debate and consideration in the decisionmaking process, on the basis of the lessons of the varied Latin American experience.

This monograph is structured into nine chapters, which can be divided into three parts, which are not explicit in the document. The first part is the presentation of the topic, composed of the introduction; chapter 2, “Public and Private Pension Systems, Structural Reforms, and Re-reforms”; and chapter 3, “The Political Economy of Structural Reforms and the Social Dialogue.” A second part is devoted to evaluating the results based on the presentation and conceptual framework of the previous chapters. The second part comprises chapters 4, “Promises and Reality of Private Pension Systems”; and 5, “Pension Re-reforms in Latin America and Their Effects.” Chapter 5 finishes with section C, which is dedicated to one of the leading cases in the region that did not carry out any type of substitutive reform, Brazil, which has been in constant revisions of parametric reforms due to a fiscal imbalance in its accounts and a growing debt.

The third part is made up of chapters 6, “Conclusions,” and 7, “Recommendations,” devoted to improving statistical systems of pension systems, expanding coverage and social solidarity, and reinforcing social dialogue and gender equity, as well as increasing the sufficiency of pensions and integrating special regimes into general regimes, among other areas.

Regarding reviewing the type of pension reforms from the second wave and the re-reform process, Mesa-Lago establishes a first conceptual clarification between public and private pension systems. In chapter 2, he defines a “public” pension system as characterized by defined benefit (established by law), pay as you go financing (or partial collective fund), and public administration. In contrast, a “private” system is typified by defined contribution (assumed not to change over time), fully funded in individual accounts, and private administration. Then, in Table 2, he develops the taxonomy of pension reforms by 2020, and establishes a fluidity with the results from the reform processes in Argentina (2008), Chile (2008), Bolivia (2010), and El Salvador (2017). These reforms improved coverage and introduced social solidarity in the contributory pillar, with the difference that Argentina and Bolivia closed the entire private system.

The fourth chapter is one of the central ones of the monograph. Mesa-Lago reviews the promises and realities of private pension systems in five areas that correspond to the fundamental principles of social security of the International Labor Organization (ILO): active and passive coverage, social solidarity and gender equality, adequacy of benefits, administration and costs, and financial and actuarial sustainability. For each of these dimensions, Mesa-Lago exposes the promises from the literature promoting private pension systems. Generally, there is still undercoverage in the contributory pillar in the countries that adopted structural reforms. This aspect has been corrected with the gradual introduction of noncontributory pensions.

Regarding social solidarity and gender equity, the new system replaces solidarity with actuarial equivalence, with solidarity to be executed by the state. The state was also critical in activating the private system through different measures of obligatory contribution, regulation of the system, and financing of transition costs, among other measures contrary to the idea of a subsidiary role but relatively active in the face of different shortcomings. Regarding the sufficiency of pensions, a low replacement rate is reported for systems with defined contributions (39.8 percent, according to the IDB), with value adjustments according to the variation of the CPI for the nine countries with private systems. However, according to Barr and Diamond (2010), there is no replacement rate guaranteed by law, and the calculation of the pension is subject to the accumulated capital and the possibility of choosing between a life annuity or programmed withdrawal.

On the administration and costs of private systems, Mesa-Lago confirms that competition has not worked to reduce administrative costs (these continue to be high, representing between 22.9 percent and 29.6 percent of the deposit made by the mandatory contribution), due to an insufficient number of administrators and high market concentration, with profits much higher than the financial market average. The fifth area, financial and actuarial sustainability, has problems caused by a systematic drop in members who regularly contribute, underreporting, employer nonpayment, and an increase in the pension fund's capital that generates disproportionate economic power. This is due to the concentration of investment portfolios in public and private debt instruments held by the pension fund administrators.

Chapter 5 carries out an evaluation exercise similar to that in chapter 4 but focuses on re-reforms; that is, a substantive change or elimination of the private system, as in the cases of Argentina (2008), Bolivia (2010), Chile (2008), and El Salvador (2017). The second part of this chapter analyzes proposals for re-reforms of the parallel pension systems in Peru and Colombia. In general, the re-reforms strengthened the role of the state in the pension system, either by transferring the entire private system to the public system or by greater participation by public management entities. Regarding social dialogue, Mesa-Lago describes the little public discussion of the re-reform process in Argentina and El Salvador, in contrast to negotiations and concessions to labor unions as in Bolivia. The Chilean case had a process of consultation and public meetings in the so-called Marcel Commission.

