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## THE GREAT CHALLENGES OF SOCIAL SECURITY \*

*Luis José Martínez Villalba \*\**

I have been asked, together with some of the distinguished visitors who honor us today with their presence —and I say so because, although I come from Mexico, today I feel doubly at home: because I am in my homeland and because we are in our Professional Fund—to offer some reflections on the reality of social security in the world of today.

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\* This text reproduces, with slight corrections of style made by the author, the conference that Dr. Martínez Villalba offered in Montevideo on August 13 2004, on the occasion of the celebration of the 50<sup>th</sup> anniversary of the Uruguayan Retirements and Pensions Fund for University Professionals.

The stenographic version of the above mentioned conference, that coincides in all substantial aspects, as mentioned above, with the document presented here, was published by the aforementioned Uruguayan institution, together with other conferences offered on that occasion under the title «Social Security Symposium. Panorama and tendencies at the start of the XXI century».

\*\* Director of the Inter-American Center for Social Security Studies.

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The functions that I have been performing since January 1999 in Mexico City, have allowed me the privilege of becoming familiar with a panorama sufficiently extended to gather certain knowledge and to develop certain ideas. These are only a modest contribution to the reflections that must be made, as an initial step in the construction of all that is necessary.

Knowledge, per se, has a value, especially for those who acquire it, but it has an even higher value to the extent that it is the necessary fundament of the decisions that, in a non transferable and non delegating manner, must be adopted by the political system. The responsibility of prescribing and taking decisions is incumbent on the art of the political system. When they are not based on knowledge or on the data effectively provided by reality, such decisions constitute a voluntary expression and only by chance will they bring about the desired effect. They will probably lead to deep frustrations. When, on the other hand, they are based on the data of reality, they will probably tend to produce the expected effects, in addition to the fact that, depending on circumstances of time and historical location, and on the predominant ideas in a society or in a government, they might have one or a different orientation.

In this sense, the contribution of the CIESS has, precisely, a finality and a practical sense, in my opinion very important, because it is related directly to the social security institutions of the entire American Continent and, in this manner, generates a sufficiently verifiable support for the decisions adopted, which —I insist— must unavoidably be adopted by the political system.

At the time of reviewing reality, especially that of Latin America —which is the one that concerns and affects us in a more direct manner— we can only start from the fact that, since slightly less than 25 years ago,

responses have been generated in the Continent with respect to the crises of the social security systems and especially of the retirement and pensions systems, such as we know them in Uruguay.

Examining the reality of how regimes on this matter operate in our sub-continent, we can say that there are, at least, twelve countries that opted, since 1980 and thereafter, for individual capitalization systems, whether as excluding, complementary or mixed systems with respect of other type of components. In the meantime, the rest of the countries—eight in total, according to data in our possession—continue to basically maintain their public systems. This is only a part of social security, that which comprises, as we know, a whole series of fringe benefits of a different nature, and other responsibilities that the State has been assuming since the distant time when the first systems were implemented, when our country, among others, was pioneer.

At that time, social security was born essentially from the existence of an economy that had a given dynamism and that came to have a greater dynamism around the middle of the past century. An enormous number of urban workers gathered in factories or other type of enterprises in which they performed their tasks, and were physically determinable and easily identifiable, as were the majority of the employers for which they worked. The economic reality and the technology of those times were different than at present. It was possible to determine with sufficient accuracy who were the persons that had the obligation to contribute to the system, on the basis of the obligation of the employer and of the worker to provide a contribution, independently of what the state did as the third supporting element. It was relatively easy to identify those that had the obligation and to verify if they were complying with the prescriptions of the law.

On the other hand, the systems were then very rudimentary. The persons that effectively benefited from retirement and pensions started to receive the first benefits a few years later, and therefore the accumulation of capitals grew. It seemed that everything went on in the best manner in the best of worlds.

The reality of today is radically different. The full employment, an illusion with which the world awoke from the terrible nightmare of the second world war is now a distant reality. The globalization of the economy determines that enterprises operate in a manner radically different from the past. The identification of workers is very difficult and there are multiple ways to evade the obligations of social security, independently of the perverse stimuli that are often generated by certain policies in the sense of promoting labor informality to the detriment of duly regulated labor, the so called "decent" labor—to use an expression that the ILO has made its own since a long time ago.

