

**THE IMPORTANCE OF DOMESTIC BUY-IN IN
GLOBALIZING SOCIAL POLICY:**
Origins Analysis of Conditional Cash Transfers in Latin American

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SENIOR THESIS

*Submitted in partial fulfillment of the requirement for the Degree of Bachelor of Arts with
Honors in International Relations*

BROWN UNIVERSITY

PROVIDENCE, RI

MAY 2015

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This thesis by Shelby Centofanti is accepted in its present form
by the International Relations Program as partial fulfillment
of the requirements for the degree of Bachelor of Arts with Honors.

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ABSTRACT

What influences a country's decision to implement a poverty alleviation program? Most scholarship on poverty alleviation evaluates program outcomes, downplaying the context of a program's adoption. Literature on program origins, in turn, tends to offer simplistic mono-causal explanations, such as economic crisis or individual leaders. My study of Conditional Cash Transfer (CCT) programs, the model for the fastest growing antipoverty program worldwide, finds that factors influencing the adoption of these programs are multidimensional and vary across countries and over time. Analyzing variables from political, economic, program learning, international, and social categories, I find that domestic buy-in from political actors and citizens is central to the implementation, design, and success of CCTs. In other words, CCTs are, largely, shaped by a domestic political process. Using a qualitative approach in order to analyze the policy formation process, I compare the adoption of CCTs in the foundational cases of Mexico and Brazil as well as the second wave cases of Nicaragua and Colombia. My research offers a framework that places policy development and politics at the center of the debate on global social programs and outlines how to improve evaluation techniques that can be applied to policy models more broadly.

Keywords: Conditional Cash Transfers, policy formation, origins analysis, Latin America, international influence

ACKNOWLEDGMENTS

I would first like to thank my advisors who guided me through the thesis writing process. Thank you, Dr. Elliott, for your constant feedback and guidance as I found my footing with my research and gained greater confidence in my work. Thank you, Professor Dal Bó, for helping me to determine the direction of my project and providing a helpful lens for my research. I am grateful for the support I received from these professors and others who provided me with an interest in this topic, the skills necessary to complete a project of this magnitude, and a commitment to research and learning.

I would also like to thank all my friends and family who provided me support and encouragement throughout this process. Thank you for serving as my sounding board as I articulated new arguments and listening as I shared my latest findings. Your care through the triumphs and tribulations of this endeavor helped me so much. Finally, a special thank you to my parents for your constant encouragement, and my fellow thesis writers who brought levity and understanding to this process.

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CHAPTER ONE INTRODUCTION

In 2000, the wealthiest global quintile earned over 80% of worldwide income,¹ and this number rose to 87% in 2014.² Yet, while the gap between the rich and the poor widened worldwide over the last two decades, in Latin America, the opposite occurred. From 1990 to 2012, the Gini coefficient, an inequality indicator, declined in 14 out of 20 countries in the region, opposing the global trend.³ The regional average of the Gini coefficient dropped to a 30 year low of 0.50, falling 8% in the past 2 decades.⁴ In the same period as this regional drop in inequality, 18 out of 21 countries in Latin America adopted Conditional Cash Transfer Programs (CCTs).⁵ The World Bank, which promotes and finances CCTs worldwide, defines CCTs as provisions of assistance to impoverished individuals—usually in the form of cash—conditional on specified behaviors, most often pertaining to education and health care.⁶ CCTs promote capital accumulation and combat

¹Jill Treanor, “Richest 1% of People Own Nearly Half of Global Wealth, Says Report,” *The Guardian*, October 14, 2014, accessed November 2, 2014, <http://www.theguardian.com/business/2014/oct/14/richest-1percent-half-global-wealth-credit-suisse-report>.

²UNICEF, *Global Inequality: Beyond the Bottom Billion A Rapid Review of Income Distribution in 141 Countries*, (New York: United Nation’s Children’s Fund, 2011), 10.

³United Nations Economic & Social Affairs, *Inequality Matters: Report on the World Social Situation*, (New York: United Nations, 2013), 27.

⁴“Gini Back in the Bottle: An Unequal Continent is becoming less so,” *The Economist*, October 12, 2013, accessed October 12, 2014, <http://www.economist.com/news/special-report/21564411-unequal-continent-becoming-less-so-gini-back-bottle>.

⁵Marco Stampini and Leopoldo Tornarolli, *The Growth of Conditional Cash Transfers in Latin America and the Caribbean: Did They Go Too Far?* (Inter-American Developmental Bank, 2012), 1.

⁶“Cash Transfers” World Bank, accessed November 6, 2014, <http://go.worldbank.org/BWUC1CMXM0>

both short-term and the long-term cycle of poverty, deviating from traditional social welfare programs that only address short-term poverty alleviation.

CCTs have been adopted on every continent, and scholars and policymakers alike look to the program as a solution to rampant global inequality.⁷ Senior Economist at the World Bank, Kathy Lindert, explains, “Governments all over the world are looking at this programme,” and she provides the example of a meeting between Brazilian and Eastern European officials in 2008 to help spread the program across the globe.⁸ Brazil’s *Bolsa Família* is one of the largest CCT programs in the world, supporting 46 million families nationwide and serving as a model for other countries.⁹ This program provides families earning less than 120 *reais* (\$68) per family member per month a stipend of up to 95 *reais* (\$54) on the condition that children under 15 attend school and participate in government vaccination programs.¹⁰ Summing up the sentiment in academic and policy spheres regarding CCTs’ potential to alleviate inequality, Nancy Birdsall, President of the Center for Global Development, states, “I think these programs are as close as you can come to a magic bullet in development.”¹¹

⁷Michelle Adato and John Hoddinott, “Conditional Cash Transfer Programs: A ‘Magic Bullet’ for Reducing Poverty?” *The Poorest and the Hungriest* (Washington DC: International Food Policy Research Institute, 2009); Willy McCourt and Anthony Bebbington, *Development Success: Statecraft in the South* (New York City: Palgrave Macmillan, 2007); Joseph Hanlon, Armando Barrientos, and David Hulme, *Just Give Money to the Poor: The Development Revolution from the Global South* (Sterling: Kumarian Press, 2010), 30.

