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Social Security Development and the Colonial Legacy

Abstract

In recent times, social security has been one of the most popular instruments for promoting human development worldwide. Nearly all countries of the world have implemented some kind of social security legislation. While the emergence of social security in the OECD-world has been extensively analyzed, we know very little about the origins of social security beyond the OECD-world. By analyzing 91 Spanish, French and British colonies and former colonies from 1820 until the present time, this paper demonstrates that the colonial heritage is a crucial factor in explaining the adoption and form of social security programs in countries outside OECD-world.

Keywords: Colonialism, Social Policy, Social Security, Developing Countries

1. Introduction

Social security "is a key element of national strategies to promote human development, political stability and inclusive growth" (ILO, 2014, p. xxi, Collier and Messick, 1975). Since the late 19th century, nearly all the countries of the world have implemented some kind of social security legislation even in the poorest regions of the globe. The global importance of social security is reflected by the UN declaration of Human Rights of 1948 which states that "[e]veryone, as a member of society, has the right to social security" (UN, 1948 Article 22).[i] To date, around 170 countries of the world have implemented pension systems, 160 have introduced work injury schemes, 130 countries provide benefits in case of sickness, 70 family allowances and 60 unemployment relief (Lierse et al., 2014). Social protection is of particular importance in low and middle income countries where more than 20 percent of the population has an income below the international poverty line of $1.25 a day. Securing minimum standards of welfare and well-being for these people is arguably the key challenge in worldwide social policy making. However, while the need for social protection for people living in developing countries is obvious enough, we know very little about its origins and characteristics.

The roots of social security systems in many developing countries can be traced back to colonial times. Half of all social security programs in former colonies were introduced before those countries gained independence. Surprisingly, the colonial heritage of social security has been a blind spot in comparative social policy research (Midgley, 2011).[ii] When explaining social security legislation, existing research has focused on domestic conditions such as the level of industrialization and socioeconomic development or international factors such as globalization. However, social security schemes in former colonies were often implemented during colonial times before nation-building and without encompassing industrialization processes. Copying theories on welfare state emergence in Western democracies therefore only help us to understand the pathways of social security formation in former colonies to a limited extent. It cannot, for instance, assist us in understanding why neighboring countries like Ghana and Cote D'Ivoire implemented highly different social security systems despite similar economic, cultural and social national preconditions and similar external pressures (MacLean, 2002, p. 64)?

This paper argues that the colonial heritage is one crucial factor when explaining the adoption of social security beyond the OECD-world. Colonialism has shaped the institutional arrangements of the state and the power and preferences of actors. Even after their country's independence, policy-makers often followed the strategy of the former colonial powers within an institutional setting created during colonial times (Eckert, 2004, Kangas, 2012). Here, I test the influence of the colonial heritage on the formation of social security systems in the former colonies of the three largest European Empires, namely Spain, Great Britain and France. All other European colonial powers had either only a very few colonies or maintained their colonies for a much shorter duration. By analyzing information provided by the US Social Security Administration (USSSA, 2011-2013), a new data set for 91 territories and independent nation states has been compiled (Lierse et al., 2014) that contains information on the adoption and type of social security programs from the early 19th century until today.[iii] Descriptive figures and probit models are used to analyze the colonial legacy of these social security systems.

The empirical results show that each of the three former colonial powers influenced the pathway and configuration of social security systems in their former colonies in a specific way. For example, due to the decentralized imperial strategy applied by the British Empire, social security programs are more heterogeneous across British colonies than among French colonies. Furthermore, the level of economic development of the colonies fueled social security adoption in British colonies but not French ones reflecting the view of British officials that colonies had to finance social security systems from their own resources. In Spanish colonies, especially retirement schemes have been highly shaped by the colonial legacy since most colonies established a pension system according to the Spanish model of the early 19th century. The findings demonstrate that the interplay between the characteristics of the colonies and the imperial strategy of the colonial powers is crucial for explaining different pathways of social security legislation in former colonies. **(← p. 332)**

The paper is structured as follows: in the next section, I briefly illustrate why colonial powers became involved into social affairs and how colonialism shaped the emergence and form of social security. In section 3, the pathways of social security legislation in the former colonies are described based on data on the adoption of social security programs as well as on qualitative information on the type of program introduced. In section 4, probit models are estimated to test the main arguments of section 2 followed by a discussion of the main findings. The final section offers concluding remarks.

2. Colonialism and the Emergence of Social Security –Arguments and Hypotheses

When explaining the formation of the welfare state, existing research has focused primarily on the Western welfare state, emphasizing domestic factors such as industrialization and urbanization that shaped the development of social policy. The increase in productivity induced by industrialization provided governments with fiscal resources which allowed them to respond to growing social needs. Economic modernization and its impact on the social structure and demographics are assumed to play a key role in welfare state formation (Wilensky, 1975, Flora and Heidenheimer, 1981). This development has been fostered by strong labor unions and left-wing parties with their working-class background (Korpi and Palme, 2003, Esping-Andersen, 1991). Some studies argue that international factors have a significant impact on welfare policy-making (Garrett and Mitchell, 2001, Rudra, 2008). In particular, they suggest that economic integration and international organizations account for the timing of program adoption. Studies analyzing developing countries additionally focus on the development strategy (Wibbels and Ahlquist, 2011) and the regime type (Rudra and Haggard, 2005). Surprisingly, the colonial legacy of social security has been left almost entirely out of the equation.

In this article, the influence of colonialism on social security legislation is analysed in the former colonies of the three main colonial powers in the 19th and 20th century: Spain, France and Great Britain. All other European colonial powers either had just a few colonies or maintained their colonies for a much shorter duration. Moreover, I follow Lange et al. (2004, 2006) in excluding colonies that experienced large-scale European settlement and "where permanent residents implemented a broad range of institutions from Britain into the colonies without preserving precolonial arrangements" (Lange et al., 2006, 1427). These colonies are not comparable to those where Great Britain occupied territories without large-scale settlement.[iv] The colonial era differs as between Spain on the one hand and France and Great Britian on the other. Spain started its imperial expansion very early and colonized the Latin American territories mainly during the 16th century. Most of the former Spanish colonies became independent in the course of the 19th century. In contrast, France and Great Britain embarked on the colonial project largely in the late 19th century. Most of the French and British colonies did not become independent until after World War II.[v]

Why did colonial powers become engaged in social policies in their colonies?

In the late 19th century and in the first half of the 20th century, the question of how to deal with social risks in the case of income loss was mainly restricted to the Western world. During much of this period, colonial powers typically aimed at exploiting labor in their colonies and did not pay much attention on how workers in the colonies could be protected in the case of work injury and sickness (Furnivall, 2001). Hence, colonial powers did not become involved in the provision of social services in their colonies until the first decades of the 20th century (Midgley, 2011). Attempts to offer protection against risks associated with work such as injuries were rather perfunctory in the first decades of the past century. However, from the 1930s and 1940s onwards the labor question and how to tackle problems of social risks became increasingly important (Eckert, 2004).

