# Social Rights in the Constitution and In Practice[1]

Avi Ben-Bassat[*]

Momi Dahan[**]

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ABSTRACT

This paper presents a new data set on constitutional commitments to social rights for 68 countries. Quantitative indices are constructed for five social rights: the right to social security, education, health, housing and workers rights. The right to minimal income (social security) appears in the constitution of 47 countries with relatively moderate constitutional commitment, while only 21 countries make a commitment to housing. We use these measures to characterize a typical constitution with respect to social rights. We find two clear groups: countries which share the tradition of French civil law generally have a higher commitment to social rights than those that share the tradition of English common law. The constitutional commitment to social rights in socialist countries is closer to French civil law, whereas countries with a German or Scandinavian tradition resemble the English common law countries more closely. We then explore whether the constitutional commitment to social rights, in addition to other key control variables such as democracy and GDP per capita, has any effect on government policy. We find that the constitutional right to social security has a positive and significant effect on transfer payments. The constitutional right to health has a positive and significant effect on health outcome only when it is measured by infant mortality and life expectancy at birth. The right to education seems to have no (or negative) effect, however.

**Key words**: Social Rights, Constitution, Legal Origins, Government Expenditure, Social Security, Democracy

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[*] Department of Economics, Hebrew University of Jerusalem, Israel 91905. Part of the research was conducted while I visited Hoover Institution, Stanford.

[**] School of Public Policy, Hebrew University of Jerusalem, Israel 91905, MomiDahan@mscc.huji.ac.il

# Introduction

The aim of this paper is to study the relationships between social preferences and the size of government and redistribution policy, using a collection of constitutions. Using constitutions to compare the performance of different countries has been done in the past, by Aristotle. His goals were far more ambitious than those of this paper. In the last chapter of *Ethics*, which is regarded as an introduction to his subsequent book, *Politics*, Aristotle describes his empirical research agenda:

…*"[O]n the basis of our collection of constitutions*[2]*, let us study what sort of thing preserves and what destroys states, what preserves and destroys each particular kind of constitution, and what the causes are that make some states well administered and others not. Once we have studied this, we shall perhaps also gain a more comprehensive view of the best form of constitution, of the way in which each is organized, and what laws and customs are current in each. So let us begin our discussion."* [Aristotle, ***Ethics***]

It may come as a surprise, but it is rare to find a study in economic literature that is based on comparing constitutions, as suggested by Aristotle, in order to learn about the differences in economic outcomes between countries. In particular, there is little economic research on the effects of beliefs and values on the size and composition of government, even though differences in social preferences are natural candidates for explaining the variability of government size and redistribution policy around the world.

Identical preferences may be the most prevalent assumption in economic theory, but it is essentially only a way of understanding economic behavior without being accused in deriving a trivial conclusion, that people behave differently because they are different. Nevertheless, there are many indications that beliefs and values do indeed differ, as can be seen in the World Values Survey.

[2] Aristotle is referring to the collection of 158 constitutions of Greek and non-Greek states which was undertaken under his supervision. The *Constitution of Athens*, discovered on papyrus in 1890 and now in the British Museum, is the only one of these to have come down to us.

We believe that a constitution provides more solid information about people's attitudes than attitudes surveys. A constitution reflects the most fundamental beliefs and values of in most societies. It is about who we are and what we want. That is why people relate to their constitution as almost a sacred text, and why infringing it is perceived as a grave act.

The inclusion of a right (or duty) is not done casually, but is preceded by extensive deliberations aimed at exploring common beliefs and values. Almost every constitution incorporates some restrictions intended to make it more difficult to introduce changes in it than to pass regular laws. The preservation of the spirit of the people is important enough to justify curtailing democracy by requiring a special majority for making constitutional changes.

Constitutions around the world also share some common features because of outside influences due to imitation and imperialism. Alan Watson has eloquently summarized the similarities and differences:

*"Law shows us many paradoxes. Perhaps the strangest of all is that, on the one hand, a people's law, can be regarded as being special to it, indeed a sign of that* ***people's identity****, and it is in fact remarkable how different in important detail even two closely related systems might be; on the other hand, legal transplants - the moving of a rule or a system of law from one country to another, or from one people to another - have been common since the earliest recorded history."* Alan Watson, 1974.

A constitution is not a manual like ordinary law, although beliefs and values are translated into concrete basic human rights such as the right to personal freedom, the right to vote and the right to marriage. Those basic human rights are shared by most countries in the world, and denying one of them is perceived as a severe violation. But we find substantial differences between countries as regards the constitutional commitment to social rights such as the right to live in dignity, and the right to education and health.

In this paper, the constitution is treated as a source of information about the most fundamental social preferences with respect to redistribution policy and public goods. We ignore interpretations given by courts or any other institution. Social preferences are reflected by the constitutional commitment to social rights which include five rights: the right to education, health, housing, live in diginty (henceforth, social security) and the protection of workers' rights.

Naturally, it is hard to subscribe to social rights with the same level of concreteness as to basic human rights. The policy implications of the right to vote are relatively clear and have negligible monetary effects. By contrast, the constitutional commitment to education can be expressed by a low, moderate or high quality of education without violating the constitution. This might be a significant disadvantage of using the constitution as a source of social preferences.

The constitution is of very limited importance if that disadvantage is substantial, however. The main goal of this paper is to relate social preferences to government size and composition**,** but it should also be seen as a way of exploring the importance of the constitutional text.[3] In particular, to what extent is the constitution a binding constraint for policy makers? Does the constitution have any practical meaning for policy?

This paper constitutes the first attempt to construct a quantitative index that reflects the constitutional commitment to social rights, using the constitutional text only. This paper thus joins a growing literature that translates qualitative information from legal documents or other sources into quantitative variables in order to explore the effects of different institutions (such as political system) on policy outcomes and policy performance.[4] We use those quantitative measures to address two questions. First, is there a family (or families) of countries sharing a similar constitution with respect to

[3] Two related papers are those of Alesina, Glaeser and Scaerdote (2001), which focuses on beliefs and values from the World Values Survey as the source of the different welfare states in Europe compared to the U.S., and La-Porta et al (1999) , which explores the effect of legal origins and religious beliefs on the quality of government.

[4] See, for example, Mauro (1995), who relates corruption to economic growth, Barro (1999) on the importance of democracy for economic growth, La-Porta et al (1999) who examine the relationship between the protection of stock owners rights and the concentration of ownership, and Knak and Keefer (1997), who explore the effects of civic norms and trust on economic performance.

social rights? Second, does the constitutional commitment to social rights, controlling for key variables such as democracy, have any effect on government policy.

This paper is related to the literature on the determinants of government size and its composition. The most recent studies emphasize openness (Rodrik, 1998) as a key feature for the size of government, while Benabou and Ok (2001) stress the low economic mobility of the median voter, and Milesi-Ferretti, Perotti and Rostagno (2002) compare the composition of government expenditure in proportional and majority elections.[5] Mulligan, Gil and Sala-i-Martin (2002) study the effect of Democracy on social security.

In the next section we present the criteria used to translate the constitutional text into quantitative indices reflecting the constitutional commitment to social rights. In section 3 we examine the similarities among 68 countries with respect to social rights. In particular, we focus on whether there are groups of countries that share a similar constitution. In section 4 we relate social preferences, as reflected by the constructed indices, to the size and composition of government expenditure, controlling for economic and institutional determinants of government spending. We also use this cross-country data to examine the effects of social preferences on policy outcomes. Section 5 concludes the paper.

## 2. Indices of Constitutional Commitment

In this section we construct constitutional indices for social rights according to the constitutional text and ignoring court interpretations. There is a wide variability in constitutional social rights that range from the U.S. and Australia, where social rights are absent, to Switzerland and Portugal, which have a high constitutional commitment to social rights.

Our paper relates to 64 countries with a written constitution and four which have a legal document with a higher status than regular law. In Canada, New Zealand and Israel there are basic laws which have a similar legal status to a constitution. England

[5] In this paper, the relationship between elections and the size of government is ambiguous and it depends on the social preferences that are the focus of our paper. In Perrson and Tabelllini (1999), as well as in Lizzeri and Persico (2001) majority elections are associated with less government spending.

does not even have basic laws, but it has a Human Rights Act that has a higher status than regular law.[6] Our two main sources are the English translation of the constitution in the ICL and Confinder web sites.[7] Our sample covers countries with a wide range of GDP per capita and different levels of democracy reflecting the availability of data on government expenditures.

A constitutional social right is defined here as one that grants a personal entitlement to monetary transfers (including social insurance) or transfer in kind on a universal basis. That right may affect permanent income and welfare. For example, unemployment benefit is monetary transfer whereas free primary education is transfer in kind. Those social rights provide a social safety net and would seem to have a positive impact on income equality, at least in the short run. In addition we include workers' rights composed of five features describe below.