⁸“Happy Families,” *The Economist*, February 7, 2008, accessed September 20, 2015, <http://www.economist.com/node/10650663>

⁹Natasha Borges Sugiyama, “Poverty Relief in Brazil: Successes, Shortcomings, and Unknowns about Bolsa Familia,” Lecture, Brazil Initiative from Brown University, Providence, November 11, 2014.

¹⁰Ibid.

¹¹Celia Dugger “To Help Poor Be Pupils, Not Wage Earners, Brazil Pays Parents” *New York Times*, January 3, 2004, accessed September 20, 2014, <http://www.nytimes.com/2004/01/03/world/to-help-poor-be-pupils-not-wage-earners-brazil-pays-parents.html>.

CCTs, however, are not monolithic. Though treated as a program model that countries simply replicate, CCT programs around the world vary greatly between countries.¹² In public policy literature, a model as a program or system used as an example to follow or imitate, so I examine, to what extent CCTs are a *specific* model that countries enact or a more *general* framework that countries build off of and manipulate to fit their needs.¹³ If CCTs are a rigid model, then there should be complete uniformity across programs, but instead, scholars have found noted some different elements across countries. For example, Mexico's CCT, PROGRESA, uses proxy means testing¹⁴ to select program recipients and prioritizes long term impact by enforcing a *minimum* duration to receive benefits while Brazil's CCT, *Bolsa Família*, relies on self-reported income to determine beneficiaries and emphasizes short-term impact through *maximum* periods of benefits.¹⁵ Considering some of the differences across programs, I research the extent to which CCTs are a model and then determine the implications on the study of program origins and outcomes evaluation.

CCTs, and poverty alleviation programs more broadly, target poor people based on specific criteria, typically income level, with the goal of meeting citizens' basic needs

¹²Fábio Veras Soares, "Oportunidades and Bolsa Família: a comparative Perspective of their evolution," *International Policy Centre for Inclusive Growth One Page* 177 (2012), 1;

¹³ *Oxford English Dictionary*. 2nd ed. 20 vols. Oxford: Oxford University Press, 1989
<http://www.oed.com/>.

¹⁴ Proxy means testing uses observable characteristics of a household to generate a score for applicants looking to receive government assistance. This strategy is more accurate than self-reported income and shows Mexico's commitment to an analytical, replicable program

¹⁵Soares, "Oportunidades and Bolsa Família: A Comparative Perspective of their Evolution," 1.

and mitigating the affect of poverty through the provision of consistent aid stipends.¹⁶ Some of these programs are conditional on the behavior of citizens while others are unconditional. An example of an unconditional poverty alleviation program is the Supplemental Nutrition Assistance Program (SNAP) in the United States. To be eligible for this program, a household must earn below a specified level of income that varies depending on family size.¹⁷ If these requirements are met, a family enters the program and stipend at the beginning of each month.¹⁸ Similar to CCTs, these programs are non-contributory—not funded by installments in advance by program recipients—and aid stops if a family exceeds the amount of earnings that make them ineligible for the program.¹⁹ This program deviates from CCTs in two significant ways: (1) it lacks conditionality and (2) it exclusively provides short-term aid to families. CCTs require that families adhere to program requisites and addresses not only short-term poverty with cash transfers but also long-term poverty by incentivizing human capital acquisition.

Scholars and policymakers study the effect of national anti-poverty programs on both program recipients and the country as a whole—more specifically, they study the program’s impact in reducing poverty as well as stimulating economic growth.²⁰ It is no surprise, therefore, that the bulk of the studies on CCTs evaluate program effectiveness—

¹⁶Jayati Ghosh, “Assessing Poverty Alleviation Strategies for their Impact on Poor Women: Study with Special Reference to India,” *United Nations Research Institute for Social Development* 97 (1998): 2.

¹⁷United States Department of Agriculture, *Supplemental Nutrition Assistance Program (SNAP)* (Washington DC: United States Department of Agriculture, 2013).
<http://www.fns.usda.gov/snap/eligibility>.

¹⁸ Ibid.

¹⁹ Ibid.

²⁰A synonym for poverty alleviation programs.

the extent to which programs meet their intended goals as compared to economic tradeoffs in the terms of program cost.²¹ In contrast to the scholarship and policy focus on program *effectiveness*, I examine the much less studied area of program *origins*, which are the conditions, context, and goals that lead to the creation of poverty alleviation programs and specific design of the program. By conditions, I mean the state of a country when it develops its CCT such as the level of inequality or poverty. By context, I mean the circumstances that propagate the creation of the program such as the individuals and parties in power. By goals, I mean the issues that a country wants to address with the CCT, which are the specific program's objectives, such as reducing high urban poverty rates or mitigate the incidence of starvation. References to origins in the rest of this thesis pertain to conditions, context, and goals.