Today we have a series of problems that decidedly affect the social security systems. To reveal these problems, to examine what they are, to determine their nature and their relative seriousness—because not all of them are of the same entity—will undoubtedly help us to think which may be some of the solutions. This may enrich—as a contribution, very modest indeed among so many others of an immense value—what should be the examination, sufficiently critical and at the same constructive, of how our social security systems are functioning. An examination that must be practiced in the Uruguay of today in particular, and in the entire Continent.

In the first place, we have as one of the topics that in the eighties and in the nineties were persistently discussed to

provide individual capitalization solutions in many of our countries: unemployment, sub-employment and labor informality, as well as the excess of administrative expense, invoked at that time as fundamental reasons, among others, for the reforms that were then determined or implemented. However, and although the systems have worked in a different manner and in certain cases with relative success, this type of problems practically still exist today and we have to face them as other challenges to the social security regimes as they exist at present. In this manner we can verify the existence of a great distance between what the law says and what reality demonstrates. *Vis-à-vis* a panorama more or less ideal that a graduate of the Law School may foresee after he has completed the Labor Law and Social Security Course on the level of social protection provided by the laws in our country, we find, in the reality of our lives, that there is an enormous disassociation.

All "scriptural progress"—to use an expression that comes from the ancient times of Domingo Faustino Sarmiento—is only the surface under which a very different reality is hidden. When the new capitalization systems were implemented, there was an excess of expectations in this respect, the fruit of a number of circumstances identifiable in their historical context. It was the product of the rationalization of certain economic ideas that seemed to be inexorable and that were imposed on men with same force as the physical laws and that lead the countries to upset to a given extent certain scales of values that had been traditional and fundamental for social security. Those reforms were exhibited by their promoters as owners of intrinsic virtues that would make them the panacea and the solution to the problems of social security. This excess of expectations must be attributed to the enthusiasm with which political rulers frequently present the solutions that

they believe to be the best, and to the need to generate social consensuses.

However, we now know that the system — which naturally provided solutions for something that was operating very deficiently, and that brought about certain advantages more or less verifiable— covers only a fraction of the society and of the groups that it should protect. It does not generate for the worker advantages sufficiently verifiable at this time nor solves, but only partially, the problems of social security as a whole. This does not per force imply its failure, but it does imply that the expectations generated at that time were evidently excessive with respect to what could be actually expected.

We have, in the reality of our Continent today, and in Latin America in particular, a problem of insufficiency of coverage. The number of persons covered by social security regimes is dramatically low in almost all countries, and it is even so in our country which appears regularly in all comparative studies with the best indexes on the matter. But those of us who, as Uruguayans, are aware of this reality, cannot be satisfied only by the fact that other countries are in a worse position; it is indispensable that we assume how dramatic it can be that the social scheme of the country is endangered today, since we are not complying appropriately with our duties and obligations on the matter of social protection.

This involves a whole series of joint causes, a great part of which are external and, hence alien, to the actual action that can be exercised by the governments, but other causes can be found in our errors and therefore it is necessary to identify those that it is within our power to solve. For the time being, we know that the coverage is insufficient and that although, I repeat, Uruguay is the country with the best indexes on the matter in all of Latin

American, it is far from being at the height of our expectations. We know that in the individual capitalization systems as they operate at present, a problem in the low profitability of investments exists and there are other problems such as those reported in countries as El Salvador or the Argentinean Republic, derived from economic crises and from the efforts, the pressures and the regulations of the governments to the effect that the investments of savings funds administrators should be channeled to titles denominated in national currency, which suffered a serious deterioration by virtue of the devaluation processes. In the Salvadoran case, this occurred as a consequence of the "dollarization" of the economy.

We know also, that there is an insufficiency of information and that a good part of the affiliates to these systems do not choose them due to their intrinsic advantages nor opt for one or other administration in consideration to what their interests really are, but are influenced by a whole series of elements that deform and filter information, which does not flow with the required transparency towards the potential beneficiaries.

These are some of the problems that we find in our pension systems such as they function at present. Probably, if we had not reformed them, the problems would be greater, but in any case, these problems are there and as such must be analyzed and eventually corrected.

Looking at the general context —nor only to the aspect strictly related to retirement and pensions and to the capitalization system— of social security as a whole in systematic terms, we can identify, among the most important problems in Latin America and in addition to the insufficiency of coverage —although linked undividedly to that insufficiency— labor informality.