There are five groups of social rights in a constitution, each of them may contain one or more features. The social rights here are almost overlap with those special commodities that according to Tobin (1970) should be distributed equally up to certain level, a position sometimes called commodities egalitarianism. The five social rights are the following:

1. The right to live in dignity. Later on we use the term the right to social security. That right is composed of seven features: insurance for pension, survivors, disability, unemployment, accident, minimum income and sickness.
2. The right to education (primary and secondary education).
3. The right to health.
4. The right to housing.
5. Protection of workers' rights. This contain five features: minimum wage, the right to maternity leave, a limit on hours of work and rest, paid leave and higher wage rate for extra work (extra hours, night shift and thirteen salary). Note that pension, accident, and unemployment insurance, that are included in the right to social security, could be treated as workers' rights as well.

[6] From section 3 in the English Human Rights Act it can be inferred that ordinary laws are subject to the Human Rights Act. Any law should be examined in the light of the Human Rights Law. In case the suggested law is in contradiction to the Human Rights Act, the law may still be passed, provided the parliament is aware of that.

[7] International Constitutional Law http://www.uni-wuerzburg.de/law

There is considerable variance between countries as regards the degree of constitutional commitment to social rights, ranging from concrete policy action in some countries to a general statement reflecting a vague commitment in others. We rank the degree of constitutional commitment on a scale from 0 to 3. A rank of 0 is given if a right is absent from the constitution. Note that the absence of any reference to a social right may be interpreted in two conflicting ways: a law that grants that right may be passed, or it might be seen as unconstitutional. In practice, it depends on the interpretation given by the courts in each country.

A rank of 1 is given if the constitution includes a general statement with regard to a particular social right. In that case it is clear that it is possible to introduce a law concerning that right. A rank of 2 is given if the constitution guarantees a minimal level with respect to that right such as "a minimum standard of living", or "a life of dignity," in the case of minimum income (part of the right to social security), and "adequate size" in the case of the right to housing. A rank of 3 is given if the constitution has a high degree of commitment and concreteness. For example, a detailed description of the specifics of a minimum standard of living in terms of food, housing, etc.

We use the two most common constitutional social rights, the right to social security and education, to illustrate the ranking process.

*The right to social security*

Each of the seven features constituting the right to social security was ranked as shown in table 1. The overall rank is a simple average across all seven features. If a constitution refers to the right to social security without any further details, we assume that it refers to the three most basic features of social security: pension, disability and survivors. That assumption follows the standard view, as reflected in textbooks in Public Economics. [8]

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[8] "*This [OASDI] is usually referred to as social security and is intended to provide a basic standard of living to the aged, the disabled, and their survivors*." (Stigliz, 2000: page 353)

Table 1: The criteria for ranking the constitutional commitment to social security

| | rank |
|---|---|
| **The right is absent from the constitution** | 0 |
| **A general statement**<br>The state "guarantees" or "promotes" social security, or "every person is entitled to social security" | 1 |
| **Weak commitment**<br>"Every person is entitled to a minimum standard of living", "basic income", "adequate income" or "to live in dignity" | 2 |
| **Strong commitment**<br>In addition to "Every person is entitled to adequate income", the constitution specifies the ingredients of what is adequate income in terms of food, housing etc., or a periodical adjustment mechanism such as COLA. | 3 |

We use the Spanish constitution as an example of a country that gets a rank of 3 as regards old-age pensions (one of the features of the right to social security). To quote the Spanish constitution: "*To citizens in old age, the public authorities shall guarantee economic sufficiency through adequate and periodically updated pensions*." The key words that are responsible for its rank are: "economic sufficiency" and "periodically updated".

The constitution of Finland has six features of social security, as may be seen from the following quote: "*Everyone shall be guaranteed by an Act the right to basic subsistence in the event of unemployment, illness, and disability and during old age as well as the birth of a child or the loss of a provider*. But it does not mention any further details such as periodical adjustment. Because of its weak commitment it gets a rank of 2.

Taiwan's constitution contains a general statement concerning the two features of the right to social security, each of them earns a rank of 1, as is indicated by the

following quote: *The state shall establish a system of social insurance to promote social welfare to the aged and the physically disabled*.

*The right to education*

In general, the right to education may reflect all three levels of education: primary, secondary and tertiary. In this paper we refer to primary and secondary education only primarily because a large share of public education expenditure is on primary and secondary education. The rank is a weighted average of primary (2/3) and secondary (1/3) education.

Table 2: The criteria for ranking constitutional commitment to education

| | rank |
|---|---|
| **The right is absent from the constitution** | 0 |
| **A general statement**<br>"Every citizen is entitled to education" | 1 |
| **Weak commitment**<br>"Primary education is compulsory", or "primary education is free". | 2 |
| **Strong commitment**<br>"Primary education is compulsory and free" | 3 |

The two main features of constitutional commitment to education are whether education is compulsory and whether it is provided free of charge. Primary education appears in many countries not only as a right, but also as a duty. It reflects the fact that basic education is the right of children and the duty of parents. The right to education is important in preventing child labor, especially in less developed countries.

The constitution is a document that is drawn up with great care after lengthy public deliberations that may have taken years. We assume, therefore, that it is not accidental if the constitution states that education is compulsory but does not refer to who provides the financial support. If a constitution ignores the financial side this reflects a weak commitment, inasmuch as the constitution leaves the issue open instead of making it the obligation of the government.

The ranking of secondary education is different. A rank of 2 is given if secondary education is compulsory. Free secondary education is enough to get a rank of 3. Parents have less discretion over their children in (higher grades of) secondary education. That is why we find the compulsory feature not essential, as is the case with primary education. Therefore, free secondary education is sufficient to be considered a strong commitment. The right to health, housing and workers' rights were ranked in similar fashion. Detailed tables for those rights are provided in the appendix.

Our data set on the constitutional commitment to social rights are presented in table 3.

## 3. Is there a typical constitution?

In this section we explore whether there is a typical constitution with respect to social rights, based on the most updated constitutions or basic laws in 68 countries. Chart 1 presents a summary index of constitutional commitment to social rights (a simple average of all five social rights: the right to social security, education, health, housing and workers' rights). At first glance it is hard to find common economic, cultural or other characteristics of countries that share a similar degree of constitutional commitment to social rights. For example, the Scandinavian countries are spread out all over the scale. Finland is close to Latin-American countries, Denmark and Sweden are close to Thailand, while Norway belongs to a group of countries in which social rights are absent from the constitution.

Chart 2 presents the distribution of the summary index of constitutional commitment to social rights. In most countries the constitutional commitment to social rights is relatively low or even absent. The rank of constitutional commitment in 41% of the countries in the sample is between 0 and 1. The constitutional right to education appears most frequently, occurring in 51 countries (table 4). The degree of constitutional commitment regarding the right to education is relatively high, especially with respect to elementary education.

The constitutional right to social security may be regarded as the core of the modern welfare state. Its ranking is affected by the number of features comprising it and the degree of commitment to each feature. The right to social security appears in the constitution of 47 countries with different levels of commitment. In half the countries, the rank value is less than 1 and the average is 0.57, reflecting a low level of constitutional commitment to the right to social security. We found a high level of constitutional commitment in four countries: Brazil, Finland, Portugal and Switzerland.

Compared to the right to education, all the other rights—to health, housing and workers' rights—are both less common and have a relatively low level of constitutional commitment. The right to health as well as the right to housing and workers' rights appears in less than half the countries, and the rank is substantially less than 1.

## 3.1 Social Rights and legal origins

In the search for similarities between countries we followed a series of studies showing the importance of legal origins for economic performance [La-Porta et al (1997, 1998, 1999) and Glaeser and Shliefer (2002)]. All the countries in our sample were classified by legal origins, in accordance with the groups suggested by Reynolds and Flores (1989). Current law has been influenced by internal trends, as well as by voluntary imitation and foreign invasion (Watson, 1974). The two main legal traditions are English common-law and French civil-law, which derived from Roman law.

The concept underlying the English tradition is to protect citizens from the power of government. It began to develop in the 17th century, with the empowerment of the parliament and aristocracy at the expense of the monarchy, as expressed in greater constraints on the power of the king (Finer, 1997). By contrast, the civil law tradition, especially after the Codification in the 19th century, gives more power to the government to run the life of its citizens (Finer, 1997). There are three groups of countries following the civil law tradition—French, Scandinavian and German.

In East Europe the legal tradition is relatively new and its roots are in the former Soviet Union, following the socialist pattern, which is far more centralized than civil law.

Each country in our sample is classified into one of the five groups according to its legal tradition, English common law, French-civil-law, German, Scandinavian and Socialist. In Table 4 we test the hypothesis that the constitutional commitment to social rights is related to legal origins, controlling for level of development and propensity to democracy.

All equations are estimated with OLS, where each social right serves as a dependent variable at one time. We find that countries that are classified as French civil law have a much higher constitutional commitment to social rights than common law countries (the omitted variable). The summary index of constitutional social rights is 0.96 higher in French civil law countries than in common law countries, after controlling for GDP per capita and democracy. This is highly significant. Note that the standard deviation of the summary index is 0.65.

Note that nine out of the top ten countries ranked according to our summary index of constitutional commitment to social rights are French civil law countries: Portugal, Spain and seven Latin American countries (table 5). This finding, with regard to Latin American countries, is surprising in light of the high level of income inequality in those countries. Note that this does not mean that they share a similar package of social rights. No common law country is part of the top ten (or top twenty).

