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Leon Ginsberg  
*University of South Carolina*

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Book Reviews


For a half century, the nations of the world, developing as well as industrialized, have created social security systems. This new contribution to the literature of social security was edited and partially written by Midgley, of Louisiana State University, and Tracy, of Southern Illinois University. The book is one of the few critical explications of social security programs in the United States and other nations. It makes a valuable contribution to that body of knowledge. The author of the foreword, U.S. Senator John Breaux of Louisiana, calls the book remarkable.

The basic message of the book is that social security is under threat everywhere for a variety of reasons, some peculiar to specific nations and some common to all social security programs. Although those who want to study social security in the United States have access to ample materials on their own system of old age, survivors, and disability insurance, analytic materials on the systems of other nations are not so readily available. So this book provides some valuable information for a variety of readers including policy analysts and public officials who need to evaluate their own programs; educators who want to place social security in international perspective; and students engaged in studies of social insurance schemes.

Midgley’s introductory chapter provides helpful insights into many social security programs and generalizes about them. The fiscal viability of social security is the major concern everywhere. Hungary, he reports, has seventy-five recipients for every one-hundred contributors and the rates of payment in the social security funds has been increased recently by thirty percent. There are delays in payment to the social security systems by some firms in some countries, where enforcement of the collections is not as aggressive as it is in others. Some systems owe large debts, themselves, and, in some countries, government borrowing from social security funds has weakened the systems. There is also a larger population of older people, which is a growing problem for
social security systems, as well as more extensive early retirement plans. The systems, which were designed for male wage earners and women and children dependents, are having to face the larger numbers of more single parent families and more brief marriages. Midgley also points out that substance abuse is now defined as a legitimate disability and that, too, has increased social security beneficiaries. There are also administrative and processing errors that can affect 18–32 percent of the cases.

In another chapter, Howard Karger provides a detailed explanation of some of the issues facing U.S. Social Security and some of the options for stabilizing it. Some other issues are that many of the people who are most vulnerable to poverty are not covered. Social security programs in most countries focus on wage-earning employees rather than people who are not employed in formal organizations. Two authors provide a critique of the British system which is based on the Beveridge Report of 1942, and which is the subject of serious debate in the United Kingdom.

In the Netherlands critics say that the Social Security program is out of line with other programs in other nations because it is too generous. Some Dutch citizens think that social security reduces labor force participation. However, the authors on the Netherlands show that Dutch labor force participation is about 66 percent compared to the rest of Europe’s 59 percent but that Dutch workers are less likely to be full-time workers than those in the rest of Europe.

Poland has a pay-as-you-go program on which employers contribute 45 percent of their payrolls. Male participants may retire at sixty-five and women at sixty. Either can retire five years earlier if they have had thirty or more years of work. And the plan in Poland is generous. It pays 24 percent of the current average wage plus more for those who have had higher earnings.

An article on women in social security says that inequities of benefits for women are a major cause of the greater rates of poverty among women in many parts of the world. In the developing nations, such as Zimbabwe, only small portions of the population are covered. In the developed Latin America nation of Uruguay 73 percent of the population is covered by a fairly generous and stable program.

Midgley and Tracy have done a remarkable job of finding
experts on these complex issues from a wide range of nations. Both the editors have had extensive experience in studying international matters and have written about international social welfare issues before. One would hope that future books on this subject are forthcoming and that they will cover other developing nations as well as Asian nations, which are not discussed in this volume.

The book is well-written, well-edited and full of fascinating information for those who want to know more and want to explain more about social security. The subject is specialized but it deals with the most important social welfare field in the world and, therefore, deserves the excellent treatment it has been given in this volume.

Leon Ginsberg
University of South Carolina


The Poverty of Welfare Reform has its roots in the genre of "welfare state philosophy" books typified by such authors as Richard Titmuss, Neil Gilbert, Ramesh Mishra, Gosta Esping-Andersen, Richard Cloward, and Frances Fox Piven, to name a few. While Handler shares a common purpose with these authors, his limited focus on the AFDC program differentiates his book from those with broader implications.

Handler argues that a convergence of opinion exists around the AFDC program between Democrats and Republicans. In fact, he argues that there is little difference between the two camps on welfare reform, with the exception of rhetoric. The common tenet between Democrats and Republicans (on both the national and state levels) is that paying public funds to the poor—particularly to single mothers and their children—perpetuates dependency, undermines self-sufficiency, and erodes the work ethic. Handler points out that this welfare toughness is now new, but an extension of a cycle that has dominated American politics since the turn of the century. AFDC policy continues to lie in the shadow of the sturdy beggar.