One reason for this is that labor movements gained in importance in many of the colonies. For example, a number of African colonies experienced massive strikes particularly during World War II and, in the post-war period, this put colonial powers under pressure. The labor movement was mobilized to protest against the labor conditions (Orr, 1966). In British colonies, the principal cities affected were port cities such as Mombasa and Zanzibar. Further examples are Nigeria, where workers initiated a great railway strike in 1945 that lasted more than a month and the Gold Coast that was affected by waves of strikes from 1947 to 1950. In the French colonies, the labor unions also strongly fought for the protection of workers from income losses due to illnesses and accidents. For example, in French West Africa in 1947/48, there was a major series of railway workers' strikes, with Senegal particularly affected by labor protests (Cooper, 1996).

Moreover, social security in the dependent territories increasingly became a topic of debate for international organizations, particularly the International Labour Organization (ILO), which included the spread of social security amongst its major objectives. While focus of attention in the first years after the foundation of the ILO had been mainly on independent states, the ILO more and more promoted the extension of social security to the workers in dependent territories. In 1944, and in greater detail in 1947, the ILO member states agreed that the basic standards of labor policy defined by the ILO should guide colonial policy and should also be applied to non-metropolitan areas. The "key document" here is the declaration ratified by a conference of the ILO in Philadelphia in 1944 that declared the right to social security and a basic income for “people who are still dependent as well as to those who have already achieved self-government“ (ILO, 1944). In 1947, the ILO began to provide greater detail of what social security in dependent territories should look like. ILO conventions on social security like earlier standards on forced labor did not mandate the colonial powers to act in a particular way, but legitimized and delegitimized certain policy strategies (Maul, 2012, Kott and Droux, 2013).

In addition, the human rights declarations of the victorious allies of World War II were an implicit challenge to the imperial systems of European states. The colonial powers could no longer wholly ignore increasing demands for social security and they began participating in international meetings on labor questions from 1948 onwards. This general process was further fostered by regional conferences such as the Inter-African Labor conference in 1950 and 1953 (CCTA, 1955). Moreover, social security in the post –war period can also be seen as an attempt to legitimize the colonial authority. Competition between capitalist and communist regimes for the loyalties of the common people fuelled the expansion of the welfare state in the European home ground of the colonial powers (Obinger and Schmitt, 2011), but also had a spillover effect on the social policies of colonial powers in their dependent territories. **(← p. 333)**

In sum, by midway through the 20th century, not only was there pressure on the colonial powers from inside the colonies in the form of rising demands for social security but also from outside in the form of soft pressure by international organizations. Combined with the increase in their ideological and human rights vulnerability after World War II and their need to maintain regime legitimation, colonial powers became more and more engaged in social policies in their colonies (Porter, 1975).

Differences in the colonial legacy across the Empires

The influence of the different colonial powers was anything but homogenous. Rather, it varied depending on the different notions, concepts and strategies pursued by the imperial powers

(Midgley, 2011). But what did French, British and Spanish colonial influence concretely look like and in which ways did these empires shape social security formation?

In general, France followed a pro-active colonial policy, emphasizing the decisive role of the state in enhancing social and economic prosperity (Cooper 1996). The French officials held the view that the colonies could not develop themselves but rather needed the initiative of the French Administrative Authority (MacLean, 2002). The French debate on social security systems was forced by the expansion of social security systems at home. Additionally, after World War II France broadened the rights for African workers to create and join associations, with the consequence of a pluralism of trade unions, with no less than 175 of them in the French colonies by 1945 (Orr, 1966, ILO, 2010). The organization and formation of strong labor unions, such as the West African CGT, pushed the discussion in Paris of a labor code for the overseas territories. From 1946 onwards, a committee within the Ministry of Overseas was working on a plan to extend social security to the workers in the colonial states. In 1952, the French Code du Travail was passed as the keystone for social security legislation in the French colonies. The Code contains many specific regulations regarding social security systems. For example, it explicitly states that family allowances and (more indirectly) systems to protect workers from illness and accident should be introduced in the colonies (Code du Travail, 1952). "The code was assertion of control as much as it was a concession to demands" (Cooper 1996, p. 305). Surprisingly, the Code did not mention pensions, and the problem of old age was left to individual trade unions. It also did not contain any regulations on unemployment insurance since the French officials assumed that African societies provide alternatives to wage employment. Overall, the theoretical expectation would be that the francophone colonies would have rather similar social security systems as a consequence of France's active engagement in social affairs, particularly after the adoption of the Code du Travail (Iliffe, 1987).

Great Britain, in contrast, followed a decentralized and less universal approach. Even though similar problems fueled the debate around social security and the welfare of workers, the response of British officials was very different. Britain never systematically and uniformly regulated social affairs in overseas territories. One of very few general reactions of the British government to the social problems in their colonies was the enactment of the Colonial Development and Welfare Act in 1940. However, within this Act, there was only a limited allocation of resources for different infrastructural, economic and social projects.[vi] The allocation of resources did not directly induce colonies to introduce social security programs. In 1942, the debate was intensified by the Beveridge report. The Beveridge report was the subject of much debate across the entire British Empire and led to the formation of commissions in several territories to discuss what government intervention in social affairs might look like (Seekings, 2008, Surender, 2013). However, the debate was highly controversial and did not result in any systematic handling of this issue. Rather than actively fostering social security systems, Britain aimed at supporting workers so that they were able to help themselves. Colonial documentation shows that British officials emphasized that developing social security systems had to correspond with existing structures (Porter, 1975, Eckert, 2004). The British colonial powers held the view that the colonies should raise the revenues necessary to pay for social security themselves (MacLean, 2002). Under British rule, "the colonies were required to meet the costs of their domestic programs, and resource constraints often precluded the introduction of services even when the need for these services was accepted" (Midgley, 2011, p. 39). Overall, the British Empire adopted a more decentralized and passive view of the role of the state with regard to social security systems in their colonies. The expectation, therefore, is that British colonies should have fewer and more heterogeneous social security programs.