In contrast, eight out of the bottom ten countries ranked according to our summary index of constitutional commitment to social rights are common law countries (all five social rights are absent). No French civil law country is part of the bottom ten.

It is somewhat surprising to find that French civil law countries have on average a higher constitutional commitment to social rights than post-socialist countries. Most of the socialist countries are in transition to a market economy, however, and some of them have rewritten their constitutions. Nonetheless, the constitutional commitment to social rights in those countries is higher than in common law countries. The German

and Scandinavian countries are somewhere in between. La-Porta et al (1998) found a similar order as regards the legal protection extended to shareholders.[9]

The finding that French civil law countries have a higher constitutional commitment repeats itself for all five social rights separately, (Table 6). The finding that socialist countries have a higher commitment than common law countries is similar for three of the five social rights—the right to education, health and workers' rights.

Given the fact that the top ten (or even twenty) countries is disproportionably populated by Latin American countries, it is natural to examine how sensitive are the results to the inclusion of a dummy variable for Latin American countries. We found that in general the results are similar. However, the introduction of Latin American dummy generates somewhat different ordering: the countries with socialist tradition have the highest constitutional commitment to social rights.

The finding that legal origins are significant is not affected when differences in the log of income per capita are taken into account. Table 6 shows that poor countries tend to have on average higher constitutional commitment to social rights. Though, the constitutional commitment to social rights is not significantly affected by income. However, that effect becomes significant using the level of GDP per capita (instead of log).

The new cross-country data in this paper allow us to directly test Sen's hypothesis (1999) that democracy shapes beliefs and values through several channels. We found that a higher propensity to democracy tends to have a positive and significant effect on the summary index of constitutional commitment to social rights. That effect is positive on each of the social rights but is significant on the summary index of social rights only. The effect of democracy becomes significant for health and workers' rights as well using the level of GDP per capita (instead of log).

[9] The common law countries provide the strongest legal protection to investors, and French civil law countries the weakest, with German and Scandinavian countries in the middle.

## 3.2 Social rights and endurance of the constitution

The history of human rights is stratified of three generations. Civic rights such as the freedom of expression are perceived to be as the first generation, political rights such as the right to vote are the second generation and social rights are the third generation. Thus, a natural hypothesis is that social rights are more prevalent in countries that have written their first constitution more recently given that social rights are relatively a new phenomenon. In that case our indices may not reflect perfectly current social preferences.

The constitution is relatively more stable document but still countries amend their constitution from time to time. To test the mentioned hypothesis we constructed a new variable, the first time the current constitution was adopted. Choosing the date when the current constitution was first adopted is not always easy. For example, Iran has a constitution since 1906 but that Constitution was abolished by the revolution of February 1979. The current Constitution is in force since December 3, 1979. Therefore, the first time the current constitution was adopted in this case is 1979 (our new variable). However significant amendments were approved on July 1989.

As expected, this new variable, that reflects how old is the current constitution, has a negative effect on the degree of constitutional commitment to social rights (i.e., stronger commitment to social rights in the more recent constitutions) but that effect is not significant (table 7).

One explanation for this might be differences in the ease with which constitutions can be amended. The US constitution is old and difficult to amend and thus the prediction that it does not contain social rights is borne out. The Swiss constitution is relatively old but easier to amend, and thus can be "updated" to incorporate changes in preferences for social rights.

## 3.3 Social rights and religious beliefs

In section 4 we treat the constitution as a source of information on the values and beliefs of each society in our sample. Thus, it is natural to explore the relations between religious beliefs and our index of constitutional commitment to social rights. We use the shares of population that have Protestant, Catholic, Muslims and Other

beliefs as explanatory variables controlling for GDP per capita. Note, that there is overlapping between legal origins and religious beliefs and in particular between Catholic and French civil law.

Table 8 presents OLS regressions that were estimated using the current constitutional commitment to each of the five social rights in addition to a summary index of social rights. In general we find that countries which have a higher share of population with Catholic and Muslim beliefs tend to have higher constitutional commitment to social rights compared to Protestant (and other beliefs) countries. However that effect is statistically significant just for Catholic countries in four of the five social rights in addition to our summary index of social rights. The effect of Muslim beliefs is significant for education only. The Catholic effect on constitutional commitment to education is the highest whereas the commitment to social security is lowest and even statistically insignificant.

The quantitative impact of the Catholic beliefs is quite large. A ten percentage points increase in the share of population with Catholic beliefs induces a rise of 1.17 in our summary index of social rights (at the mean).

The Catholic effect survives the inclusion of a dummy variable for Latin American countries (The Latin America dummy is significant at 5%). The Catholic effect is still highly significant but the quantitative impact is smaller. The coefficient in that case is about half compared to the previous estimate.

## 4. Constitutional commitment and policy outcomes

In previous section we saw that constitutional social rights are closely related to legal origins. That finding may appear at first glance as if constitutional social rights could not be seen as a reflection of current social preferences. Our evidence means that legal origins matters in shaping current beliefs and values but the whole history since then and other factors such as religion are important as well. For example, many Latin American countries were influenced by the French civil law. However, their constitutional commitment to social rights is far more stringent than in the French

constitution (the origin). Legal origins do explain some of the cross country variation in constitutional commitment to social rights, but by no means all (the adjust $R^2$ is around 0.4). Thus, our indices of constitutional commitment to social rights should still be seen as reflecting the most fundamental attitude survey regarding social preferences.

The commitment to social rights in the constitution reflects fundamental social preferences but does not necessarily translate into government policy. Naturally, the constitution is not a manual but rather a roadmap, delineating the path for policy makers. There may, therefore, be a weak or non-existent relationship between constitutional commitment and government policy. This paper explores the empirical correlation between our indices of social rights and the share of government expenditure, which may reflect the extent to which constitutional rights are translated into policy.

We use our indices of social rights as one of the determinants of the size and composition of government. The summary index of constitutional commitment to social rights is related to total government spending. In addition, we explore the connection between the right to education, health and social security and the associated public expenditure.

## 4.1 The general picture

To address the question of whether the constitution has any practical meaning in terms of government policy we first use "eye econometrics". In table 9 we compute government expenditure in three different for four levels of constitutional commitment that resemble our scale, between 0 and 3. For each level we compute the average expenditure on a particular use that is associated with a certain constitutional right and the number of countries at that level.

Table 10 presents a positive correlation between constitutional commitment to social security and expenditure on transfer payments, a negative correlation regarding education and no correlation with respect to the right to health. The general picture

that emerges from "eye econometrics" is similar using OLS regressions (controlling for GDP per capita).

In the next subsections we go in more details to explore whether the effect of social rights on the size of government and its composition are sensitive to the inclusion of various control variables and econometric specification of the estimated regression. We also use various indicators for policy outcomes.

## 4.2 The endogenity problem

The indices of constitutional commitment to social rights described in section 2 are based on the most recent constitution available for each country. Some countries have not made any changes in social rights for decades (or even centuries, as is the case in the United States), while others have made significant changes throughout their history, including in the 1990s. Poland and Ecuador are two examples of countries that reinforced their constitutional commitment to health in the 1990s.

The danger of reverse causality arises in most studies using regression analysis. To deal with the endogenity problem, we reconstructed our indices of constitutional commitment to social rights according to the constitution of each country in or before 1991. By contrast, the dependent variables, such as transfer payments, are usually for the period starting in 1990 and ending in 2000. This timetable reduces the danger of reverse causality.

In effect, the danger of reverse causality is relatively low in our case even without this adjustment. The constitution reflects the most fundamental beliefs and values articulated in many countries by the founding fathers. While government policy may lead to changes in the constitution, this is rare. Values and beliefs may change over time, but this is a slow process that does not have an immediate impact on the constitution. Thus, our index of constitutional commitment should be seen as an exogenous variable, to a large extent.

The endurance of constitutional social rights varies from country to country because the indices of constitutional commitment date from 1991 or earlier. This may have

important practical implications, as it takes time for the constitutional commitment to social rights to trickle down to policy outcomes. However, that caveat is less important if it take less than a decade for constitutional changes to affect government policy.

Using an instrumental variable approach is another route we take to cope with the possibility of endogenity. The results in the previous section provide us with a natural instrument, legal origins. In the regression analysis we use legal origins as instrumental variables for constitutional commitment to social rights in explaining government spending or policy outcomes.

In general, social preferences could dictate government policy first and shape the constitution at later stage. Once again, however, the lag between indices of constitutional commitment to social rights (in or before 1991) and government expenditures (in the 90s) help to avoid a possibility of this kind.

Another possibility is that public policy is shaped by social preferences which are not yet in the constitution and may never be. In this case, we do not expect to find any relation between public expenditure and social rights (which by definition equal zero) unless there is a systematic bias in the sense that countries that are more government expenditure oriented tend to omit social rights from the constitution. However, absence of any effect could be also because of the fact that various policies might be consistent with the same constitutional social rights. Unlike civic and political rights, social rights might be less binding because of the qualitative nature of these rights.

The last option—a somewhat cynical one—is that the social preferences that are reflected in the constitution are just the opposite of the real social preferences that dictate government policy. In those regimes the constitution pays lip service to social rights or in other words it is merely of propaganda value. In this case we expect to find a negative relation between constitutional commitment to social rights and the size of government.