Dr. Archaga pointed out a moment ago the rates of informality of the new employment; and when recently the OCDE evaluated, in a report issued only a few weeks ago, the perspectives of employment in the world, it pointed out that the expansion of employment that could be expected may be possible through, basically, a growing percentage of informal employment. This means then, that we have a low quality employment, that in social terms we are losing the battle against lack of solidarity, that in labor terms we are failing to protect those who must be protected and, mainly, that we are generating a spiral of inequalities which is intrinsically negative and promoting a segmentation of society which goes in a direction contrary to the social progress that consists of genuine democratization through the equality of opportunities and the possibilities of decantation and social ascent among one group and the other.

This is particularly dramatic in Uruguay, where even without falling into idealizations or in the description of a happy Arcadia that never existed, many of those who now have a few years of age could, through education and the culture provided gratuitously by the State under conditions of a reasonably equitable access, improve our social condition and provide our descendants with certain means for their training, their studies and their culture and also with material means which are a natural part of the life expectations of a person. Better and more decorous levels of life than those that preceding generations were afforded.

Unfortunately, our country is now suffering—for the first time and like what is happening in other countries whose realities we thought that we would never live—marginality strata for which social access to other levels and to other spheres becomes practically impossible. And this is one of the dramas that we have as a

society, and that even if we enjoy a whole series of advantages more or less intrinsic to the system that we have built during decades, we must not cease to keep an eye on this matter nor can it cease to be a reason for deep concern.

But this is much more serious in other countries where labor informality is frequently an expression of the actual impossibility of people to join the social security system because they are not even used to the idea that some day they will receive their benefits. Let us see the case of Mexico, a great country—the largest economy of Latin America at this time—that evidently has magnificent accomplishments, notable possibilities and excellent macroeconomic figures, but where in a population that already exceeds one hundred million inhabitants, the amount of people who actually receive pensions is only slightly above two million persons. This becomes a dramatic disproportion, comparing it, for example, with the Uruguayan case, where we have a very large number of pensioners that objectively represent a burden on public finances and that reflect a system of very peculiar characteristics, as it is based on a relatively reduced labor mass and on a truly small economy. All of this obviously implies a series of problems difficult to solve.

When the reforms to pension systems in Latin American were introduced, there was an insufficiency of coverage just like today and there was an exclusion more or less systematic of certain groups. I speak of Latin America, and I insist that the case of Uruguay is comparatively somewhat better than the average. The truth is, in any case, that there are sectors that have been traditionally excluded from social security. For example, the reality of the rural sector and of agricultural workers is dramatic. We have had experiences in Mexico and have seen, confirmed and verified by means of data and by means of the observation of reality, how whole sectors of society—and



the same happens in a good part of the continent— are definitely, and I could almost say submissively, excluded from social security. And this is assumed as fatalism, such as some people assume poverty; a situation which they are living and against which it is useless to fight. The rural sector is, in all our countries —and in the case of Brazil I suppose the problem is similar due to the similitude of the social structure of that enormous country with that of Mexico— one of the most unprotected. It is also true in Uruguay, and we cannot or must not silence it, although the magnitude of the problem is comparatively slightly smaller.

Brazil, for example, has instrumented effective policies in recent years through fringe benefits of a non contributive nature that have made it possible to dignify the life of many people who were not even actually inserted in the monetary economy and lived little less than within the frame of a reality in which barter was part of their daily life, mainly in those faraway regions of the Amazonian North. But I don't want to penetrate, not to say into the Amazonian North, but neither into the depths of that impenetrable Brazilian reality and much less in the presence of my friend, Dr. Schwarzer, Social Welfare Secretary of the Federative Republic of Brazil. Be as it may, the problem of informality in the rural environment or among workers who develop their work at home and domestic workers, is something that reaches inordinate levels and globally —in the sense of comprising the whole of human groups that should be protected— there are countries, among them several Central American countries, where the problem of lack of protection on the matter of social security is particularly intense. A significant part of Central American, South American and Caribbean countries suffer problems of a similar nature.

We have then: the insufficiency of coverage, labor informality and the permanence of the exclusion of certain groups as constant factors that indicate that we have not taken the necessary and sufficient steps. The actual changes have occurred in the formal sector, but the rest has remained practically unchanged.