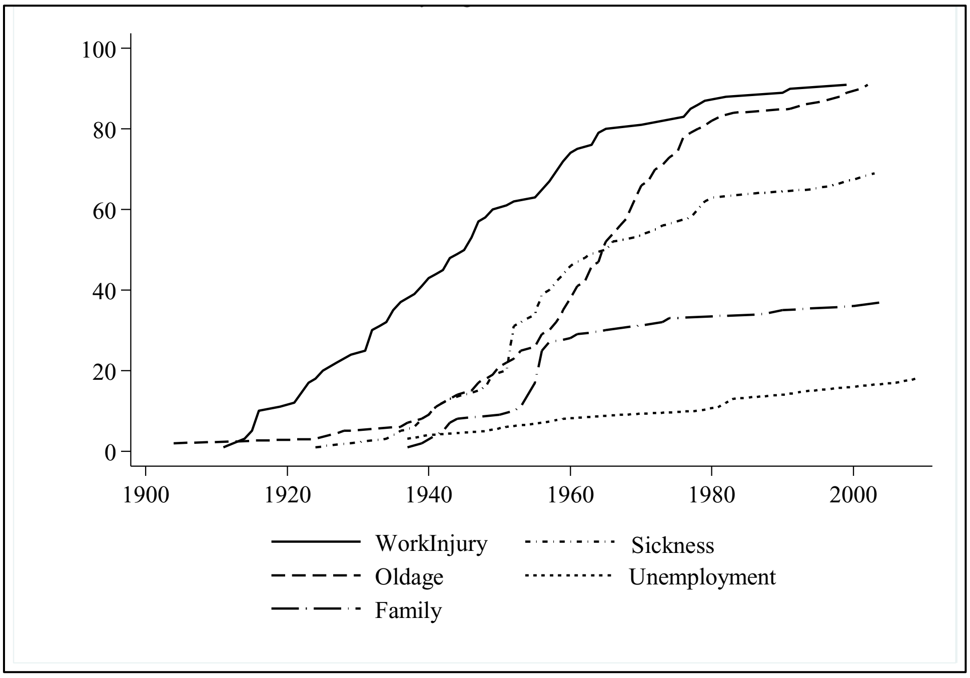
The history of the Spanish colonies differs from that of French and British dependencies. First, Spanish colonized regions were highly developed before colonization while France and Britain colonized mostly sparsely populated and underdeveloped territories (Lange et al., 2006, p. 1412). Furthermore, the former Spanish colonies had been colonized long before Great Britain and France extended their empires. However, this does not mean that the colonial period did not influence the social security systems of Latin American states. "They inherited from the colonies several protective institutions, some of which disappeared or declined, but others persisted throughout the 19th century and were transformed in the 20th century, becoming the backbone of the modern social security system" (Mesa-Lago, 1978, p. 17). For example, in most of the Spanish colonies the so-called *montepíos* were introduced during colonial times granting basic pensions for retirement and survivors, copying the Spanish model of the the late 18th century. The colonial *montepíos* still exist in many Latin American countries even though often in a modified form (Mesa-Lago, 1978, p. 20). This colonial legacy suggests that in the former Spanish colonies old age programs would have been introduced earlier than other social security programs.

3. The Emergence of Social Security in Former Colonies – Descriptive Evidence

What does the timing and the configuration of social security look like in the former colonies? Which programs have been introduced and which colony-specific patterns exist? Figure 1 below shows the spread of social security schemes in the former colonies. It includes information on the introduction of social security programs in 19 Spanish, 24 French and 48 British colonies (i.e. 91 territories in total). Note that, for the most part, program adoption at the central state level is considered without applying minimum criteria for coverage and independent of the generosity of the scheme. While the central government's decision to adopt a certain program does not say much about the implementation, coverage or generosity of the legislation, it nevertheless involves a very important political signal – both internally and externally. Policy-makers not only use social policy to enhance their legitimacy in the eyes of the international community but also to secure mass compliance **(🡐 p. 334)** of citizens. A look at welfare state consolidation in Europe illustrates that early programs were very limited in size and scope, similar to many pioneering programs enacted in developing countries. Yet, these first programs often had a budgetary impact and raised political expectations of later enhancement of the generosity and coverage of welfare benefits.

Overall, the most widespread programs across former colonial territories are work injury and old age programs. All 91 former colonies introduced work injury and retirement schemes. In 69 territories, sickness programs were adopted and in 37 family allowances. Only 18 countries have implemented unemployment insurance. The average years of introduction show that social security in the colonies and former colonies is a phenomenon of the mid-20th century.