While I am not alone in my study of program origins, the current scholarship in this area is piecemeal and need comprehensive analysis to accurately determine how these groundbreaking programs arose as well as what accounts for variation between them. I address the lack of systematic examination with the question: *what variables influence a country's decision to implement a poverty alleviation program and what accounts for program variation across countries?* More specifically, I ask: *What variables influence the creation of modified CCTs in Mexico, Brazil, Nicaragua, and Colombia?* In the Mexican case, for example, scholars point to an economic crisis as the catalyst for the creation of PROGRESA, but they overlook the broader set of variables and relationships between them that shape the creation of this program and its specific

²¹Sarah Baird et al, "Relative Effectiveness of Conditional and Unconditional Cash Transfers for Schooling Outcomes in Developing Countries: A Systematic Review," *Campbell Systematic Reviews* 9, no. 8 (2013): 1791-1803.

design. Attaining greater knowledge about the variables that catalyze the creation of CCT programs provides insight regarding variation across programs.

I argue that a variation in the combination of domestic level variables and international influence shape the creation of differing CCT programs in Mexico, Brazil, Nicaragua, and Colombia with political variables and policy diffusion being influential across all of these cases. Taken as a whole, these four cases provide differing backgrounds of political leaders, strength of political parties, and influence from international institutions, allowing for in-depth analysis of political variables. Also, this set of countries include two foundational cases of CCTs, PROGRESA in Mexico and Bolsa Família in Brazil, and two cases that adopted the programs in the second wave of CCTs in Latin America, Red de Protección Social in Nicaragua and Familias en Acción in Colombia. Regarding the differences across CCT programs, I further argue that CCTs are a malleable model countries can alter to address their specific goals. Understanding what combination of variables lead to the adoption of CCTs has critical implications for analyzing countries' policy decisions and evaluating the programs they create in the face of unique origins.

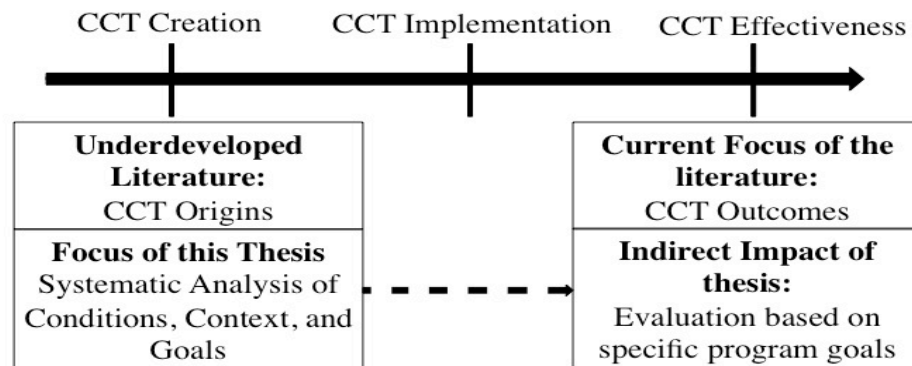
The purpose of this thesis is to create a framework to analyze the variables that lead to the creation of poverty alleviation programs, specifically addressing why these programs came about and what accounts for their differences. Scholars tend to evaluate CCTs based on their outcomes, such as lowering the incidence of poverty or improving literacy rates. Recognizing scholars' lack of commitment in studying background information, this thesis begins with a foundational analysis of the processes that lead to the creation of four distinct CCT programs in Mexico, Brazil, Colombia, and Nicaragua

as a result of the combination of different context and conditions in these countries.

Comparing across cases provides insight into the formation, growth, and evolution of the social policy design for one of the fastest growing social assistance program.

Figure 1.1 outlines the focus of this thesis in terms of relevant bodies of literature on CCTs. Scholarship and policy reports concentrate attention on program outcomes rather than program origins. Instead, this thesis studies program origins and contributes to this underdeveloped body of literature, which needs more comprehensive and comparative analysis. This thesis additionally enriches outcomes literature by studying the development of program goals. These goals shape specific program objectives and orienting evaluation along these lines yields more nuanced and informative results.

Figure 1.1: Research Focus by CCT Phase



SIGNIFICANCE

THEORETICAL SIGNIFICANCE

There are theoretical and practical reasons to undertake this study. My thesis builds upon economics²² and political science²³ scholarship, contributing to three distinct

²² James Ferguson, “Formalities of Poverty: Thinking about Social Assistance in Neoliberal South Africa” *African Studies Review* 50 (2007): 71-86.; Susan W Parker and Graciela M. Teruel, “Randomization and Social Program Evaluation: The Case of Progresa” *Annals of the American Academy of Political and Social Science* 599 (2005): 199-219; Darío Debowicz and Jennifer Golan, “The Impact of Oportunidades on

bodies of literature: policy formation, poverty alleviation program origins, and poverty alleviation program outcomes. Despite overlap in these three fields, scholars in each area generally work independently—to the detriment of each. I enhance each of these three bodies of literature by operating within their intersection, providing analysis of CCT creation as case studies for examining poverty alleviation program origins and policy formation. Policy formation literature provides the foundation for my analysis, but on its own, it lacks empirical research. Conversely, poverty alleviation program origins' literature has significant empirical research but lacks theoretical underpinnings. My thesis addresses these shortcomings by applying policy formation theory to my CCT formation comparative case studies. My research also connects poverty alleviation program origins and outcomes literature by gaining a comprehensive understanding of program goals, which in turn improves the effectiveness of program evaluations because assessments can be more targeted and individualized.

Policy formation literature gained popularity in the 1970s, and serves as link between policymakers and scholars.²⁴ Theory analyzing the policy process provides the foundation for understanding why countries adopt CCTs. This literature studies the components of the policy formation process, namely issue creation and agenda setting,

Human Capital and Income Distribution in Mexico: A Top-Down/bottom-up Approach” *Journal of Policy Modeling* 36 (2014): 24-42.