Additionally, we have a problem that can be considered structural, but that is more serious in certain parts than in others; evasion in strict terms. I don't speak of evasion generically considered, which means breaching the legislation on the matter of social security due to lack of contributions, or due to not being inserted nor declared in the system. I speak of evasion in its most strict legal interpretation; the act through which one or more persons —because in a labor relationship two parts are necessary— fail to contribute to the system the amounts that they have the obligation to contribute. Whether by a straightforward evasion, consisting of the so called blacked work, or by sub-declaration, which frequently obeys to a sort of collusion between employer and worker, but that must frequently be due to the fact that the worker cannot but opt for the labor conditions that circumstances permit him to reach and cannot exercise effectively his rights and prerogatives.

Evasion can be fought in many ways. It is evident that the high rates of contribution can be one of the factors that help to produce evasion, but they represent by themselves only a small part of this phenomenon. Frequently we must add the lack of political will to fight evasion effectively.

This is one of the great problems that in fact affect social security. And it affects it doubly, because it has a repercussion not only of an economic nature, quantifiable in

money, but also ethical and very delicate. Dissuading those who contribute, those who act according to the regulations of the law and rewarding those that break it as if this were a smart act instead of a transgression that attempts against society as a whole.

Therefore, in this case we naturally require not only good laws, but to apply them with a heavy hand. In Brazil, for example, in recent times evasion has been deliberately fought in an energetic and sufficiently public manner, so that even first-line personalities in the entrepreneurial and other ambits, are pointed out in the press as being responsible for evasion. This has had an effect not only of a repercussive nature in the improvement of collection but, mainly, an exemplifying effect that makes the evader an identifiable transgressor in terms of his anti-social behavior and helps to enhance —by contraposition— the enterprise that abides by the law.

Most of the problems described require certain socio-economic conditions for their solution.

It is verifiable, in an unquestionable manner that, for example, the growth of the GDP brings about almost necessarily an increase in social expense. Therefore, the economic growth, when promoting better perspectives of employment, constitutes a *sine qua non* condition for the existence of a healthy social security system. Social security can be understood as a system in academic terms, in terms of scientific dissection, but cannot be isolated from the context of the social policy of which it is a part. We have in this sense challenges that we will continue to face for a long time. Different from what used to occur ten or twenty years ago, it is now impossible, for anyone responsible for political decisions of whatever nature, to elude the problem

of social security or to dispense with its consideration. It is not something that is a fact and on which it is not necessary to meditate, but it is one of the greatest responsibilities of the governments, on which politicians will have to come back recurrently and growingly in the future and therefore all of us who work on this matter and in this area carry a great responsibility on our shoulders. It has become an assignment of an enormous importance in the contemporary reality of the entire planet and will continue to be so for a long time. This is why it is indispensable that we proceed with serenity, with persistence, but with the sufficient speed, to know the problems, to identify them and to think which may be the solutions.

To the structural problems of insufficiency of coverage, labor informality, exclusion of certain groups, evasion, to which I referred before, must be added as problems of a relatively lesser importance, due to their own nature because they are in a certain manner instrumental or contingent and not structural, those of labor migration, the superposition of diverse regimes, the oscillation of contribution rates and the eventual regressive tendency of fiscal systems. Let us see the case of labor migration: in the world of today, growing numbers of persons cross the borders to develop their tasks in countries near or far away from their countries of birth. And much more people than in the past, work now throughout their lives in two or three different countries. This phenomenon, verifiable in the Uruguay of today as a consequence, unfortunately, of the emigration of young people motivated by economic reasons, is of an enormous transcendence also in other countries of South America, Central America and Mexico, where migratory currents run from South to North, so that many Central Americans travel to Mexico and many Mexicans —millions— go to work to the

United States, more or less permanently or for periods oscillating between 8 and 10 months every year. This situation is of such magnitude that money remittances made by immigrants in the United States have come to constitute the first supplier of foreign currency in some of the Central American economies. In Mexico, they hold second place surpassed only by the foreign currency provided by petroleum, and this is because prices in the international market are at levels never before reached. They have even surpassed tourism, which in the Mexican case is saying a lot, because the latter furnishes the country immensely substantial resources, due to its strategic location and to having a whole series of tourist attractions of different natures.

This phenomenon determines what in technical terms is frequently referred to as the "non portability of rights". In other words, it means that contributions made in a national regime or system are not computable for the worker at the time of receiving his retirement and, frequently, having worked in many places during a long time, he ends his working life without having any income and no possibility for retirement.

This requires, naturally, the influence of international organizations, political will, effort and, obviously, the sufficient decision to face a problem that we can no longer overlook.