Figure 1: The Emergence of Social Security in Former Colonies

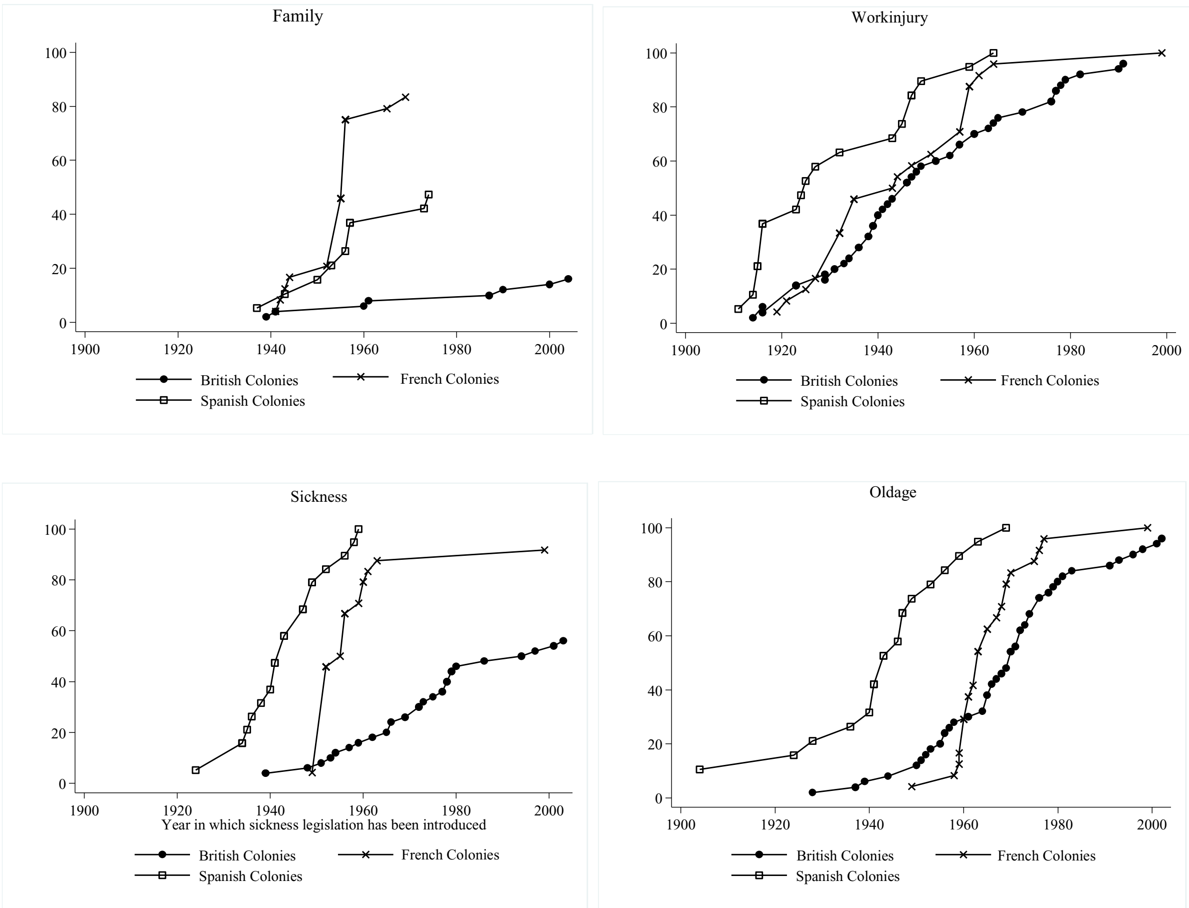


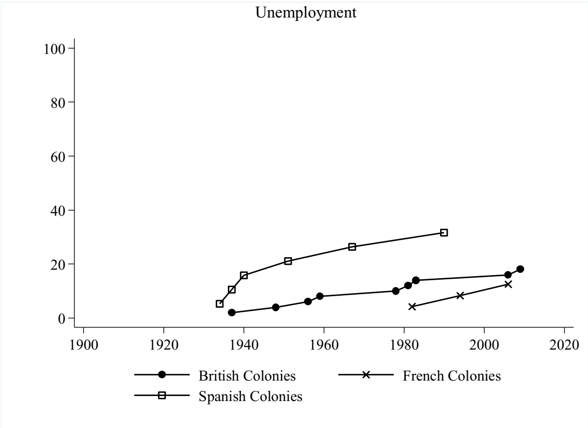
Despite this overall trend, remarkable differences between colonial spheres and programs are observable when looking at the configurations of social security in greater detail. Figure 2 shows the program- and colonial power-specific trajectories. The y-axis indicates the percentage of countries introducing a specific program in each colonial arena. The x-axis represents the time line.

The figure reveals a fascinating heterogeneity. The program specific pathways differ widely depending on the former colonial power. Interestingly, family allowances have only been introduced in former French colonies. The *Code du Travail* of 1952 which fostered the notion of the nuclear family containing parents and children initiated the debate on how best to protect families. This led to the institutionalization of family allowances in almost all French overseas territories. In contrast, family allowances are very uncommon in Spanish and British ex-colonies. For example, the British subcommittee on wage fixing and family responsibilities clearly rejected the concept of family allowances (CO 859/257). Rather, they argued "if family allowances were introduced, government would have a say in fixing a significant percentage of a man's total income. The workers could then reasonably conclude that their interests could be better advanced by political agitation than by action in the industrial field" (Cooper, 1996, p. 331). Moreover, British colonies and former colonies tended to adopt programs successively, whereas, in the French colonies, the process of program initiation was much more compressed. For example, 15 French colonies out of 22 introduced sickness programs within 4 years and 13 out of 20 French colonies implemented family allowances within 2 years.

Moreover, the French colonies largely introduced work injury, sickness, and family allowances programs in the colonial era, with retirement schemes largely introduced after independence. In contrast, in the British sphere, around half the programs were introduced after independence, reflecting the more decentralized conception of colonial power imbuing the British imperial project. British colonies typically introduced work injury programs first and then old age benefits. Sickness insurance was far less common. Figure 2 also demonstrates that Spanish colonies introduced old age programs very early in comparison to British and French colonies. Interestingly, in some Spanish colonies such as Uruguay, pension systems were established as early as the beginning of the 19th century, and therefore much earlier than in Western European states which are often regarded as the birthplace of social security. It is reasonable to see this as the legacy of the *montepíos* implemented during colonial times granting pensions for retirement. The first republican governments in Chile and Peru, for example, maintained the colonial *montepíos* system, only slightly modifying this colonial institutional heritage in the first decades after gaining independence.

Figure 2: Social Security in Former Colonies by Program and Colonial Power





(🡐 **Figure 2 p. 336)**

Overall, the evidence provided in Figures 1 and 2 reveals that, in general, British colonies and former colonies were latecomers with respect to all four programs (see for a more differentiated discussion of this issue section 4) and form the most heterogeneous group. French colonies focused on family allowances and introduced social security programs in a very short time period in comparison to British and Spanish colonies. In Spanish colonies, retirement schemes were established first, while territories in the British and French spheres of influence started out with work injury programs. The following table 1 summarizes the main descriptive evidence on the emergence of social security legislation separated by program.

Table 1: Summary of social security adoption in former colonies

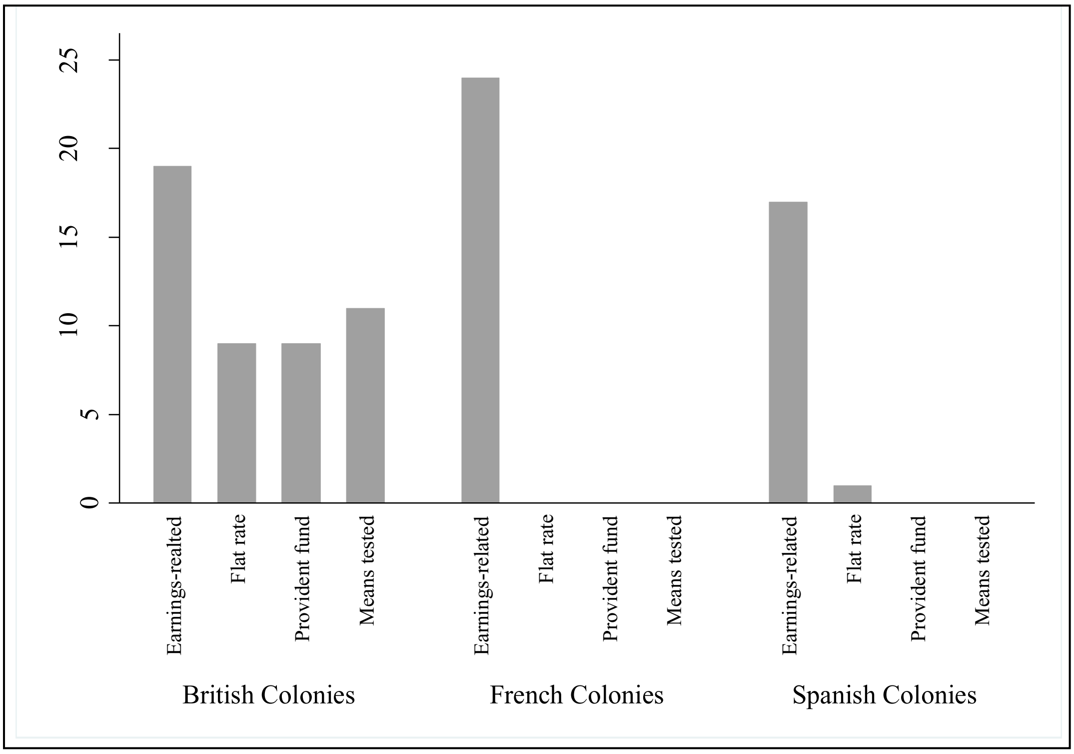
	Work injury	Sickness	Old age	Unemployment	Family
Spanish Colonies (19 countries and territories)					
Number of Adopters	18	18	17	6	26
Median Year	1925	1943	1943	1945.5	1956
First Year	1911	1924	1829	1934	1937
First Adopter	Uruguay	Chile	Uruguay	Uruguay	Chile
Latest Year	1964	1959	1969	1990	1974
British Colonies (48 countries and territories)					
Number of Adopters	48	28	48	9	8
Median Year	1948/46	1972	1969.5	1978	1974
First Year	1914	1939	1928	1937	1939
First Adopter	South Africa	Trinidad & Tobago/ Bangladesh	South Africa	South Africa	Trinidad & Tobago
Latest Year	1991	2003	2002	2009	2004