²³ Howard Steven Friedman, “Causal Inference and the Millennium Development Goals (MDGs): Assessing Whether There Was an Acceleration in MDG Development Indicators Following the MDG Declaration” *MPRA Paper* (2013); Paul Pierson, “The New Politics of the Welfare State” *World Politics* 48 (1996): 143-179.

²⁴Steven G. Livingston, “The politics of International Agenda-Setting: Reagan and North-South Relations,” *International Studies Quarterly* 36, no. 3 (1992): 314.

decision-making, and policy diffusion. Among others, Roger Cobb and Charles Elder²⁵ are the forefathers of issue creation and agenda setting theory. They outline how issues arise and what variables, such as focusing events, bring them to political agendas as well as what impediments stand in the way. Other scholars build on this research by analyzing how politicians make policy decisions once issues reach the agenda.²⁶ Deeply connected to this is diffusion theory, the process through which policy spreads from one country to another.²⁷ Poverty and inequality have been major challenges in Latin America for decades; in fact, as of 2004, the country in the region with the least inequality was still more unequal than every OECD country.²⁸ Structures of inequality originate from Latin America's colonial past, and though governments since have tried to mitigate these problems, inequality and poverty are still pervasive. With the rapid development spread of CCTs, governments across the region devised new institutions to seriously address poverty with additional support from international institutions.²⁹ What explains this sudden institutional change? This thesis addresses this question by applying policy

²⁵Roger W. Cobb and Charles D. Elder, *Participation in American Politics: The Dynamics of Agenda-Building* (Boston: Allyn and Bacon Inc., 1972).

²⁶Anthony Downs, *An Economic Theory of Democracy* (New York: Harper, 1957); Michael E. Levine and Jennifer L. Forrence, "Regulatory Capture, Public Interest, and the Public Agenda: Towards a Synthesis" *Journal of Law, Economics, and Organization* 6, Special Issue (1990), 168, <http://www.jstor.org/stable/764987>; Jean-Jacques Laffont and Jean Tirole, "The Politics of Government Decision-Making: A Theory of Regulatory Capture," *The Quarterly Journal of Economics* 106, no. 4 (1991), 1089, <http://jstor.org/stable/2937958>.

²⁷Kurt Weyland, "Theories of Policy Diffusion: Lessons from Latin American Pension Reform" *World Politics* 57, no. 2 (2005), 262, <http://www.jstor.org/stable/25054294>.

²⁸David M. De Ferranti, *Inequality in Latin America: Breaking with History?* (World Bank Publications, 2004), 1.

²⁹Leandro Prados de la Escosura, "Growth, Inequality, and Poverty in Latin America: Historical Evidence, Controlled Conjectures," *Universidad Carlos III De Madrid Working Papers* 5, no. 41 (2005), 9.

formation literature to CCTs and providing a comprehensive analysis of the unique program origins in different countries.

My thesis falls into the poverty alleviation program origins body of literature; however, my comprehensive analysis of CCTs provides a unique contribution. I analyze various approaches to poverty, social policy formation in developing countries, and strategies for poverty alleviation to enrich the understanding of programs origins and situate within far larger categories or approaches and strategies. For example, I analyze on Amartya Sen's capabilities approach,³⁰ which entails the freedom to lead a life filled with possessions and accomplishments that people value, and I identify this approach present in the logic of CCT program design.³¹ I do not make assumptions about the choice to adopt CCT programs, and instead examine ideologies and other variables that shape policy decisions. Literature about poverty alleviation programs favors program evaluation, and the literature on origins tends to identify only a few proximate causes as opposed to holistically analyzing the conditions, context, and goals from which programs develop. By applying a comprehensive framework to analyze CCT creation, my work serves as a framework to access other anti-poverty programs as well.

Despite significant literature on poverty alleviation program outcomes, the research in this field lacks sufficient depth in the study of program origins. Scholars analyze the outcomes of poverty alleviation programs, but they do not take into account how program designs shape these results. The current underlying assumption appears to be that all CCT programs are identical and can be evaluated on identical, universal

³⁰Amartya Sen, *Inequality Reexamined* (Cambridge, MA: Harvard University Press, 1992).

³¹ Helmut K. Anheier and Mark Juergensmeyer, *Encyclopedia of Global Studies* (SAGE Publications, 2012), 1369.

metrics; however, there are differences across programs and some have very different goals, which influences the outcomes of these programs. For example, if a country redesigns a CCT program to target only female education, then measuring programs by their overall educational attainment outcomes ignores the deviation of this program and may make the program appear to be underperforming due to the lack of change in male educational outcomes. In analyzing CCTs, this thesis provides a framework with which to analyze program outcomes from an informed as opposed to generic perspective.

PRACTICAL SIGNIFICANCE

In addition to theoretical contributions, my thesis has practical implications for policymakers, government leaders, and participants in poverty alleviation programs. By delving deeper into the processes, mechanisms, and decisions that lead to the design and implementation CCTs, I provide an understanding of how context, conditions, and societal goals translate into distinct social policies. This research, therefore, demystifies policy decisions in developing countries and provides a foundation for understanding why countries make the decisions they do and how this translates into outcomes.

Investigating program origins reveals the similarities and differences between programs. Scholars and policymakers often view CCTs as a model, but looking more closely at the programs reveals the differences between them despite their core similarity as CCTs. Are some CCTs more effective than others? Are the evaluations policymakers and scholars sufficiently individualized and nuanced to account for the differences in program design? My research provides the understanding of CCT origins necessary to

answer these critical questions that impact scholars, policymakers, and program recipients across the world.