## 4.3 The determinants of public spending

The size of government and its composition are influenced by economic, demographic and institutional factors. Our focus here is to explore the effect of the indices of constitutional commitment to social rights, controlling for those factors. Our control variables are GDP per capita, the propensity to democracy, the share of the population aged over 65 and income inequality measures. Lists of this kind are generally found in the related literature as, for example, in Mulligan, Gil and Sala-i-Martin (2002).

GDP per capita is an average for 1990–1999, taken from the Penn World Tables data for all countries except Taiwan. Income per capita serves as an indicator of the level of economic development, which may influence social preferences for public consumption (vs. private consumption), as well as a more developed tax-collection system (‘Wagner's law’).

A large share of social security and health expenditure goes to the population over the age of 65. Hence, the average share of the population aged above 65 for 1990 –1999 is one of the control variables (taken from World Bank Data).

High before-tax income inequality may induce poor people to vote for a redistributive policy. Theoretical studies based on the median voter show that higher income inequality (a higher ratio of average to median income) leads to larger government size, and in particular to more transfer payments.[10] We use the World Bank data on income inequality measures for the most recent five year or less (Deininger and Squire, 1996).[11]

The median voter theory has no direct implications for non-democratic regimes. In general, the size of government in a non-democratic country depends mainly on the ruler. A larger government might be optimal from the point of view of the ruler if he maximizes his wealth. In that case the ruler would choose high tax rates and large government. However, a large government may reflect ideological preferences that dictate both the regime and the size of government. The socialist regimes in East Europe were characterized by both large government and a centralized economy.

[10] See Meltzer and Richard (1981) and Alesina and Rodrik (1994).

The government would be smaller in non-democratic countries if the ruler chose optimal public spending to reach the highest social welfare possible. Governments in democratic countries tend "to buy peace" by larger transfers or high salaries to public-services employees workers. For example workers' unions in democratic countries, in particular in government-owned utility companies that have monopoly power, are responsible for high wages.

Thus, the theory is ambiguous as regards the effect of democracy on the size and composition of government. Nevertheless, the intensity of democracy may be included as one of the control variables. The democracy index, which reflects political rights, is from Freedom House for 1995. We transformed the original index to constitute a scale from 0 (for the lowest level of democracy) to 1 (for the highest level of democracy), in line with Barro (1999).

The inclusion of a democracy index, in addition to the constitutional index, may provide a better understanding of the interplay between these two important institutional characteristics in determining policy outcomes. It is important in light of the fact that a non-democratic country like Iraq has a constitution, while a democratic one, such as England, does not.

## 4.4 Regression analysis

Part of the regression analysis in this section is based on a smaller sample (the original sample has 68 countries) for two reasons. First, we could not trace the changes in the constitutional commitment to social rights that took place during the 1990s in the following countries: Cameroon, Fiji, Thailand, Singapore, Taiwan and Turkey. Second, not all the explanatory variables are available for all countries.

### The econometric model

Our main goal is to explore the effect of social preferences on government expenditure and policy outcomes. However, that effect works through various channels. Thus, the structural form is:

[11] Income inequality measures for Switzerland were taken from the United Nations database.

$$G = \alpha_0 + \alpha_1 X + \alpha_2 \text{Laws} + e \quad ,$$

where G may reflect government expenditure such as public education expenditure or policy outcome such as infant mortality, X is a vector of explanatory variables and Laws stand for regular laws and court interpretation that is influenced among other things by the constitution:

$$\text{Laws} = \beta_0 + \beta_1 Z + \beta_2 SP + u \quad ,$$

where Z is a vector of various variables and SP stands for social preferences that are captured here by our index of constitutional commitment to social rights.
However, in this section we estimate the following "reduced form":

$$G = a_0 + a_1 X + a_2 SP + \varepsilon$$

*Constitutional commitment to social rights*

Table 11 presents several regressions for total government expenditure as a share of GDP. We find that the summary index of constitutional commitment to social rights has a negative effect on the size of government but is far from significant. This result is the same whether we use the most recent constitutions (including instrumental variables) or those from 1991 or earlier.

The correlation between democracy and government expenditure is positive, and this result is consistent with that of Tavares and Wacziarg (2000) who found that democracy has a positive effect on government consumption, a component of total government spending. Notwithstanding, the effect of democracy is not robust as regards the inclusion of the elderly population. The index of democracy becomes insignificant once the share of the population aged over 65 is included in the regression. The effect of GDP per capita on government size is positive (as expected by Wagner's law), but it is significant only when the share of the population aged over 65 is not included. The positive effect of the elderly population on government spending is not sensitive to the inclusion of other variables, however.

In general the results are the same using social spending, the sum of education and health expenditure and transfer payments, instead of total government spending as the left hand side variable. The constitutional commitment to social rights does not have a significant impact on social spending.

*Constitutional commitment to social security*

Table 12 shows that the constitutional commitment to social security has a positive and significant impact on the share of transfer payments in GDP. This result is not sensitive to either sample size or the list of control variables. The estimated regression coefficient of constitutional commitment implies a rather large effect. An increase of one standard deviation in the social security index would induce a rise of 1.7 percentage points in the share of transfers in GDP. The explanatory power of that specification is relatively high where the adjusted R square is around 0.76. This finding might help to some extent to explain why the U.S. does not have a European-style welfare state. It may reflect different social preferences.

It is true that the share of transfer payments is an important indicator of government policy, but it says nothing about policy outcomes. After-tax income inequality is one possible policy outcome we should have used here as a dependent variable. Table 12 shows that the effect of constitutional commitment to social security has no effect on the index of inequality.[12] This may be because World Bank data on inequality comprise both after- and before-tax indices of income inequality, and therefore do not constitute a fair test.[13]

As was the case with the regression for total government expenditure, the correlation between democracy and transfer payments is positive**,** but is not robust to the inclusion of the share of the elderly in the population. The index of democracy becomes insignificant once the share of the population aged over 65 is included in the regression. Using a similar specification, Mulligan, Gil and Sala-i-Martin (2002) also

[12] Note that the positive effect of the constitutional commitment to social security on transfer payments is positive and significant also in the sample of 47 counties for which we have inequality data.
[13] The results are similar using a limited sample of 23 countries that have after-tax inequality measures. Note also that the inequality measures of the World Bank are based on income per capita in some countries and income per household in others.

found that democracy has no effect on the share of social security expenditure in GDP.

By contrast, the positive effect of the elderly population on transfer payments is not sensitive to the specification of the regression. Again, the effect of GDP per capita on transfer payments is positive (as expected by Wagner's law), but it is positive and significant only when the share of the population aged over 65 is not included.

Instead of using the above measure of constitutional commitment to social security, which is based on seven characteristics, we compute an alternative measure of constitutional commitment that is built on three core characteristics of social security: pension, disability and survivors. The effect of constitutional commitment to social security on transfer payments is basically the same (not reported).

In general the results are the same using legal origins as an instrument for constitutional commitment to social security in the larger sample (the 68 most recent constitutions). The results are robust also to the inclusion of an array of additional control variables such as the degree of openness, population size and ethno-linguistic fractionalization. (Those results are not reported here).

*Constitutional commitment to education and health*

Surprisingly, we found that the constitutional commitment to education (the average rank of the right to primary and secondary education) has a negative and significant effect on the share of public education in GDP (Table 13). An increase of one standard deviation in the constitutional commitment to education would reduce the share of public education by half a percentage point of GDP.

We use another measure of constitutional commitment to education, three dummy variables for the right to primary education that coincide with our scale instead of an average ranking of the right to primary and secondary education. That specification is more flexible to reflect a non linear relation between constitutional commitment to education and education expenditure. The negative correlation between constitutional commitment to education is significant for those countries which have the highest commitment to education only (i.e., a rank of 3). Once again, the results are the same

using legal origins as an instrument for constitutional commitment to education in the larger sample (the 68 most recent constitutions).

Here we explore the effect of the constitutional commitment to education on policy outcomes, such as primary and secondary school enrollment, in addition to public expenditure. Table 13 shows that the constitutional commitment to education has no effect on the rate of primary and secondary school enrollment.

Thus, the results are quite fragile when it comes to drawing a clear-cut conclusion, especially given the low adjusted R square. Income per capita is the only variable that is always significant and takes the expected sign. In general, our list of variables has poor explanatory power for the share of education in GDP.

One possible explanation, but by no means the only one, of the effect of the constitutional commitment to education might be the incentive to speak positively about education because of considerations of 'window dressing.' Note that the right to education is both the most widespread social right and displays the strongest constitutional commitment. In reality it is hard to deliver due to the high cost of public education, however.

Contrary to the above result, the constitutional commitment to health has a positive but not significant effect (Table 14) on the share of public health expenditure in GDP. On the other hand, the constitutional commitment to health has a negative and significant impact on policy outcomes as measured by infant mortality. Constitutional commitment to health has a positive effect on life expectancy at birth but is not significant at the conventional level. The latter effect becomes significant using the level of (instead of the log) GDP per capita.