Allow me at this time a brief explanatory digression: I do not have the figures in my possession at this time, but it might be assumed that migratory flows were as important as they are now one hundred or one hundred and twenty years ago, but only in a reverse sense as far as South America is concerned. However, at that time social security systems simply did not exist or were only incipient and the list of human rights consecrated juridically did not include yet the right to social security. Consequently, the data of a socio-cultural

type that now allow us to see the importance of the problems brought about by labor migration in terms of social security, did not exist at that time.

Another serious problem is the co-existence or a superposition of diverse social security regimes within the same national system. This problem exists in Uruguay, although to a relatively lower extent, but in other countries, an extraordinary proliferation of particular regimes occurs, as for example in Colombia or in Paraguay. Also in Venezuela, this problem reaches more or less dramatic levels.

This is an important matter, because it generates very significant diseconomies. Lord Beveridge pointed out that the administrative unification of social security constituted one of the pillars of a healthy system, because it made it possible to obtain scale economies and a centralized administration, although there could be offices close to each one of the beneficiaries. This, he asserted, created the certainty that no more than what was strictly necessary would be spent, thus ensuring that most of the resources of the system went to the beneficiaries and not to administration costs.

The truth is that the superposition of regimes and the consequent multiplicity of institutions generate diseconomies in most of the cases and especially when anyone of those regimes does not operate properly. We in Uruguay, have a very rich experience: the co-existence of regimes has been reduced in recent years to the minimum, but even so, certain very difficult situations have appeared, inherent to the economic-financial reality of the institutions in the present environment.

Farther than all the corrections that the assertion may require, it is unquestionable to set forth as a premise that the systems must be aimed at a unifying process. Definitively, the plurality and the

differences that are too notorious, not only attempt against the principle of uniformity of treatment —a basic principle of social security— but also against the best utilization of available resources.

The problem of contribution rates is a problem that has different edges, depending of the country that we analyze. In some Central American countries they are dramatically low and therefore there is, obviously a need to increment them. In other countries, the rates are high, and conspire against the reactivating possibilities for employment. Whatever the case may be, it is a topic that must continue to be examined because it is necessary to maintain the principle of workers and employers contribution as one of the bases for the financing of social security, for reasons of operation of the system, of social responsibility and of maintenance of certain basic premises with respect to the need that people become responsible for the perspectives of their future.

The economic recession, we said, is a problem indissolubly linked to the crisis of our systems, the structure for the capturing of resources, frequently regressive, demands from us a restatement which must necessary visualize social security from a viewpoint different from that which we have sustained traditionally. Due to intellectual inertia, sometimes due to lazyness, we approach social security following the same beaten routes of old times, without taking into consideration that the realities to which it refers are now radically different from those of the past. I mentioned before, roughly, how the productive system operated more or less 80 years ago, when the Carnelli law was sanctioned in Uruguay, marking the first milestone in the modern social security of our country. Now, everything has changed. Then it is probable that many of the premises of social security that we

considered sometime ago as inevitable and unchangeable truths, must now be interdicted. And that we must think in terms of social security in a manner that will permit us to see if all the certainties that we assumed before as data that it was not necessary to discuss, are effectively established today or if, on the contrary, it is necessary to remove them, to change them.

We must also shake off the drowsiness and the intellectual sloth and the tendency to live with what has been given to us, because the world is advancing with a vertiginous speed, and what used before to take lustrums or decades to produce certain changes now implies a notably shorter time.

We frequently fall in a false opposition between what is ideal and what is possible. We have a concept of social security that excludes social welfare. From a scientific point of view, this is correct. Uruguay is, in all of Latin America, a country that destines significant amounts to social expense, and in particular higher amounts than any other country to social security. But it destines very low amounts to social welfare. Because the social structure of the country, its protecting laws and its effective operation during long years, determined that social welfare became more or less unnecessary, as long as the family and the structures originating from our own cultural inheritance provided solutions on this matter. And we are still in the same position, even when today the scheme of our society is different from that of the past.

Social welfare is usually underestimated as a second or third quality aggregate with respect to social security, forgetting that sometimes we can make true in facts the aphorism: "the best is the enemy of the good".

When poverty fighting policies in countries with a strong structural poverty attain a notorious success—I mention typically the

case of Mexico or of Brazil where improvements are verifiable—the time has come, then, to ask ourselves if, even starting from the premise that social welfare is different from social security, the social security institutions should not incorporate, at this time and to take care of urgent needs that are perfectly identifiable, some measures in which instrumentally, as tools —because that is what the institutions are— they will play a redistribution role through focusing policies that will dignify the life of certain group and that will make possible for these groups the access to certain goods. From education and health, up to other spheres or dimensions of social security that otherwise would be outside their reach.