French Colonies (24 countries and territories)					
Number of Adopters	24	22	24	3	20
Median Year	1943.5	1953.5	1963	1994	1955
First Year	1919	1949	1949	1982	1941
First Adopter	Algeria	Algeria	Algeria	Tunisia	Algeria
Latest Year	1999	1999	1999	2006	1969

(← Table 1 p. 337)

Qualitative information on the type of program introduced supports this descriptive evidence. Figure 3, identifying the specific retirement schemes introduced under the aegis of each colonial power, demonstrates that the French colonies are not only homogenous with respect to the timing of social security legislation but also with regard to the structure and design of programs. The x-axis denotes the type of old age program while the y-axis represents the number of countries that have introduced the respective scheme. I differentiate between earnings-related programs, flat rate benefits, provident funds and means-tested allowances. It can be observed that all French colonies have introduced social insurance systems. Spanish colonies and former colonies also mostly introduced earnings-related programs.[vii] In contrast, heterogeneity is relatively high among the British colonies, where many different types of retirement schemes are represented. For example, while provident funds have been implemented in India, Singapore, Nigeria, Tanzania, and Ghana (Kaseke et al., 2011), in Botswana, Seychelles and Jamaica flat rate pensions and in Zambia and the Yemen earning-related schemes were established (USSSA 2013). Provident funds have only been introduced in British colonies. "A provident fund is at the simplest level a fund into which individual contributions are made, which accumulates, and which is paid out typically on retirement" (Kaseke et al., 2011, p. 144). Provident funds typically do not entail redistribution because every individual accumulates his own retirement payments. Since provident funds do not require large financial resources from the state, their introduction in British colonies was strongly supported by the British Ministry of Overseas Development. **(← p. 335)**

Figure 3: Type of retirement scheme adopted by each of the colonial powers



Source: USSSA 2013 **(← Figure 3 p. 337)**

4. The Colonial Legacy of Social Security – A Statistical Test

To analyze the impact of the colonial legacy on social security legislation, I estimate probit models. In contrast to the descriptive evidence presented above, a probit framework enables us to control for major alternative explanatory factors discussed in the literature and therefore to identify spurious relationships. The dependent variable in the probit estimations is the introduction of each of four types of social security legislation at the national level: compensation in case of work injury, sickness, old age and family support. I do not estimate probit models for unemployment insurance due to the small number of countries and territories that have introduced this program. The data is coded from the country reports provided by the US Social Security Administration (USSSA, 2011-2013).[viii] In the empirical analysis, I follow established practice (COW, 2011, Marshall et al., 2011) and drop countries and territories, which had less than 500,000 inhabitants in 2010.

The dependent variable is measured by a binary choice variable coded 0 when a country has not yet introduced a specific **(← p. 336)** social security scheme and 1 in the year when this country adopted the respective program. The countries are considered until the event happens. Once a specific program has been introduced, the country is excluded from the data set. I estimate probit equations using a standard maximum likelihood procedure.[ix]

Several domestic and international factors are included as control variables to account for alternative explanations. First, I employ a control for the number of countries and territories in the world region in which the respective program is in place (*regional diffusion*). Following the literature, it is argued that the more countries have adopted a particular scheme, the more likely it is that a government will adopt the policy (Abbott and Deviney, 1992, Collier and Messick, 1975). Second, a dummy for *ILO Membership* accounts for the influence of the International Labour Organization. The ILO is assumed to push social security legislation or to provide legitimation for political actors (Maul, 2012). Third, I include the number of other social security programs that were in place when a country has adopted a subsequent program. *Previous legislative experiences* should facilitate the introduction of social security schemes. Fourth, I include the log of real GDP per capita (Gapminder, 2013) to measure the level of economic development. *Economic modernization* is one of the key explanatory factors of welfare state emergence in OECD-countries. In line with functionalist theories, it is to be expected that there will be a positive relationship between affluence and the introduction of social security (Wilensky, 1975). Fifth, a variable is included that captures whether a country or territory is dependent or independent at a specific point in time (*Dependent Territory*). Countries are coded 1 before gaining independence and 0 afterwards. Including these variables allows testing whether variables denoting the diversity of the colonial experience add explanatory power to well-established models and thus whether existing theories need to be extended or modified when explaining social security emergence in non-OECD countries. **(← p. 337)**

In welfare state research, political parties are furthermore assumed to influence social policy. However, many scholars argue that parties in developing countries are not comparable to those in rich democracies with regard to their clienteles and core ideologies, are often not as established and influential or do not clearly represent specific class interests (e.g. Carnes and Mares 2009, Rudra and Haggard 2001, MacLean 2002). Partisan ideology in many developing countries is often based on ethnic, religious or regional cleavages that do not follow a left-right divide and inhibit a definition of ideological orientations of political actors along the left-right spectrum.[x] Therefore, I did not include a partisan variable.

The colonial heritage as central independent variable is captured by including *dummies for British and French colonies*.[xi] This implies that Spanish colonies form the reference category.[xii] In order to test whether economic prosperity in British colonies was more influential for the adoption of social security programs than in other colonies, I include *interaction variables* generated by cross products between British colonies before gaining independence and the logged values of GDP per capita. Cross products between the dummy for French colonies and the dummy for dependent territory enable us to analyse whether French colonies more likely introduce social security during colonial times than afterwards.