# 5. Conclusion

This paper presents a new data set on constitutional commitments to social rights for 68 countries. Quantitative indices are constructed for five social rights: the right to social security, education, health, housing and workers' rights. The right to social security appears in the constitution of 47 countries, albeit with relatively moderate

constitutional commitment, while only 21 countries have a constitutional commitment to housing.

We use these measures to characterize the typical constitution with respect to social rights. We find two clear groups: countries that share the tradition of French civil law generally have a higher commitment to social rights than countries adhering to the English common law tradition. The constitutional commitment to social rights in socialist countries is closer to French civil-law, whereas countries that have a German or Scandinavian tradition bear a closer resemblance to the English common law countries.

The results on the effects of constitutional commitment to social rights on the size and composition of government are mixed. Our findings are consistent with the claim that a constitution has practical meaning for policy given the positive effect of a constitutional commitment on transfers and health policy performance. It is also consistent with the claim that it is possible to make a meaningful commitment to social rights, as in the case of basic human rights, despite the vague quantitative implications.

However, the policy implications of a clear-cut constitutional commitment to a given social right may still be interpreted in various ways as compared with the right to vote, for example. We find a lack of effect of the constitutional commitment on total government expenditure and education spending. That finding might be interpreted in the following way: even a strict constitutional commitment to free education may be translated into a long or short school day, of low or high quality, with many or few students per class.

**Table 3: Indices of constitutional commitment to social rights**

| | Social Security | Education | Health | Housing | Workers' Rights | Summary index of social rights |
|---|---|---|---|---|---|---|
| Albania | 0.43 | 3.00 | 1 | 1 | 0.0 | 1.09 |
| Argentina | 0.43 | 1.67 | 0 | 2 | 0.8 | 0.98 |
| Australia | 0.00 | 0.00 | 0 | 0 | 0.0 | 0.00 |
| Austria | 0.00 | 0.00 | 0 | 0 | 0.0 | 0.00 |
| Bahrain | 0.71 | 2.00 | 1 | 0 | 0.0 | 0.74 |
| Belgium | 0.43 | 2.00 | 1 | 2 | 0.0 | 1.09 |
| Bolivia | 0.86 | 2.33 | 1 | 0 | 1.4 | 1.12 |
| Brazil | 3.00 | 2.67 | 2 | 0 | 3.0 | 2.13 |
| Bulgaria | 0.43 | 3.00 | 3 | 0 | 0.8 | 1.45 |
| Cameroon | 0.00 | 1.33 | 0 | 0 | 0.0 | 0.27 |
| Canada | 0.00 | 0.00 | 0 | 0 | 0.0 | 0.00 |
| Chile | 0.43 | 2.33 | 3 | 0 | 0.0 | 1.15 |
| China | 0.86 | 2.33 | 1 | 0 | 0.6 | 0.96 |
| Colombia | 0.43 | 2.67 | 3 | 1 | 0.4 | 1.50 |
| Cyprus | 0.86 | 2.00 | 0 | 0 | 0.0 | 0.57 |
| Czech Republic | 0.00 | 0.00 | 0 | 0 | 0.0 | 0.00 |
| Denmark | 0.14 | 2.00 | 0 | 0 | 0.0 | 0.43 |
| Dominican Republic | 1.57 | 3.00 | 0 | 2 | 0.6 | 1.43 |
| Ecuador | 1.29 | 3.00 | 3 | 1 | 0.0 | 1.66 |
| Egypt | 0.43 | 3.00 | 1 | 0 | 0.2 | 0.93 |
| El Salvador | 0.43 | 2.00 | 1 | 0 | 2.8 | 1.25 |
| Fiji | 0.00 | 0.67 | 0 | 0 | 0.0 | 0.13 |
| Finland | 2.14 | 2.33 | 1 | 1 | 0.0 | 1.30 |
| France | 0.43 | 2.33 | 1 | 0 | 0.0 | 0.75 |
| Germany | 0.00 | 0.00 | 0 | 0 | 0.0 | 0.00 |
| Greece | 0.00 | 3.00 | 0 | 0 | 0.0 | 0.60 |
| Hungary | 1.43 | 2.33 | 2 | 0 | 0.6 | 1.27 |
| Iceland | 0.14 | 0.00 | 0 | 0 | 0.0 | 0.03 |
| India | 0.57 | 2.00 | 0 | 0 | 0.4 | 0.59 |
| Indonesia | 1.00 | 0.67 | 0 | 0 | 0.0 | 0.33 |
| Iran | 0.71 | 2.33 | 1 | 1 | 0.2 | 1.05 |
| Ireland | 0.43 | 2.00 | 0 | 0 | 0.0 | 0.49 |
| Israel | 0.00 | 0.00 | 0 | 0 | 0.0 | 0.00 |
| Italy | 1.71 | 2.33 | 1 | 0 | 0.8 | 1.17 |
| Japan | 0.14 | 2.00 | 0 | 0 | 0.4 | 0.51 |
| Jordan | 0.00 | 2.00 | 0 | 0 | 0.6 | 0.52 |
| Kenya | 0.00 | 0.00 | 0 | 0 | 0.0 | 0.00 |
| Malta | 0.86 | 2.33 | 0 | 0 | 0.8 | 0.80 |
| Mexico | 0.86 | 3.00 | 1 | 3 | 2.0 | 1.97 |
| Nepal | 0.43 | 1.33 | 0 | 0 | 0.0 | 0.35 |
| Netherlands | 0.14 | 1.33 | 0 | 2 | 0.0 | 0.70 |
| New Zealand | 0.00 | 0.00 | 0 | 0 | 0.0 | 0.00 |
| Nicaragua | 1.86 | 3.00 | 2 | 3 | 1.4 | 2.25 |
| Norway | 0.00 | 0.00 | 0 | 0 | 0.0 | 0.00 |
| Panama | 1.14 | 3.00 | 1 | 1 | 2.4 | 1.71 |
| Paraguay | 0.43 | 2.33 | 1 | 3 | 1.8 | 1.71 |
| Philippines | 0.00 | 3.00 | 1 | 0 | 0.4 | 0.88 |
| Poland | 0.57 | 3.00 | 3 | 2 | 1.0 | 1.91 |
| Portugal | 2.00 | 2.67 | 3 | 3 | 1.6 | 2.45 |
| Romania | 0.29 | 1.00 | 1 | 0 | 1.8 | 0.82 |
| Sierra Leone | 0.29 | 3.00 | 0 | 0 | 0.0 | 0.66 |

| | | | | | | |
|---|---|---|---|---|---|---|
| Singapore | 0.00 | 0.00 | 0 | 0 | 0.0 | 0.00 |
| South Africa | 0.86 | 1.00 | 1 | 2 | 0.0 | 0.97 |
| South Korea | 0.43 | 2.33 | 1 | 3 | 0.2 | 1.39 |
| Spain | 1.00 | 2.00 | 1 | 3 | 0.6 | 1.52 |
| Sri Lanka | 0.00 | 0.00 | 0 | 0 | 0.0 | 0.00 |
| Sweden | 0.43 | 0.67 | 0 | 1 | 0.0 | 0.42 |
| Switzerland | 2.14 | 1.67 | 1 | 0 | 0.0 | 0.96 |
| Syria | 0.57 | 3.00 | 1 | 0 | 0.6 | 1.03 |
| Taiwan | 0.43 | 2.33 | 0 | 0 | 0.0 | 0.55 |
| Thailand | 0.00 | 1.33 | 1 | 0 | 0.0 | 0.47 |
| Trinidad | 0.00 | 0.00 | 0 | 0 | 0.0 | 0.00 |
| Tunisia | 0.43 | 0.00 | 0 | 0 | 0.0 | 0.09 |
| Turkey | 0.29 | 2.00 | 1 | 1 | 0.8 | 1.02 |
| United Kingdom | 0.00 | 0.00 | 0 | 0 | 0.0 | 0.00 |
| United States | 0.00 | 0.00 | 0 | 0 | 0.0 | 0.00 |
| Uruguay | 1.71 | 3.00 | 0 | 3 | 0.2 | 1.58 |
| Zambia | 0.00 | 0.00 | 0 | 0 | 0.0 | 0.00 |

**Table 4: A summary statistics: indices of constitutional commitment to social rights**

| The social right | Average (all countries) | Standard Deviation (all countries) | No. of countries that include at least one social right |
|---|---|---|---|
| The right to education | 1.66 | 1.13 | 51 |
| The right to health | 0.69 | 0.92 | 32 |
| The right to social security | 0.57 | 0.65 | 47 |
| The right to housing | 0.60 | 1.02 | 21 |
| Workers' rights | 0.43 | 0.71 | 29 |
| | | | |
| **Summary index of social rights** | **0.79** | **0.65** | **53** |

