

In Latin America, strikes can help bring about increases in social security and welfare spending, while mass protests can help safeguard education spending.

*Can labor strikes and protests influence a government's policy on social welfare? In new research, **Barbara A. Zarate Tenorio** looks at the impact of collective protests on the social policy choices of Latin American governments. She finds that in democracies, labor-related protests can help bring about an expansion in social security and welfare spending, and mass protests can help to prevent cutbacks in education spending.*



Protest by organized labor and the masses has played an **important role** in the **transitions** from authoritarian rule to democracy as well as in the **fall** of democratically elected presidents in Latin America who were involved in corruption scandals or pursued unpopular economic policies. While research on the development of the welfare state in industrialized democracies has **shown** that strike activity and working class protest contribute to increases in welfare spending, little is known about the social policy consequences of protest activity in developing countries.

Studies on social spending in Latin America show that democracy positively affects public social spending and levels of human development. Since the transitions to democracy, governments in the region have steadily increase human capital spending (i.e., education and health expenditures), which compared to social security, tends to reach a larger segment of the population. Social security spending is highly regressive since it **mainly benefits** the small share of workers employed in the formal sector. However, similar to industrialized democracies there is an organized constituency of **“labor market insiders”** around social security benefits, but not around human capital spending. In other words, the organizational and mobilizing capacities between labor insiders and other groups in society markedly differ.

In recent **research**, I look at whether collective protest affects the social policy choices of Latin American governments, and whether this influence varies according to the type of protest and social spending. I analyze if compared to authoritarian regimes, democratic leaders increase social spending when faced with protest by organized labor and the masses. Democracies reduce the costs of organizing state-oriented challenges by abstaining from using widespread repression against protestors. Thus, compared to authoritarian governments, democratically elected leaders will have greater incentives to address challengers' discontent and to deploy strategies other than repression for dealing with social protest.

However, it is well known that **“governments respond selectively to different sorts of groups, and to different sorts of actions”**. Relative to other groups in society, organized labor enjoys an advantaged position to obtain policy concessions from governments. Labor insiders mobilize around specific demands and strikes carry significant economic and political costs on governments. In contrast, other groups in society rarely protest around specific social policy issues. Moreover, the diverse nature of mass protests makes them more vulnerable to successful demobilization tactics from political leaders.

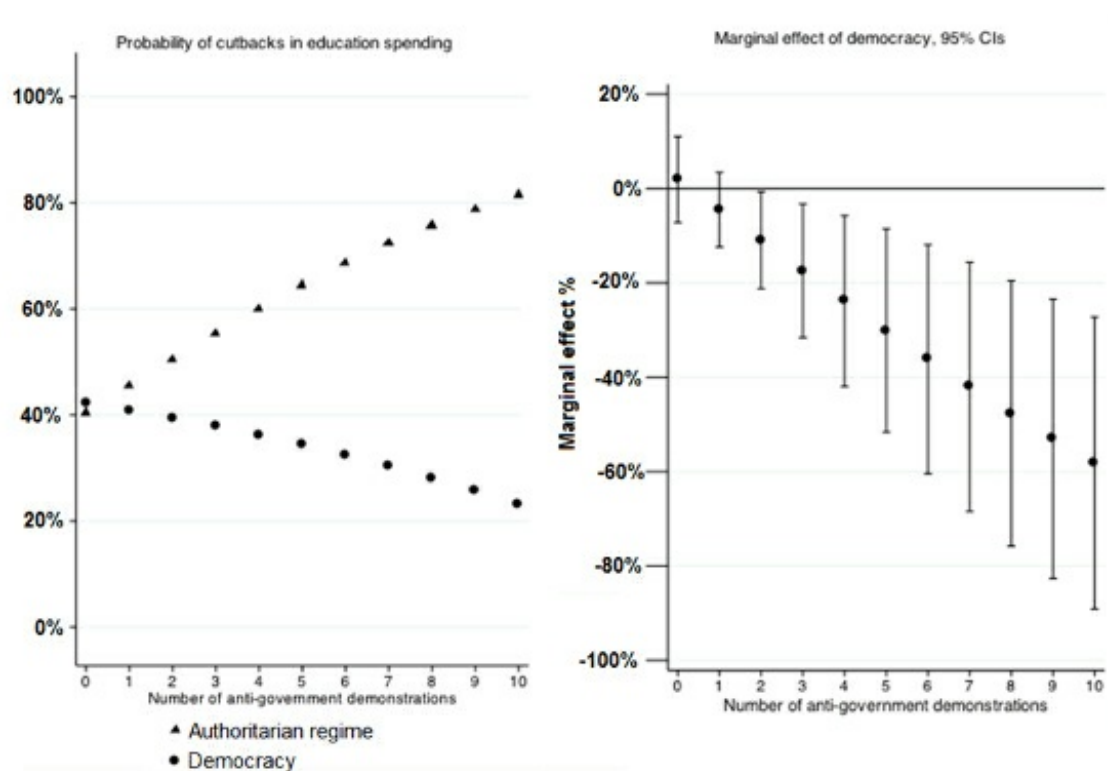
To evaluate this argument, I empirically explore the relationship between **different types of protest events** (i.e. strikes, anti-government demonstrations, and riots), and **different categories of social spending measured** as a percentage of GDP (i.e. education, health, and social security and welfare spending) in a sample of Latin American countries for the period 1970-2007. Taking into account other factors known to affect social spending, the results from multivariate regression analysis show that under democracy labor-related protest in the form of strikes has the effect of increasing social security and welfare spending in the long-term by 1.1 percentage points. However, the results also show that demonstrations and riots do not bring about expansions of either type

of social spending.

However, many countries in the region have seen large-scale demonstrations aimed at challenging governments that pursue unpopular economic policies. Accordingly, governments may refrain from cutting back important components of social spending that benefit a majority of the population – such as human capital spending – when the masses are largely mobilized. To explore this idea I recoded human capital spending into three categories: positive, negative, and no change. The empirical results from a multinomial regression analysis show evidence in support of this alternative argument, suggesting that mass protest is not inconsequential and instead can shape public policy.

Figure 1 shows that while the probability of experiencing a negative change in education spending decreases in democracies as the number of anti-government demonstrations increase, this probability increases in authoritarian regimes (left panel). Figure 1 also shows that the difference between authoritarian regimes and democratic ones in the probability of cutting back social spending is statistically significant once there are three or more anti-government demonstrations.

Figure 1 – Average Marginal Effect of Democracy on the Probability of a Negative Change in Education Spending



Taken together these results provide systematic evidence that organized labor and mass protest can have an impact on the policy choices of democratic governments in the region. While previous research showed inconclusive findings about the effect of democracy on social security spending, I find evidence that the effect of democracy on social security spending is conditioned by organized labor protest. Mass protests have also had important consequences for human capital spending. Whereas transitions to democracy provided electoral incentives to political leaders for increasing the components of spending which benefit a larger share of citizens, mass protests have prevented democratic governments from cutting them back.

This article is based on the paper [‘Social Spending Responses to Organized Labor and Mass Protests in Latin America, 1970-2007’](#), in *Comparative Political Studies*.

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