Table 2: Introduction of Social Security Programs in Colonies and Former Colonies from 1820 to 2012

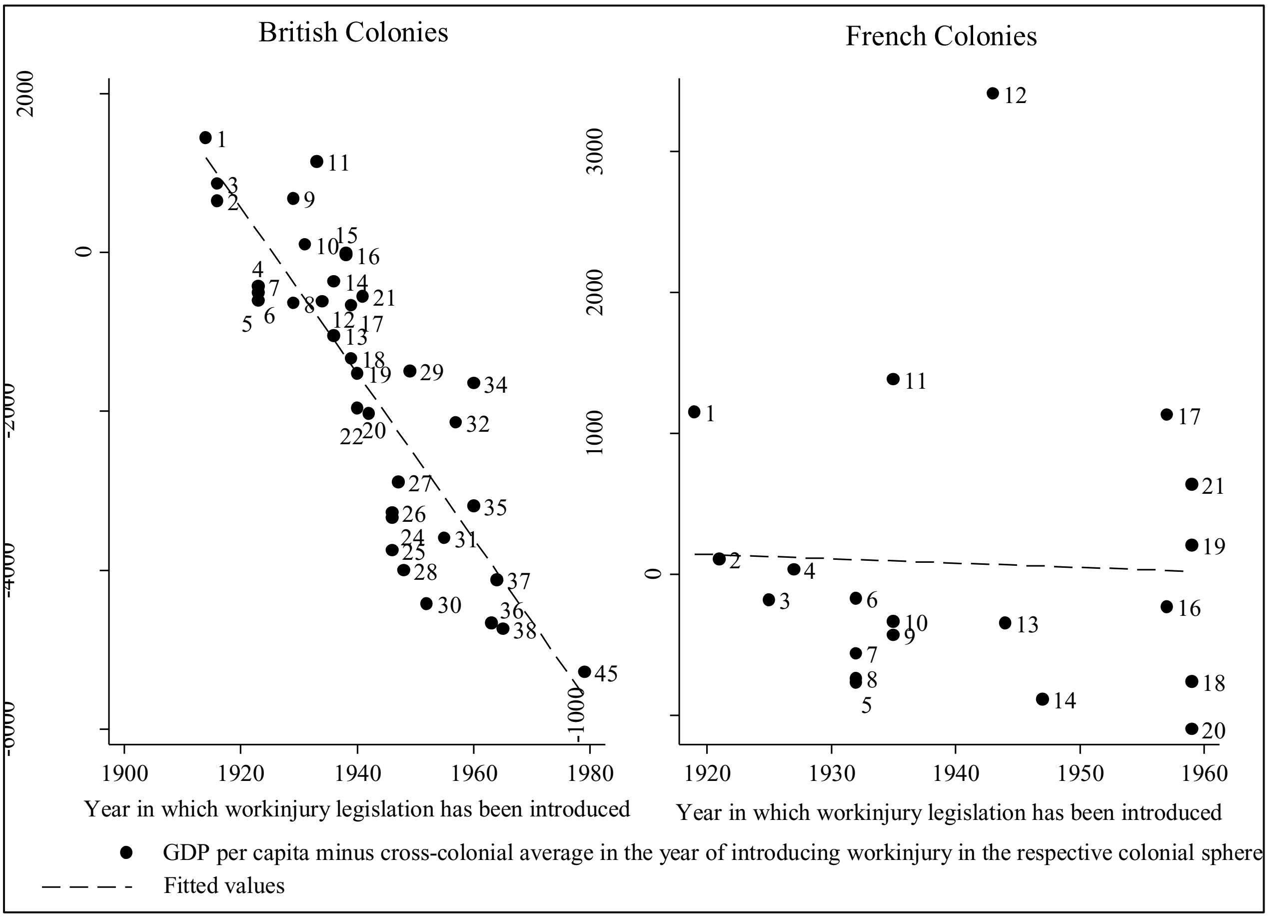
	WORK INJURY		SICKNESS		OLDAGE		FAMILY	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Control Variables								
Past Experience$_{t-1}$	0.150	0.138	0.574**	0.197***	0.585***	0.566***	0.443***	0.339***
	(0.0988)	(0.103)	(0.262)	(0.0707)	(0.142)	(0.145)	(0.129)	(0.110)
Regional Diffusion $_{t-1}$	0.0436***	0.0464***	0.281***	0.0372***	0.0450**	0.0436***	0.0383	0.0207
	(0.0103)	(0.0108)	(0.0347)	(0.00915)	(0.0176)	(0.0168)	(0.0291)	(0.0187)
ILO-Membership $_{t-1}$	0.107	0.174	1.066***	0.427**	0.315	0.298	-0.0717	-0.140
	(0.179)	(0.179)	(0.397)	(0.174)	(0.199)	(0.198)	(0.429)	(0.361)
GDP per capita $_{t-1}$ (log.)	0.0258	-0.0219	0.275	-0.0421	0.219**	0.230**	0.408**	0.235*
	(0.0692)	(0.0733)	(0.262)	(0.0698)	(0.106)	(0.106)	(0.186)	(0.124)
Colonial Variables								
Dependent Territory	-0.00957	-0.551*	0.0352	-0.442	-0.323	-0.118	-1.219**	0.624
	(0.167)	(0.327)	(0.481)	(0.335)	(0.221)	(0.369)	(0.474)	(0.422)
British Colony	-0.149	-0.413	-7.320***	-1.174***	-0.463	-0.479	-0.745	-0.535
	(0.185)	(0.254)	(1.118)	(0.238)	(0.353)	(0.356)	(0.484)	(0.370)
French Colony	-0.117	-0.573*	-0.342	-0.770***	-0.685*	-0.498		
	(0.186)	(0.342)	(1.164)	(0.275)	(0.415)	(0.415)		
Code Du Travail							1.482***	0.376
							(0.368)	(0.483)
Interaction Variables								
British Colony*GDP		0.0989**		0.119**		-0.00631		0.0218
		(0.0473)		(0.0493)		(0.0550)		(0.0501)
French Colony*Dependence		0.907**		1.205***		-0.631		
		(0.455)		(0.401)		(0.500)		
Code Du Travail*Dependence								1.213**
								(0.539)
Number of Countries	80	80	80	80	80	80	80	80
Number of Observations	9,869	9,869	12,036	12,036	11,325	13,376	13,376	13,376

Notes: Time variables are suppressed to conserve space, Standard errors in parentheses, *** p<0.01, ** p<0.05, * p<0.1

Two models for each program are estimated, one basic model and one that includes interaction effects. The regression analyses reveal several remarkable findings. With regard to the control variables, the models show that regional diffusion plays an important role when adopting social security programs. A high number of prior adopters increased the probability that other colonies in the same region followed suit. In addition, the past experience on the establishment of social security programs reinforced the implementation of further social security programs. The transaction costs for the adoption of further programs is lower in colonies that can build upon past experience and administrative capacity than in those without this experience. It furthermore reflects a more general normative concept of public responsibility and of the fields the state should properly be involved. Only in the case of work injury is the coefficient is statistically insignificant. This result is a consequence of the fact that work injury often was the first program introduced. Moreover, economic development is also positively related to social security adoption in most of the models. However, only in the case of old age and family allowances are the respective coefficients statistically significant[xiii]. Furthermore, the ILO membership only turns out to be statistically significant with respect to the sickness program. A reason for this weak result is that many countries introduced social security programs during colonial times. The influence of the ILO might well be stronger when only looking at independent nation states. The fact that many of the programs were introduced before gaining independence is also responsible for the statistically insignificant results for the independence of a state.