**Table 5: constitutional commitment and legal origins**

(Countries are ranked by a summary index of social rights)

| rank | Country | Legal Origins | Summary index of social rights | rank | country | Legal Origins | Summary index of social rights |
|---|---|---|---|---|---|---|---|
| 1 | Portugal | F | 2.45 | 35 | Bahrain | E | 0.74 |
| 2 | Nicaragua | F | 2.25 | 36 | Netherlands | F | 0.70 |
| 3 | Brazil | F | 2.13 | 37 | Sierra Leone | E | 0.66 |
| 4 | Mexico | F | 1.97 | 38 | Greece | F | 0.60 |
| 5 | Poland | S | 1.91 | 39 | India | E | 0.59 |
| 6 | Paraguay | F | 1.71 | 40 | Cyprus | E | 0.57 |
| 7 | Panama | F | 1.71 | 41 | Taiwan | G | 0.55 |
| 8 | Ecuador | F | 1.66 | 42 | Jordan | F | 0.52 |
| 9 | Uruguay | F | 1.58 | 43 | Japan | G | 0.51 |
| 10 | Spain | F | 1.52 | 44 | Ireland | E | 0.49 |
| 11 | Colombia | F | 1.50 | 45 | Thailand | E | 0.47 |
| 12 | Bulgaria | S | 1.45 | 46 | Denmark | SD | 0.43 |
| 13 | Dominican Republic | F | 1.43 | 47 | Sweden | SD | 0.42 |
| 14 | South Korea | G | 1.39 | 48 | Nepal | E | 0.35 |
| 15 | Finland | SD | 1.30 | 49 | Indonesia | F | 0.33 |
| 16 | Hungary | S | 1.27 | 50 | Cameroon | F | 0.27 |
| 17 | El Salvador | F | 1.25 | 51 | Fiji | E | 0.13 |
| 18 | Italy | F | 1.17 | 52 | Tunisia | E | 0.09 |
| 19 | Chile | F | 1.15 | 53 | Iceland | F | 0.03 |
| 20 | Bolivia | F | 1.12 | 54 | Australia | E | 0.00 |
| 21 | Albania | S | 1.09 | 55 | Austria | G | 0.00 |
| 22 | Belgium | F | 1.09 | 56 | Canada | E | 0.00 |
| 23 | Iran | F | 1.05 | 57 | Czech Republic | S | 0.00 |
| 24 | Syria | F | 1.03 | 58 | Germany | G | 0.00 |
| 25 | Turkey | F | 1.02 | 59 | Israel | E | 0.00 |
| 26 | Argentina | F | 0.98 | 60 | Kenya | E | 0.00 |
| 27 | South Africa | E | 0.97 | 61 | New Zealand | E | 0.00 |
| 28 | Switzerland | G | 0.96 | 62 | Norway | SD | 0.00 |
| 29 | China | S | 0.96 | 63 | Singapore | E | 0.00 |
| 30 | Egypt | F | 0.93 | 64 | Sri Lanka | E | 0.00 |
| 31 | Philippines | F | 0.88 | 65 | Trinidad | E | 0.00 |
| 32 | Romania | S | 0.82 | 66 | United Kingdom | E | 0.00 |
| 33 | Malta | F | 0.80 | 67 | United States | E | 0.00 |
| 34 | France | F | 0.75 | 68 | Zambia | E | 0.00 |

**Table 6: Legal origins and constitutional social rights**

| | (1) | (2) | (3) | (4) | (5) | (6) |
|---|---|---|---|---|---|---|
| | The right to social security | The right to education | The right to health | The right to housing | Workers' rights | An index of Social Rights |
| **Constant** | 0.608 | 3.346[b] | 1.082 | -0.092 | 1.103 | 1.208 |
| | (0.656) | (2.519) | (0.916) | (0.064) | (1.181) | (1.615) |
| **Log GDP Per-Capita** | -0.168 | -0.771[c] | -0.357 | -0.045 | -0.360 | -0.34 |
| | (0.612) | (1.956) | (1.019) | (0.105) | (1.300) | (1.531) |
| **Democracy** | 0.344 | 0.516 | 0.614 | 0.519 | 0.416 | 0.481[c] |
| | (1.063) | (1.112) | (1.488) | (1.035) | (1.275) | (1.842) |
| **French** | **0.624**[a] | **1.555**[a] | **0.878**[a] | **0.964**[a] | **0.776**[a] | **0.960**[a] |
| | (3.414) | (5.93) | (3.767) | (3.405) | (4.207) | (6.499) |
| **Socialist** | 0.349 | **1.268**[a] | **1.389**[a] | 0.318 | 0.636[b] | **0.793**[a] |
| | (1.258) | (3.183) | (3.919) | (0.740) | (2.268) | (3.533) |
| **German** | 0.327 | 0.68 | 0.265 | 0.385 | 0.169 | 0.365 |
| | (0.985) | (1.429) | (0.625) | (0.740) | (0.504) | (1.365) |
| **Scand.** | 0.348 | 0.486 | 0.054 | 0.168 | 0.046 | 0.223 |
| | (1.044) | (1.015) | (0.129) | (0.325) | (0.136) | (0.826) |
| **Adj. $R^2$** | 0.087 | 0.368 | 0.238 | 0.098 | 0.214 | 0.399 |
| **Number of Observations** | 67 | 67 | 67 | 67 | 67 | 67 |

*The regressions were estimated using the social rights in the current constitutions. The t statistics are reported in the parentheses.

a. Significance at 1%.
b. Significance at 5%.
c. Significance at 10%.

**Table 7: Legal origins and constitutional social rights**
(Dependant variable: a summary index of social rights)

| | (6) | (7) | (8) |
|---|---|---|---|
| **Constant** | 1.208 | -3.873 | 0.582 |
| | (1.615) | (1.054) | (0.791) |
| **Log GDP Per-Capita** | -0.34 | -0.134 | -0.140 |
| | (1.531) | (0.524) | (0.638) |
| **Democracy** | **0.481**[c] | **0.482**[c] | 0.251 |
| | (1.842) | (1.810) | (0.970) |
| **French** | **0.960**[a] | **0.898**[a] | **0.752**[a] |
| | (6.499) | (5.563) | (4.821) |
| **Socialist** | **0.793**[a] | **0.674**[a] | **0.836**[a] |
| | (3.533) | (2.821) | (3.946) |
| **German** | 0.365 | 0.255 | 0.353 |
| | (1.365) | (0.887) | (1.397) |
| **Scand.** | 0.223 | 0.125 | 0.212 |
| | (0.826) | (0.432) | (0.837) |
| **Year** | | 0.032 | |
| | | (1.370) | |
| **Latin America** | | | **0.520**[a] |
| | | | (2.947) |
| **Adj. $R^2$** | 0.399 | 0.357 | 0.399 |
| **Number of Observations** | 67 | 63 | 67 |

**Year** is defined as a year the current constitution was first adopted.

**Table 8: Religious beliefs and constitutional social rights**

| | (1) | (2) | (3) | (4) | (5) | (6) |
|---|---|---|---|---|---|---|
| | **The right to social security** | **The right to education** | **The right to health** | **The right to housing** | **Workers' rights** | **An index of Social Rights** |
| **Constant** | 0.740 | 2.008 | 0.389 | 0.097 | 1.003 | 0.847 |
| | (0.772) | (1.310) | (0.304) | (0.068) | (1.141) | (1.013) |
| **Log GDP Per-Capita** | -0.072 | -0.399 | -0.101 | 0.027 | -0.285 | -166 |
| | (0.348) | (1.193) | (0.304) | (0.084) | (1.483) | (0.907) |
| **Catholic** | 0.535 | **1.893** [a] | **1.236** [a] | **1.164** [b] | **1.065** [a] | **1.177** [a] |
| | (1.557) | (3.444) | (2.696) | (2.211) | (3.378) | (3.922) |
| **Muslim** | 0.000 | **1.472** [b] | 0.602 | 0.018 | 0.321 | 0.482 |
| | (0.001) | (2.289) | (1.122) | (0.030) | (0.870) | (1.373) |
| **Other** | -0.289 | 0.687 | 0.344 | -0.010 | 0.215 | 0.168 |
| | (0.758) | (1.128) | (0.677) | (0.184) | (0.616) | (0.507) |
| **Adj. $R^2$** | 0.11 | 0.215 | 0.116 | 0.151 | 0.247 | 0.305 |
| **Number of Observations** | 64 | 64 | 64 | 64 | 64 | 64 |

*The regressions were estimated using the social rights in the current constitutions. The t statistics are reported in the parentheses.

a. Significance at 1%.
b. Significance at 5%.
c. Significance at 10%.

**Table 9: Constitutional commitment and policy outcomes**

| | Social rights | | The right to social security | | The right to education | | The right to health | |
|---|---|---|---|---|---|---|---|---|
| The degree of constitutional commitment to the associated right | Total exp. (% GDP) | No. of Cou. | Transfer payments (% GDP) | No. of Cou. | Education exp. (% GDP) | No. of Cou. | health exp. (% GDP) | No. of Cou. |
| SR=0 | 31.8 | 15 | 9.9 | 21 | 5.4 | 17 | 3.5 | 36 |
| $0 < SR \leq 1$ | 28.3 | 28 | 9.2 | 36 | 5.0 | 5 | 3.4 | 23 |
| $1 < SR \leq 2$ | 27.4 | 22 | 15.0 | 8 | 4.4 | 17 | 5.2 | 3 |
| $2 < SR \leq 3$ | 36.2 | 3 | 19.0 | 3 | 4.1 | 28 | 3.5 | 6 |

SR stands for social rights.