Most countries have antipoverty programs in place to safeguard their population from economic fluctuations and combat inequality, but despite diversity in programs there is an oversimplification in evaluation. CCTs are often evaluated on standardized criteria, which overlook program specifics. For countries to best evaluate their programs, policymakers need to use program goals as the benchmark for success, and my thesis provides a comprehensive understanding of these goals and why they came about for policymakers to use as the foundation of their evaluation. An inaccurate assessment of a program may lead to its cessation or a decrease in funding support, so analyzing programs appropriates has significant implications on policymakers and program beneficiaries. Bearing in mind how much citizens rely on these programs and the pressure they put on policymakers to uphold them, it is hard for policymakers to objectively analyze these programs and my thesis does this work.³²

RESEARCH DESIGN

CASE SELECTION

In order to examine the variables that influence the creation of antipoverty programs, I employ a comparative case study to analyze the origin of CCTs in Mexico (PROGRESA), Brazil (Bolsa Família), Nicaragua (Red de Protección Social), and

³² Brian Winter, "Rousseff's Rough Victory Augurs More Divisive Era in Brazil." *Reuters*, October 27, 2014, accessed November 12, 2014, <http://www.reuters.com/article/2014/10/27/us-brazil-election-divisions-analysis-idUSKBN0IG1Y620141027>; "Dilma Rousseff's Re-election in Brazil May Present Problems for U.S. Interests" *IVN.us*, Accessed November 13, 2014. <http://ivn.us/2014/11/10/dilma-rousseffs-re-election-brazil-may-present-problems-u-s-interests/>.

Colombia (Familias en Acción). As Stephen Van Evera argues, case studies offer opportunities to “see whether events unfold in the manner predicted and...whether actors speak and act as the theory predicts.”³³ I apply policy formation theory to the case of CCTs to see if these programs follow what theory predicts or if they deviate. Additionally, a comparative case study allows me to analyze what context, conditions, and goals are similar and different across cases and how these translate into similarities and differences in program design.³⁴ Further, I analyze if there are any variables that appear to be necessary for the successful implementation of a CCT program. For example, if a particular ideology of a country’s executive is a variable for CCT creation in many countries, does this mean all countries need to have a leader with this ideology to successfully employ a CCT program? Comparative analysis of the variables that influence CCT program provides the foundation for subsequent studies about the origins programs and if patterns emerge that explain the necessary conditions for CCTs or if certain variables lead to particular aspects of program design.

I compare four cases within Latin America for the following reasons. First, Latin America is where CCTs originated and spread most rapidly; an element of my analysis is how the creation of CCT policy diffuses across countries, so studying the region with the quickest adoption of the programs allows for a comprehensive look at this piece of my analysis.³⁵ Additionally, the regional focus holds background variables such as culture,

³³ Stephen Van Evera, *Guide to Methods for Students of Political Science* (Ithaca: Cornell University Press, 1997), 29.

³⁴David Collier, “The Comparative Method,” in *Political Science: The State of the Discipline II*, ed. Ada W. Finifter (Washington D.C.: American Political Science Association, 1993): 105-120.

³⁵ Schady and Fiszbein, “Policy Research Reports: Conditional Cash Transfers: Reducing Present and Future Poverty,” 1.

history, and economic conditions constant to allow me to analyze the distinct conditions and context in each country. Finally, the two most well known and most often emulated cases, Mexico and Brazil, are in the region, and learning how these models spread regionally provides a foundation for patterns of diffusion globally.

Historically, Latin America has had notably high rates of poverty and inequality without the comprehensive welfare systems intrinsic to many Western European countries.³⁶ As countries around the world commit resources to one of the world's pressing global programs, poverty alleviation, Latin America takes its place as leader despite decades as one of the most unequal regions in the world. Table 1.1 shows a comparison of inequality indicators between Latin American countries, the United States, and Italy to emphasize the level of inequality in the region.³⁷ Even though most scholarly research on this topic centers on the region, I contribute uniquely to the conversation with my comparative analysis on the origin side of the programs.

Table 1.1: Inequality Indicators for Selected Latin American Countries and the United States

	Gini Coefficient	Share of top 10% in total income (percent)	Share of bottom 20% in total income (percent)	Ratio of Incomes of 10th to 1st decile
Brazil (2001)	59.0	47.2	2.6	54.4
Colombia (1999)	57.6	46.5	2.7	57.8
Chile (2000)	57.1	47.0	3.4	40.6
Mexico (2000)	54.6	43.1	3.1	39.1
Argentina (2000)	52.2	38.9	3.1	39.1
Uruguay (2000)	44.6	33.5	4.8	18.9
United States (1997)	40.8	30.5	5.2	16.9

Adapted from David De Ferranti et al. *Inequality in Latin America: Breaking with History?* (Washington D.C.: The World Bank, 2004) presenting only a sample of Latin American countries and the United States

*Bolded rows indicate my case studies

³⁶ Kathy Lindert, Emmanuel Skoufias, and Joseph Shapiro, "Redistributing Income to the Poor and the Rich: Public Transfers in Latin America and the Caribbean" *Social Safety Nets Primer Series, The World Bank* (2006): 1-131.

³⁷ David De Ferranti et. al. *Inequality in Latin America: Breaking with History?* (Washington D.C.: The World Bank, 2004).