With regard to the variables that are the focus of this paper, the results support the importance of the colonial heritage for the formation of the welfare state beyond the OECD-area even when controlling for rival explanations. In almost all models, at least one of the variables that capture colonial influence turns out to be statistically significant. Concretely, the following findings stand out. First, the interaction between the British imperial strategy and the level of economic modernization is highly interesting. In the case of work injury and sickness, the coefficient of British colonialism is negative **(← p. 338)** indicating that British colonies introduce social security programs relatively late. Furthermore, one central variable of modernization theory, the level of economic development, is not statistically significant in any of these models. This strongly contradicts functionalist theories which emphasize the importance of socio-economic factors for welfare state emergence. However, when taking the interaction between the British imperial strategy and the level of affluence into account (model 2 and 4), the results become more readily comprehensible. The coefficients of the respective interaction variables are positive and statistically significant at the 5 percent level. This means that the effect of economic prosperity differs markedly under the aegis of different colonial powers. In British colonies, the influence of the GDP is positive and statistically significant, while, in the French sphere, it is slightly negative and statistically insignificant. Economic prosperity is a crucial factor for the establishment of social security programs in the British former colonies, but does not fuel social security legislation in French colonies. This result reflects the view of British officials that the colonies should introduce social security within parameters determined by their financial and economic resources. France, in contrast, became actively engaged in social affairs without considering the particular economic circumstances of each of its colonies. Consequently, industrialized, urbanized and rich British colonies introduced social security programs relatively early, while poor British colonies were latecomers when establishing work injury and sickness programs. Tanzania, for example, was an extremely poor territory with little urban development and, although receiving £50,000 within the Colonial Development and Welfare Act in 1940 from the British authorities to create social welfare centers throughout the territory, the British authorities were very reluctant to become engaged in social affairs through legislation (Eckert, 2004).

Figure 4: Economic Prosperity and Work Injury Introduction in British and French Colonies and Former Colonies



Notes: A full list of countries/colonies and respective numbers can be found in the appendix (A2).

Figure 4 illustrates how the interplay between the characteristics of the colonies and the imperial strategy of the colonial powers shapes the patterns of social security legislation. The x-axis reflects the year of introducing a work injury program and the y-axis displays the GDP per capita relative to the average across all colonies of the respective imperial sphere in the year of introduction of the scheme. A positive value represents high economic development of a country in comparison to its peers while negative values indicate that a territory has a lower GDP per capita than the average across all colonies under the aegis of a specific colonial power. The dashed line represents the regression line. The left graph refers to the British colonies and former colonies, while the right graph shows the results for the French colonies and former colonies. The figure impressively demonstrates the strong relationship between the relative

GDP per capita and the year of introducing work injury programs in British colonies during colonial times. In rich colonies, work injury programs were introduced much earlier than in very poor regions. The situation in French colonies looks totally different. The level of GDP has no influence on the timing of social security legislation. The statistically insignificant regression results for the GDP per capita variable in model 1 and 3 is therefore highly misleading since it is driven by the opposite effect of economic prosperity in British and French colonies. The findings show that existing theories fall far short when failing to consider the colonial heritage in the explanation of social security legislation.

In contrast to work injury and sickness programs (models 2 and 4), the interaction variables between British colonialism and economic development are not statistically significant in the cases of family allowances and old age programs (model 6 and 8). Since family allowances are not common in British colonies, this result is hardly surprising. In the case of old age systems, the support of the British officials of provident **(← p. 339)** funds lowers the threshold for introducing pension systems and provides a cheap alternative to insurance-based systems.

The regression results also reveal that, in general, the likelihood of adopting social security legislation in the British sphere is lower before independence than after it. However, the reverse holds true in the French colonies. The coefficient of the dummy variable for French colonies after gaining independence is negative, while the coefficient of the interaction variable between French colonialism and dependence is positive and statistically significant at least at the 5 percent level (models 2, 4 and 8). Since the coefficient of the interaction variable is substantively larger than the coefficient for the dummy for French colonies, the fact of being a French colony increases the likelihood of adopting social security *during* colonial times remarkably. The French notion of exerting influence on social and labor affairs in the colonies and enforcing its specific concept of social security actively shaped social security legislation and fostered adoption during the colonial era. The only exception is social protection in respect of old age since the introduction of pension systems was not actively fostered by France and not codified in the *Code du Travail*.

5. Conclusion

Social security has been a much used instrument for providing income security in case of sickness, invalidity, old age, work injury and maternity and has been widely adopted across the globe. While welfare state formation in rich democracies has been analyzed in many studies, the emergence of the social security beyond the OECD has attracted far less attention. In many former colonies, social security can be traced back to colonial times. However, the colonial legacy of social security has not been considered in comparative social policy research to date.

This paper has addressed this gap. The findings clearly demonstrate that existing theories have to take the colonial heritage into account when explaining social security legislation throughout the world. It has been demonstrated that the logic of social security formation differs widely across colonies and former colonies depending on the colonial sphere in which it has taken place. France was active in implementing social security legislation within its dependent territories and, due to its pro-active role, the pathways of French colonial social policy development are relatively similar in character and were laid out primarily in the colonial era. In contrast to France's active role, British officials had a more decentralized conception of colonial power. Therefore, social security configurations are more heterogeneous among former British colonies. Moreover, British officials were of the view that the colonies should dispose of the resources to finance their social security systems on their own. The empirical findings strongly corroborate that in British dependent territories economic prosperity was a much stronger influence on social security adoption than in French colonies where the level of modernization was not important. Conventional theories of the Western welfare state would not be able to make sense of this result. These findings demonstrate that the interplay between central characteristics of the dependent territories and the colonial strategy of the imperial power is crucial to understanding the formation and the development of social security in many developing countries.

Furthermore, colonial powers not only influenced social security systems adopted during the colonial era, but also shaped the institutional framework, the basic concepts and notions of the proper role of the state in post-colonial states. For example, after their independence, former French colonies all kept the general structure of the *Code du Travail* of 1952 (Plant, 1994, Midgley, 2011), Spanish former colonies used the colonial montepíos as the starting points for their pension systems and in many British colonies the provident funds pushed by the British government are still in place.