**Table 10: Constitutional commitment to social rights and policy outcomes: a regression analysis [1, 2, 3]**

| | Dependent variable | | | |
|---|---|---|---|---|
| | Total government spending | Transfer payments (% GDP) | Education expenditures (% GDP) | health expenditures (% GDP) |
| A summary index of social rights | 0.42<br><br>(0.24) | | | |
| The right to social security | | 2.90[b]<br><br>(2.35) | | |
| The right to education | | | -0.334 [b]<br><br>(2.11) | |
| The right to health | | | | 0.03<br><br>(0.13) |
| Adjusted $R^2$ | 0.26 | 0.46 | 0.26 | 0.52 |

1. The OLS regressions were estimated controlling for GDP per capita .
2. The indices of social rights are based on the current constitutions.
3. The t statistics are reported in the parentheses. Significance at 1% is denoted by *a*, significance at 5% is denoted by *b* and significance at 10% is denoted by *c*

**Table 11: Constitutional commitment to social rights and government spending**
(Dependant variable: the share of total government spending in GDP)

| | Current constitutions | | | Constitutions before 1992 | |
|---|---|---|---|---|---|
| | **OLS** | **OLS** | **IV** | **OLS** | **OLS** |
| **Constant** | 17.726 | -8.927 | 15.663 | 17.729 | -11.954 |
| | (1.225) | (0.626) | (1.030) | (1.132) | (0.808) |
| **Log GDP Per Capita** | -0.721 | **8.161**[c] | -0.299 | -0.428 | **9.450**[b] |
| | (0.166) | (1.966) | (0.067) | (0.089) | (2.160) |
| **Pop. of age 65+** | **1.434**[a] | | **1.449**[a] | **1.413**[a] | |
| | (3.969) | | (3.986) | (3.663) | |
| **Democracy** | 1.924 | **9.104**[c] | 1.407 | 1.394 | 7.215 |
| | (0.407) | (1.876) | (0.289) | (0.276) | (1.365) |
| **index of social rights** | 0.302 | -0.246 | 1.114 | -0.281 | -0.673 |
| | (0.851) | (0.138) | (0.460) | (0.169) | (0.368) |
| **Adj. $R^2$** | 0.422 | 0.284 | | 0.402 | 0.271 |
| **Number of Observations** | 66 | 66 | | 61 | 61 |

a. Significance at 1%.
b. Significance at 5%.
c. Significance at 10%.

**Table 12: Constitutional commitment to social security and transfer payments and inequality**

| | Current constitutions | | | Constitutions before 1992 | | | | |
|---|---|---|---|---|---|---|---|---|
| | Transfer payments (share in GDP) | | | Transfer payments (share in GDP) | | | Inequality (Gini coeff.) | |
| | OLS | OLS | IV | OLS | OLS | OLS | OLS | OLS |
| **Constant** | -0.457 | **-29.24** [a] | -1.943 | 0.183 | -1.911 | **-31.8** [a] | **29.7** [c] | **77.61** [a] |
| | (0.063) | (3.414) | (0.253) | (0.021) | (0.238) | (3.581) | (1.975) | (5.309) |
| **Log GDP per-capita** | -1.482 | **7.929** [a] | -1.259 | -1.099 | -0.953 | **8.859** [a] | 5.977 | **-9.977** [b] |
| | (0.667) | (3.106) | (0.546) | (0.413) | (0.382) | (3.306) | (1.238) | (2.181) |
| **Pop. Of age 65+** | **1.496** [a] | | **1.505** [a] | **1.417** [a] | **1.425** [a] | | **-1.947** [a] | |
| | (7.563) | | (7.378) | (6.209) | (6.654) | | (5.068) | |
| **Democracy** | 3.017 | **10.659** [a] | 2.484 | 3.436 | 3.323 | **9.637** [a] | 3.988 | -2.32 |
| | (1.211) | (3.376) | (0.938) | (1.182) | (1.219) | (2.833) | (0.765) | (0.38) |
| **Social security index** | **2.639** [a] | **2.473** [a] | **4.221** [b] | | **2.524** [a] | **2.455** [b] | 1.095 | 0.25 |
| | (3.185) | (2.154) | (1.984) | | (2.940) | (2.148) | (0.696) | (0.14) |
| | | | | | | | | |
| **Adj. $R^2$** | 0.760 | 0.540 | 0.744 | 0.701 | 0.737 | 0.534 | 0.474 | 0.18 |
| **Number of observations** | 65 | 65 | 65 | 60 | 60 | 60 | 48 | 48 |

a. Significance at 1%.
b. Significance at 5%.
c. Significance at 10%.

**Table 13: Education policy outcomes and the constitutional right to education**

| | Current constitutions | | | Constitutions before 1992 | | | | |
|---|---|---|---|---|---|---|---|---|
| | Education Expenditure (Share in GDP) | | | Education Expenditure (Share in GDP) | | | Net primary enrollment | |
| | OLS | OLS | IV | OLS | OLS | OLS | OLS | OLS |
| **Constant** | -5.879 | 0.404 | 5.120 | **-7.513** [c] | -5.686 | -1.176 | **77.18** [a] | **49.55** [a] |
| | (1.424) | (0.192) | (1.205) | (1.754) | (1.351) | (0.537) | (3.657) | (3.967) |
| **Log GDP per-capita** | **2.247** [a] | **1.285** [b] | **2.110** [b] | **2.687** [a] | **2.392** [a] | **1.616** [a] | 7.407 | **12.140** [a] |
| | (2.603) | (2.140) | (2.387) | (2.968) | (2.708) | (2.555) | (1.653) | (3.528) |
| **Pop. Of age 14-** | 0.055 | | 0.055 | 0.04 | 0.046 | | -0.281 | |
| | (1.535) | | (1.513) | (1.265) | (1.252) | | (1.608) | |
| **Democracy** | 1.021 | 0.779 | 1.075 | 0.465 | 0.479 | 0.239 | **-7.643** [b] | -6.075 |
| | (1.398) | (1.081) | (1.455) | (0.555) | (0.592) | (0.302) | (2.027) | (1.638) |
| **The right to education** | **-0.345** [b] | **-0.347** [b] | **-0.505** [b] | | **-0.373**[b] | **-0.378**[b] | 0.585 | 0.675 |
| | (2.199) | (2.189) | (2.098) | | (2.285) | (2.307) | (0.713) | (0.810) |
| **Adj. $R^2$** | 0.273 | 0.258 | 0.266 | 0.220 | 0.274 | 0.267 | 0.12 | 0.182 |
| **Number of observations** | 66 | 66 | 66 | 61 | 61 | 61 | 55 | 47 |

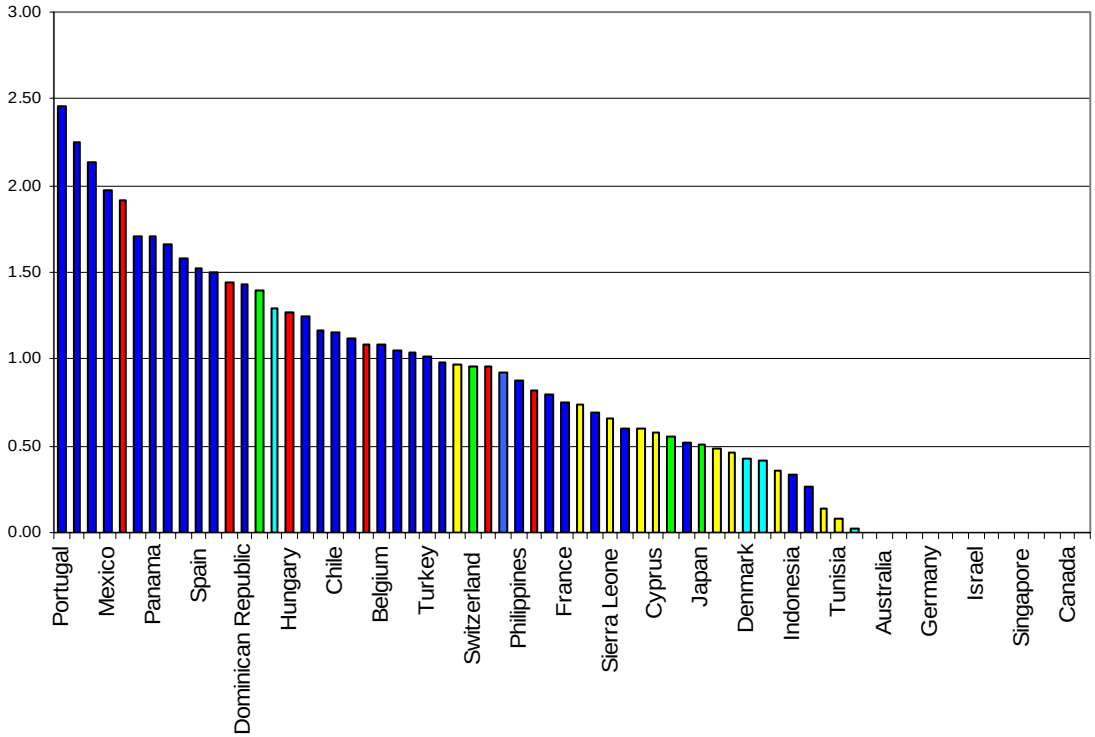
a. Significance at 1%.
b. Significance at 5%.
c. Significance at 10%.