Regarding the coverage dimension, there were increases in the Chilean and Bolivian cases, among both older adults and the economically active population. At the same time, for Argentina and El Salvador, such increases are not possible to ascertain, due to divergences according to the source of information. Except for El Salvador, the reforms meant improvements in gender equity. Still, the re-reforms strengthened social solidarity in Bolivia and Argentina by closing the private system and extending the system to low-income workers.

The adequacy of the benefits increased in the four cases studied, but El Salvador did not introduce any indexation of the pension amounts, remaining subject to the

discretion of the government in power. With the completion of the reforms, results have been obtained in reducing administrative costs, not without difficulties for the Bolivian case, in which the public sector has not been able to assume the tasks of the private administrators. El Salvador did not introduce modifications to increase competition, contrary to the Chilean case. The latter established a portfolio bidding mechanism to be assigned to the pension administrator (AFP) that offers lower commissions for new contributors, among other measures to reduce administrative costs. Regarding the impact of the re-reforms on public finances, Mesa-Lago argues that financial-actuarial sustainability is not in balance in Argentina, Bolivia, or El Salvador, while the accumulated capital of the pension fund has grown in Chile, Argentina, and El Salvador.

The conclusions summarize the main results of the private pension systems and the re-reform processes in terms of their coverage, social solidarity and gender equity, sufficiency, social dialogue, administration and administrative costs, and fiscal sustainability. However, a final chapter of policy recommendations in 17 areas complements and strengthens them.

The final section introduces the general guidelines that pension reforms should adopt, and also presents three optional models. Within the mandatory requirements, a participatory social dialogue is needed to reach a consensus and to legitimate the reform. In addition, it is essential to carry out external actuarial studies and prepare a technical diagnosis, which allows the actors involved to see the reform options, considering long-term sustainability and reduction of the fiscal deficit, among other issues subject to the fundamental principles of social security. The three optional models are defined benefit systems with notional individual accounts, sovereign funds that a public agency manages and that generate economies of scale by uniting the different private administrators, and a mixed system with complementary individual capitalization, a noncontributory pension with targeted coverage, and a solidarity pillar of distribution with actuarial balance.

This monograph provides a complete evaluation of the Latin American pension reforms, with particular emphasis on the substitute reforms that fully or partially implemented the private management of countries' pension funds. In addition, it has an extensive bibliography and updated statistics that give the reader an overview of coverage, sufficiency, administration costs, and other dimensions with relevant indicators.

This book aims to open the debate on the achievements and deficits of private pension systems. This is more important in a context marked by the need for fiscally sustainable reforms, due to demographic pressures and reduced fiscal space that compromise the future viability of old age pensions in Latin America. In addition, this publication is not aimed at a 100 percent academic audience, but the final chapter of policy recommendations is an excellent resource for people involved in the design and implementation of public security and social protection policies.

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Viviana Beatriz Macmanus, *Disruptive Archives: Feminist Memories of Resistance in Latin America's Dirty Wars*. Urbana: University of Illinois Press, 2020. Photographs, figures, bibliography, index, 218 pp.; hardcover \$110, paperback \$26; ebook \$19.95, pdf \$19.95

Not unlike many places in contemporary Latin America, Brazil is living through a historical juncture marked by the fierce revival of conservative and authoritarian discourses, denials, and loss of historically achieved rights, fueled by state-sponsored discourses of violence against gendered, racial, and other minorities. In this context where I am situated, we are constantly inquiring into how our not-too-distant dictatorial past is indelibly sewn into the structures of the current (un)democratic state, in ways that are both obvious and profoundly elusive and complex.

Decades after the public acknowledgement by Latin American states of the crimes committed by the authoritarian regimes during the 1960s and 1970s and the establishment of truth commissions to investigate and prosecute the violations of human rights, we are still haunted by the memories of those who were persecuted, tortured, and murdered by the regimes, fully aware that justice has yet to be served. In this context, it is imperative to ask how Latin American scholarship is complicit with these silences, and how it can assume its responsibility toward society in delivering substantial forms of justice.

Viviana Macmanus's *Disruptive Archives* shows a passionate commitment to such questions and to the responsibility toward the gendered ghosts of the Dirty War era that continue to haunt the (un)democratic political present in Latin America. In a dialogical,