We have then to think that social security, such as we have scientifically assumed and defined it, could continue to be conceptually the same, but in practice it is possible that we must start to structure welfare solutions, while fundamental amendments are analyzed and more profound and indispensable changes are promoted. To the extent that these solutions permit us to improve the life of a given stratus of population, they are necessarily good and functional, in the sense of the compliance with a mandate which is essential and fundamental to social security, such as that of social solidarity.

We must not make of welfare policies a category sufficiently inferior so as to refuse to see them and even despise them from an institutional viewpoint. Let us understand that these problems require long term and deep solutions, but that in the meantime it is better to climb one step

at a time in the direction of solutions to social problems than abstain from doing so because it is inconsequent with theory\*.

In like manner, we must review many of the premises that we assumed as unchangeable data in recent years or lustrums, when economic policies of a liberal kind resurged receding more than two hundred years, telling us that the invisible hand was going to implement in the market a reassignment of goods in the most effective manner, by the free play of supply and demand. Forgetting, moreover, some of the warnings that Adam Smith had made in his time and becoming, in certain cases, more royalists than the king, resigning to critically examine certain premises and to determine to what extent they were nothing but the rationalization of the interests of certain groups, countries or multinational enterprises.

It is clear that a small country can make only that which is possible within the frame of the circumstances in which it actually lives. It is true that Uruguay cannot pretend to be an island alien to the reality of the rest of the world and design policies that contradict the reality of global schemes, at least not to a certain extent. It is true, therefore, that we can only bring to the reality of facts —to use a famous phrase of Disraeli— that part of the ideal that circumstances permit. We must understand that, in this as in many other matters, at the time of averting the scourge of poverty, at the time of attacking the misfortunes that corrode our societies, an advancement, as small as it may be, is intrinsically good. Simultaneously, we must also understand

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\* In 2005, when a new government was instituted in Uruguay, the Social Development Ministry was created and simultaneously a welfare plan aimed at families in a situation of poverty was implemented, which was under the charge of the above mentioned Ministry

that the ideas submitted to our consideration, whichever they may be, must be questioned even if we think that their implementation is ineluctable. To the extent that we can rectify them, seeking our own, new, proposals, that will reflect our realities, our interests and our possible solutions, then these ideas must be criticized and these rectifications must be made.

I have recently read a very interesting article of a first line expert, Dr. Mesa Lago, where he pointed out that some of the countries that now have public systems should not adopt capitalization systems mechanically, because that mechanical adaptation could lead them to purchase the capitalization systems with all their disadvantages and none of their benefits.

This is what we must do —although not forcibly on the matter of capitalization systems, which in Uruguay have worked reasonably well for the sectors that effectively have access to them— and we must question these matters and assume that the human will, expressed through the decisions of the political system, plays a fundamental role.

At the time of putting in practice decisions that will help to improve the operation of social security, let us remember, in any event, Vaz Ferreira, when in his *Fermentario* he taught us with particular wisdom: "Errata: where it reads: due to the force of elements, it must read: due to the weakness of men".

There are also many other aspects that must be faced and that would require a more extensive treatment, but it is

essential, evidently, to move from theoretical innovation to practical action. It is necessary to take measures, some of them hard, some of them difficult, that require a political will, consensus that are not easy to construct and the capacity to effectively instrument them. Including, in certain cases, the increment in retirement ages, the decrease in the rates of replacement, and in other cases, the decrease in certain ages for non contributive pensions to persons who do not have the required years of age. This group is made up generally by a sector of population that has a shorter life expectation and can only reach non contributive and insufficient pensions — this is the case of many countries and probably also to a lesser extent, of Uruguay.

These measures, whenever they must be taken, are much less heroic than the great solutions sometimes proposed seem to be, but the road must be followed assuming the corresponding responsibilities. The simple invocation of the slogan will not solve for us the actual problems. And at the time of constructing, it is necessary to carry the responsibilities on our shoulders and face them in plenitude, even when the decisions may not always be the most agreeable.

I reiterate, to finalize, that it is a pleasure for me to participate with this modest contribution that intends to appropriately identify the problems of social security; and these ideas —expressed in a somewhat desultory manner— will be available to all those who are devoted to the study of this matter, so that they may be an instrument to stimulate knowledge and investigation on this topic.



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