The cases of Mexico, Brazil, Nicaragua, and Colombia provide unique elements for analysis that make them logical choices for comparison. Mexico is the CCT innovator and many countries follow its program manual including South Africa, Mauritania, Honduras, and Argentina.³⁸ Mexico's CCT program, PROGRESA, gained international approval due to its rigorous evaluation standards and well-documented program results, which appealed to international financial institutions.³⁹ Brazil has the largest CCT in the world as well as one of the highest levels of inequality in the world, which provides for rich analysis of the impact of its CCT program, Bolsa Família. Bolsa Família is distinct from PROGRESA because it has greater wealth distribution, different measurement strategies, and emphasizes short-term results.⁴⁰ Contrasting these two foundational programs, Nicaragua and Colombia learned from these original CCT programs and implemented their own programs with the financial and technical support from international financial institutions. Nicaragua received support from the Inter-American Development Bank to implement the Red de Protección Social in 2000 and soon became one of the first countries to disband a CCT program six years later.⁴¹ In Colombia, the World Bank and Inter-American Development Bank provided a loan to start three welfare

³⁸ Gobierno Federal, *Manual Operativo del Modelo Alternativo de Salud*, (Mexico D. F.: Secretaria de Salud, 2010); The Catalist "Mexican Anti-Poverty Program Copied around the World," modified December 3, 2009, Accessed December 15, 2014, <http://thecatalist.org/2009/11/mexican-anti-poverty-program/>

³⁹SEDESOL, "*Oportunidades, a program of results,*" *Oportunidades' Press and Media Office* (2008)

⁴⁰Fábio Veras Soares, "Oportunidades and Bolsa Familia: a comparative Perspective of their evolution," *International Policy Centre for Inclusive Growth One Page* 177 (2012): 1.

⁴¹Tania Barham, Karen Macours, and John A Maluccio, *More Schooling and More Learning? Effects of a Three-Year Conditional Cash Transfer Program in Nicaragua after 10 Year*, Working Paper (Inter-American Development Bank, July 2013), 6.

programs, with the CCT Familias en Acción as the central program.⁴² Colombia, like Nicaragua faced initial skepticism from its citizens, but the program eventually began to thrive and grow. These four cases highlight the similarities and differences across Latin American countries adopting CCTs and provide an opportunity to study foundation and second wave CCT programs to understand evolution of influence from variables on countries adopting CCT programs and the dynamic between domestic and international variables.

TIMEFRAME

Choosing a start date for analysis is complex, because each case has a unique history and scholars start their analysis at different points. For Mexico, the Peso Crisis in 1994 is an often-examined starting point for analysis,⁴³ because the crisis exposed the lack of social safety nets in the country and pushed leaders to implement Oportunidades' earlier incarnate, PROGRESA. Brazil's Real Plan (Plano Real) in 1994 brought about significant economic shift in the nation and was quickly followed by the implementation of Bolsa Escola and other programs that were consolidated under Bolsa Família, so 1994 also is an appropriate starting point for Brazil. Analysis for Nicaragua and Colombia both begin in the 2000, when the first major World Bank report on PROGRESA presents encouraging results about the program. This development leads to international institutions recommending the adoption of CCT programs in countries throughout Latin

⁴²Orazio Assanasio et al., *How Effective Are Conditional Cash Transfers? Evidence from Colombia*, Briefing Note (Institute for Fiscal Studies, 2005), 2.

⁴³ Santiago Levy, *Progress Against Poverty: Sustaining Mexico's Progresa-Oportunidades Program* (Washington, D.C.: Brookings Institute Press, 2006): 28.

America, and both Nicaragua and Colombia quickly heeded the call. The later start date for Nicaragua and Colombia also allows me to examine the influence of Mexico and other CCT programs in the region to impact Nicaragua and Colombia's strategic planning. The influence of one CCT on another is something I examine as a variable in the origins of the program, and the policy design component of my study allows me to see if and how much the external influence shapes policy formation. As Paul Pierson explains, political analysis often "[reduces] a moving picture to a snapshot."⁴⁴ Pierson explains the importance of context and the consequences of events on subsequent occurrences. Bearing this in mind, I analyze the impact of each CCT on the next, so my timeframe allows for the overlap of the programs. My timeframe ends in 2001 for Mexico, 2003 for Brazil, 2006 for Nicaragua, and 2006 for Colombia, because this is when the governments implemented CCTs in Mexico and Brazil, when Nicaragua discontinued its program, and when an economic crisis in Colombia could have led Colombia down the same path as Nicaragua.

APPROACH AND SOURCES

Investigating the context and conditions in which policy develop requires focused analysis of multiple, societally encompassing variables. Building on policy formation theories and CCT literature, I analyze a set of variables in Mexico, Brazil, Nicaragua, and Colombia to address my question regarding what conditions, context, and goals influence the creation of CCTs. Scholars each tend to boil down the causes of CCTs to one or two variables—generally, economic crisis and political leaders—without systematic analysis,

⁴⁴Paul Pierson, *Politics in Time: History, Institutions, and Social Analysis*. (New Haven: Yale University Press, 2004), 104.

so I compile this research to create a comprehensive framework. I draw the selection of my variables from the work of policy formation scholars to create five categories of analysis: economics, politics, preceding programs, international, and societal.

In addition to the examination of economics and politics, I include the preceding programs, international and societal categories of analysis for various reasons. The preceding programs variables analyzes the impact of prior social policies on the decisions of policymakers, whether they choose to build on or more away from previous efforts, for example. The international category encompasses influence and aid from international banks and institutions. This category becomes increasingly important as CCTs gain popularity and international acceptance, because financial institutions then begin recommending the program around the world, thus changing the program from being a homegrown initiative in countries to an internationally financed effort. The social category builds off of Amartya Sen's findings about the agency of the poor and their influence in the creation of beneficial social policies through actions such as a protests or participation in government. I group these categories and variables by my overarching analytical framework of context, conditions, and goals and compile them into Table 1.2. This table lists my "Evaluative Technique" for determining whether a variable is present and influential in creating a CCT and the sources I use to backup my arguments. The categories in this table are not mutually exclusive and the interaction between variables is very important in shaping how CCTs arise, but I maintain the categories in this table for analytical purposes to look for larger categorical trends.