This paper provides the first empirical evidence of the impact of the colonial legacy on social security development for a broad country sample. Its main objective has been to identify general patterns. Consequently, the empirical analysis is mainly grounded on basic quantitative figures. More qualitative aspects of the social security systems such as the social inclusiveness and generosity of social security are not considered. However, a lack of cross-national comparative information on social security systems beyond the OECD inhibits such a more fine-grained analysis. Overcoming this shortcoming will require immense efforts in data collection but is a highly promising avenue for future social policy research.

It might also be reasonably assumed that the colonial heritage has had a major and, arguably deleterious, impact on postcolonial social outcomes such as poverty and inequality (Fiszbein et al., 2014, Wood and Gough, 2006). In many developing countries, social security pushed by the colonial powers reinforced pre-colonial social stratification and has, effectively, been a privilege of small local powerful elites at the expense of the broad mass in the rural areas especially in African countries (Eckert, 2004, p. 472). To get a finer and more systematic grasp of the influence of colonialism on social inequality and redistribution in postcolonial states across a broader country sample would be a monumental but highly worthwhile endeavor. **(← p. 340)**

Appendix

Table A1: Colonies and Former Colonies included in the Analysis

British Colonies			
Bahamas, The	Grenada	Namibia	St. Vincent
Bahrain	Guyana	Nigeria	Sudan
Bangladesh	India	Oman	Swaziland
Barbados	Jamaica	Pakistan	Tanzania
Belize	Jordan	Samoa	Trinidad and Tobago
Botswana	Kenya	Seychelles	Uganda
Brunei Darussalam	Kiribati	Sierra Leone	Yemen, Rep.
Cyprus	Kuwait	Singapore	Zambia
Dominica	Lesotho	Solomon Islands	Zimbabwe
Egypt, Arab Rep.	Malawi	South Africa	
Fiji	Malaysia	Sri Lanka	
Gambia, The	Mauritius	St. Kitts and Nevis	
Ghana	Myanmar	St. Lucia	
French Colonies			
Algeria	Congo, Rep.	Lao PDR	Niger
Benin	Cote d'Ivoire	Lebanon	Senegal
Burkina Faso	Djibouti	Madagascar	Syrian Arab Republic
Cameroon	Gabon	Mali	Togo
Cent. African Rep.	Guinea	Mauritania	Tunisia
Chad	Haiti	Morocco	Vietnam
Spanish Colonies			
Argentina	Cuba	Honduras	Paraguay
Bolivia	Ecuador	Dom. Republic	Peru
Chile	El Salvador	Mexico	Uruguay
Colombia	Equatorial Guinea	Nicaragua	Venezuela, RB
Costa Rica	Guatemala	Panama	

(← p. 341)

A2: Appendix to Figure 4

British Colonies (left figure) : 1=South Africa, 2=Guyana, 3=Barbados, 4=India, 5=Myanmar, 6=Pakistan, 7=Bangladesh, 8=Zambia, 9=Malaysia, 10=Mauritius, 11=Singapore, 12=Sri Lanka, 13=Egypt, 14= Botswana, 15=Jamaica, 16=Dominica, 17=Sierra Leone, 18=St. Vincent and the Grenadines, 19=Ghana, 20=Gambia, 21=Namibia, 22=Nigeria, 23=The Bahamas, 24=Kenya, 25=Uganda, 26=Malawi, 27=Sudan, 28=Tanzania, 29=Kiribati, 30=Solomon Islands, 31=St. Kitts and Nevis, 32=Cyprus, 33=Brunei Darussalam, 34=Trinidad and Tobago, 35=Samoa, 36=Swaziland, 37=St. Lucia, 38=Fiji, 39=Seychelles, 40=Bahrain, 41=Kuwait, 42=Oman, 43=Lesotho, 44=Jordan, 45=Belize, 46=Grenada, 47=Zimbabwe, 48=Yemen

French Colonies (right figure): 1=Djibouti, 2=Cote d'Ivoire, 3=Lao PDR, 4=Congo, Rep., 5=Vietnam, 6=Algeria, 7=Mali, 8=Niger, 9=Gabon, 10=Tunisia, 11=Syrian Arab Republic, 12=Senegal, 13=Burkina Faso, 14=Central African Republic, 15=Madagascar, 16=Morocco, 17=Togo, 18=Guinea, 19=Mauritania, 20=Lebanon, 21=Benin, 22=Cameroon, 23=Chad, 24=Haiti
(← A2 p. 342)

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[i] The ILO defines social security as the "protection that a society provides to individuals and households to ensure access to healthcare and to guarantee income security, particularly in cases of old age, unemployment, sickness, invalidity, work injury, maternity or loss of a breadwinner" (ILO 2013, p. 1).

[ii] One exception is Kangas (2012). However, he does not explicitly focus on the effect of colonialism and does not further elaborate this issue. Moreover, most studies dealing with the effects of colonialism, in turn, addresses the question how colonialism has affected economic growth (Lange et al. 2006; Acemoglu et al., 2001; Albouy, 2012).

[iii] A complete list of countries and territories can be found in the appendix (see table A1).

[iv] In some African countries the number of settlers was also relatively high (e.g. South Africa). However, these territories had a substantial share of indigenous population in contrast to New Zealand and Australia. Thus, they do not follow the logic of pure settler colonies but rather of colonies under indirect British colonial rule. They are therefore included into the analysis (Lange et al. 2006).

[v] One further difference is that the Spanish colonial empire collapsed before capitalism has been fully developed in Europe in contrast to the French and British empires which reached full scope during capitalist times (Mahoney, 2010).

[vi] Subsequent statues in 1949, 1950, and 1955 allocated additional resources to social security programs (Porter 1975).

[vii] Today, pension systems in Latin America often combine contributory and non-contributory transfers such as social pensions.

[viii] As mentioned above, 91 former colonies are included in the sample.

[ix] Ordinary probit or logit rests on the assumption that the observations are temporally independent. However, the probability of social security legislation is not equal at any point in time but increases over time. Therefore, ordinary probit or logit would be misleading and the standard errors underestimated. I therefore included a cubic spline to capture the time dependence.

[x] As mentioned by Lierse et al. (2014) the problem of classifying political parties on a global scale and for a longer time horizon might be one reason why there is no comparative data on political actors available for a larger country sample and a longer time span.

[xi] The French dummy, for example, is coded 1 when the territory did belong to the French empire and 0 otherwise. The same logic applies to the dummy for British colonies.

[xii] In the model analysing family allowances, I use a dummy for the *Code du Travail* instead of the dummy for French colonies since the *Code du Travail* directly pushed the introduction of family allowances. The dummy for the *Code du Travail* equals 1 for French colonies after 1952 and 0 otherwise.

[xiii] This result becomes more easily comprehensible in light of the detailed discussion of the influence of the economic development below.