**Table 14: Health policy outcomes and the constitutional right to health**

| | Current constitutions | | | Constitutions before 1992 | | | | |
|---|---|---|---|---|---|---|---|---|
| | Health Expenditure (Share in GDP) | | | Health Expenditure (Share in GDP) | | | Life Expec. | Infant mortality |
| | OLS | OLS | IV | OLS | OLS | OLS | OLS | OLS |
| **Constant** | -2.747 | **-6.493** [a] | -2.783 | **-4.002** [c] | **-3.962** [c] | **-7.585** [a] | 4.316 | **266.8** [a] |
| | (1.360) | (3.460) | (1.336) | (1.893) | (1.848) | (4.034) | (0.707) | (11.368) |
| **Log GDP per-capita** | 0.998 | **2.230** [a] | 1.006 | **1.441** [b] | **1.436** [b] | **2.628** [a] | **17.325** [a] | **-61.562** [a] |
| | 1.613 | (3.996) | (1.602) | (2.180) | (2.180) | (4.623) | (9.391) | (8.677) |
| **Pop. Of age 65+** | **0.194** [a] | | **0.194** [a] | **0.170** [a] | **0.170** [a] | | | |
| | 3.542 | | 3.536 | 2.993 | 2.965 | | | |
| **Democracy** | **1.515** [b] | **2.483** [a] | **1.502** [b] | **1.212** [c] | **1.214** [c] | **1.929** [a] | -1.540 | 2.536 |
| | (2.187) | (3.576) | (2.104) | (1.686) | (1.674) | (2.642) | (0.652) | (0.279) |
| **The right to health** | 0.050 | 0.085 | -0.033 | | -0.034 | -0.004 | 0.847 | **-5.586** [b] |
| | (0.297) | (0.460) | (0.112) | | (0.182) | (0.202) | (1.316) | (2.258) |
| **Adj. $R^2$** | 0.661 | 0.597 | 0.661 | 0.658 | 0.652 | 0.604 | 0.724 | 0.704 |
| **Number of observations** | 65 | 65 | 65 | 60 | 60 | 60 | 62 | 62 |

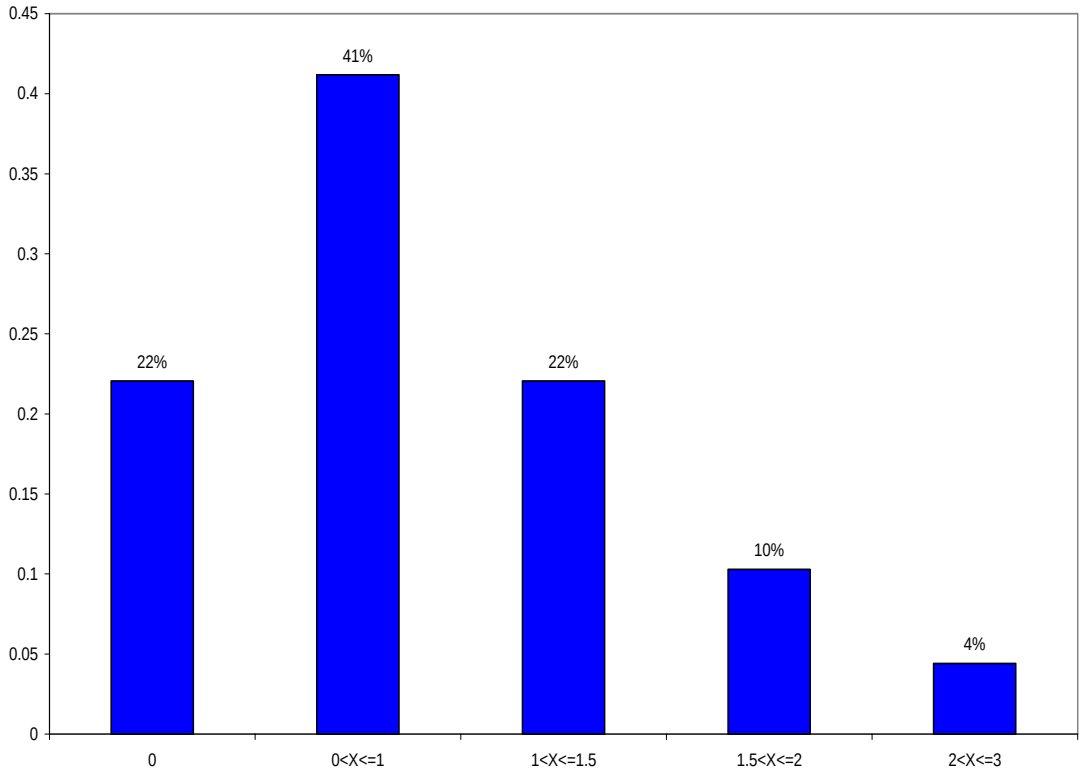
a) Significance at 1%.
b) Significance at 5%.
c) Significance at 10%.

**Chart 1: A summary index of constitutional commitment to social rights**




**Legend:**
Blue=French civil law
Red= Socialist
Yellow=Common law
Green= German
Light blue=Scandinavian

**Chart 2: The distribution of the mean index of social rights in the constitution**


0.45
0.4
0.35
0.3
0.25
0.2
0.15
0.1
0.05
0
22%
41%
22%
10%
4%
0
0<X<=1
1<X<=1.5
1.5<X<=2
2<X<=3

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## Appendix

Table A1: The criteria for ranking the constitutional commitment to *health*

| | rank |
|---|---|
| **The right is absent from the constitution** | 0 |
| **A general statement**<br>For example: The state "guarantees", or "promotes",<br>or "every person is entitled to health services" | 1 |
| **A weak commitment**<br>"commitment to recovery and rehabilitation" | 2 |
| **A strong commitment**<br>In addition, "Health services are free" | 3 |
| *Comment: We disregard public health. The rank above is when the constitution grants a universal and personal right only.* | |

Table A2: The criteria for ranking the constitutional commitment to *housing*

| | rank |
|---|---|
| **The right is absent from the constitution** | 0 |
| **A general statement**<br>The state "guarantees", or "promotes", "the right to housing" | 1 |
| **Weak commitment**<br>"commitment to adequate size", or "dignified housing" | 2 |
| **Strong commitment**<br>In addition, the government should enact a law implementing that right or a detailed description of the quality of housing. | 3 |
| *Comment: We disregard the right to housing for special groups. The rank above is when the constitution grants a universal right only.* | |

Table A3: The criteria for ranking the constitutional commitment to *minimum wage* (a component of *workers' rights*)

| | rank |
|---|---|

| | |
|---|---|
| **The right is absent from the constitution** | 0 |
| **A general statement**<br>The right to get no less than a minimum wage | 1 |
| **Weak commitment**<br>In addition: the level of the minimum wage is specified. For example, "to cover the normal needs" or "to take into account the cost of living" | 2 |
| **Strong commitment**<br>In addition: the minimum wage is periodically adjusted | 3 |

Table A4: The criteria for ranking the constitutional commitment to *working hours* and rest (a component of *workers' rights*)

| | rank |
|---|---|
| **The right is absent from the constitution** | 0 |
| **A general statement**<br>Every worker has a right to weekly rest | 1 |
| **Weak commitment**<br>"the law shall grant (or regulate) the weekly rest", or "establish the maximum work day" or if in addition to the general statement there is a right to holiday rest. | 2 |
| **Strong commitment**<br>In addition, "the constitution specifies the number of weekly (or daily) hours" | 3 |

Table A5: The criteria for ranking the constitutional commitment to *annual vacation* (a component of *workers' rights*)

| | rank |
|---|---|
| **The right is absent from the constitution** | 0 |
| **A general statement**<br>Every worker has a right to annual vacation | 1 |
| **Weak commitment**<br>In addition, "to paid annual vacation" | 2 |
| **Strong commitment**<br>In addition, "vacation can't be compensated by money and the obligation of the employer to grant it corresponds to the obligation of the workers to take it" | 3 |

Table A6: The criteria for ranking the constitutional commitment to *maternity leave* (a component of *workers' rights*)

| | rank |
|---|---|
| **The right is absent from the constitution** | 0 |
| **A general statement**<br>The right to rest before and after birth | 1 |
| **Weak commitment**<br>In addition: The right to paid maternity leave | 2 |
| **Strong commitment**<br>In addition, the constitution specifies the length of the maternity leave or conservation of her job | 3 |

Table A7: The criteria for ranking the constitutional commitment to *extra charge for extra hours* (a component of *workers' rights*)

| | rank |
|---|---|
| **The right is absent from the constitution** | 0 |
| **If one out of the three extra wage charges is mentioned** | 1 |
| **If two out of the three extra wage charges are mentioned** | 2 |
| **If all three extra wage charges are mentioned** | 3 |
| *Comment: we include here three types of extra hours: over time, night shift and thirteen salary* | |