Table 1.2: Sample Evaluation Measures for Elements of Analysis

Independent Variables	Evaluative Technique	Sources
Economics		
Financial Crisis	Economic Data, Political rhetoric regarding responses, Public’s reaction and outcry (if a crisis occurs	World Bank Data, Analysis and News Reports Crises, Transcripts of political speeches and sessions of congress,
Politics		
Political Transition	Information about the parties in power and changes in power, Information about people in power, Rhetoric regarding why CCTs created	Political Party Platforms, Biographies, Political Speeches and sessions of congress, Government documents
Background of executive	Personal career goals and trajectory, Policymakers stated goals for the program,	Biographies, CCT policy reports and manuals, Campaign information
Political Parties	Analysis of the party in power’s rhetoric around the programs and both their short and long term goals	Party platforms, news reports, campaign speeches and advertisements
Social		
Protests	Number of protests, targeting and marketing of protests,	News reports about protests, Comments and social media from protestors
International		
Aid	Banks and foreign countries offering support and aid specifically to create these programs	Data from International Banks
Influence from nearby countries	Political visits between countries, Sharing of materials and manuals, Examination of Similarity between programs	News reports and transcripts rom political visits between countries, Reference to other countries and programs in sessions of Congress and speeches,

In order to examine the influence of these variables on the creation of CCTs, I use a variety of sources including news media, government documents, and scholarly articles. I use both American and Western newspapers as well as news sources from the countries I examine, including *The Rio Times*, *La Prensa*, and *El Tiempo*. I analyze these sources to understand both the domestic and international perceptions of CCT programs as they were being implemented as well as years after. These perceptions shape the decisions of policymakers as well as the acceptance and success of the program through the support of citizens and international financial institutions. In addition to news sources, I use documents from national governments and international organizations to understand the thinking of policymakers and influential actors. I use domestic policy rights, speeches, World Bank documents, and presentations from international conferences to gauge government intentions about the programs. Government documents and reports from international organizations including the World Bank and Inter-American Development Bank also provide information about the program design. Finally, I analyze current scholarship on CCTs to build off of as well as deviate from conventional wisdom. There is significant scholarship in this field, and though there is not significant comprehensive program origins analysis available, the existing work is a useful foundation. The current scholarship helps to situate my work and provide information from interviews, archives, or sources that I could not otherwise attain.

To analyze my sources, I employ process tracing and analytical techniques to analyze and weigh the importance of my sources. As Van Evera explains, process tracing allows a researcher to explore “evidence that a given stimulus caused a given response can be sought in the sequence and structure of events and/or in the testimony of actors

explaining why they acted as they did.”⁴⁵ Process tracing allows me to comprehensively analyze the chain of events lead to the given response, which in this case, entails the decisions people make that lead to the creation of CCT programs. Another strength of process tracing is its ability to test theories which also lends itself to my thesis very well, because I test policy formation theory and generate theory about the specific nature of poverty alleviation program origins.⁴⁶ In addition, I engage with the many primary and secondary sources I analyze by analyzing their content and significance, and then I compile this information in a comprehensive way that other scholars have not done. While other scholars analyze outcomes of CCT programs, I examine the historical underpinnings and the policy processes that led to their implementation and design.

Then, I analyze whether and how each variable in my framework influences the creation of CCTs in Mexico, Brazil, Nicaragua, and Colombia. I describe impact on a scale of none, low medium, or high determine this ranking. Upon analyzing each variable, I compare across countries and determine whether patterns emerge. I do so using the sources stated earlier as well as through analyzing differences in stated program goals in the policy manuals for the CCT in each country. This analysis further allows me to explore if CCTs are a model used across these three countries or if they were amended to fit distinct needs in each.

⁴⁵Van Evera, *Guide to Methods for Students of Political Science*, 65.

⁴⁶ Ibid.

LIMITATIONS TO RESEARCH DESIGN

My inability to speak Portuguese makes analyzing Brazilian sources more difficult than analyzing sources from Mexico, Nicaragua, and Colombia. I compensate for this shortcoming by using triangulation and obtaining the broadest range of perspectives I can despite my inability to access Portuguese language sources. Also, I find translations for critical newspaper articles and sources only in Portuguese.

CHAPTER SUMMARY

In Chapter Two, I critique the following bodies of literature: policy formation, the inputs of poverty alleviation programs, and the effects of poverty alleviation programs. I place my framework in the input body of literature and argue that my holistic analysis of the origins of CCTs incorporates these three bodies of literature to provide a more effective analysis than each currently provides on its own. In Chapter Three, I provide historical context of poverty alleviation programs worldwide and their impact in Latin America. In Chapter Four, I analyze the Mexican case in depth, specifically how its CCT, *PROGRESA*, came about and its position as a trailblazer in the CCT sphere. In Chapter Five, I analyze Bolsa Família, Brazil's CCT program and the biggest CCT program in the world. In Chapter Six, I study the Nicaraguan and Colombian cases, providing information about the broader spread of CCT programs and examining the influence of international institutions on domestic policymaking. In Chapter Seven, I draw implications from the findings of this thesis for theory and practice.

CHAPTER TWO GLOBAL DEBATES ON SOCIAL POLICY

My research operates at the nexus of three bodies of literature, and I introduce them in this chapter to situate my research on CCT origins in a larger theoretical framework. These three bodies of literature are policy formation, poverty alleviation program origins, and poverty alleviation program outcomes literature. I divide policy formation into five sections based on the steps of the policy process: issue creation and agenda setting, focusing events, containment strategies, political decision making, and diffusion theory. In origins literature, I analyze approaches to poverty, social policy in developing countries, and strategies for poverty alleviation, with each of these categories serving as the foundation for the next. Then, I provide a brief analysis of poverty alleviation outcomes literature to show how my research contributes to this robust body of literature. Within each section, I examine competing theories and frameworks from different academic fields and critique the shortcomings of each. Finally, I situate my comprehensive framework as the intersection of the three bodies of literature and explain why my research fills a significant gap in scholarship.

POLICY FORMATION LITERATURE

Policy formation is a multifaceted process that incorporates diverse actors, important institutions, and complex issues.¹ I divide this body of literature into five components to analyze the distinct phases of the policy formation process: (1) issue creation and agenda setting, (2) focusing events, (3) containment strategies, (4) decision-

¹Paul A. Sabatier, *Theories of the Policy Process*, Vol. 2, (Cambridge, MA: Westview Press, 2007), 3.

making, and (5) policy diffusion. Scholars present competing explanations to account for the policy process in countries around the world, focusing on the importance of certain actors or variables. These scholars do not distinguish different processes for types of policy, so I analyze these fundamental debates to help conceptualize the rise of CCT policies in Latin America, but I leave room for the nuances of *social* policy formation to complicate these theoretical explanations. Further, the policy formation process reveals the underlying plans and goals of policymakers and other stakeholders. Scholars treat CCTs as a monolithic model, but the way different programs develop around the world reveals whether CCTs are a rigid model or a malleable concept that countries adapt to more effectively support their population.

ISSUE CREATION & AGENDA SETTING AS EXPLANATIONS OF CCTS

An issue is a social problem that serves as the core of the agenda setting process.² According to Cobb and Elder, an issue “is a conflict between two or more identifiable groups over procedural or substantive matters relating to the distribution of positions or resources.”³ In contrast to Cobb and Elder, some scholars contend that issues are not necessarily conflictual and that many societal issues are one-sided and face widespread inertia rather than defined opponents.⁴ Offering another definition, Anthony Downs⁵

² Roger W. Cobb and Charles D. Elder, *Participation in American Politics: The Dynamics of Agenda-Building* (Boston: Allyn and Bacon Inc., 1972), 82.

³ Ibid.

⁴ Anthony Downs, *Political Theory and Public Choice: The Selected Essays of Anthony Downs Volume One* (Northampton, MA: Edward Elgar Publishing Limited, 1998); Maxwell McCombs and Donald Shaw, “The Evolution of Agenda-Setting Research: Twenty-Five Years in the Marketplace of ideas,” *Journal of Communication* 43, no. 1 (1993).

⁵ Downs, *Political Theory and Public Choice: The Selected Essays of Anthony Downs Volume One*, 103.

argues that issues impact minority populations and seldom the majority, so the general populace is rarely inclined to advocate for change; he lists poverty, racism, and crime as issues that affect large numbers of people but relatively small percentages of the population. He explains that no one is outwardly in favor of these issues, but people lack a sense of urgency in addressing them.⁶ Considering Downs inclusion of poverty as an issue that has difficulty galvanizing people and gaining agenda status, my study of the rapid emergence of anti-poverty programs provides a powerful case study to determine why Downs' theory does not hold and what other theories explain why countries committed to a new model and made serious efforts to address this issue.

Issues are the foundation of the agenda setting process, and they can gain support from a top-down or bottom-up approach. William Easterly⁷ describes the bottom up approach as “emerging spontaneously from the social norms, customs, traditions, beliefs and values of individuals” and top-down as laws determined by the will of political leaders and preexisting laws. These competing approaches of issue creation introduce larger debates about citizens' ability to impact their governments, and democratic elitism theory offers one framework. Democratic elitism theory presumes that the average citizens is incapable of proper decision-making and must rely on politicians for guidance.⁸ The paternalistic nature of some poverty alleviation programs, including CCTs, tie to this debate, because politicians incentivize citizens to engage in behaviors

⁶ Ibid.

⁷ William Easterly, “Institutions: Top Down or Bottom Up,” *American Economic Review: Papers and Proceedings* 98, no. 2 (2008), 95.

⁸ Jack L. Walker, “A Critique of the Elitist Theory of Democracy,” *The American Political Science Review* 60, no. 2 (1966), 286, Accessed December 14, 2014, <http://www.jstor.org/stable/1953356>.

deemed beneficial. In the case of CCTs, scholars argue whether their paternalistic conditionality is best for citizens and for the success of the program. My thesis contributes to this debate by analyzing what rationale influences government to enact paternalistic policies, and to what extent citizens influence and contribute to the creation of social policies through activism and other tactics.

Despite disagreements about the agenda setting process, there is general consensus that there are three primary agendas: media, public and formal. Agendas are the list of all the issues that stakeholders in the related field—news people, politicians, and citizens—perceive as meriting attention and a response.⁹ Agenda setting is sometimes considered a “zero-sum game,” because space on an agenda is limited and attention given to one issue takes away from attention to another.¹⁰ The media agenda encompasses the stories that news outlets prioritize with reporting and public agenda, and this agenda initially focused on print media but it has expanded to include the Internet and many other forms of modern media.¹¹ The public agenda includes all issues that receive widespread attention, require action to change or fix, and fall under the government’s

⁹ Cobb and Elder, *Participation in American Politics: The Dynamics of Agenda-Building*, 85.

¹⁰ James W. Dearing and Everett M. Rogers, *Communication Concepts of Agenda Setting* (Thousand Oaks: SAGE Publications, 1996), 22.

¹¹ Niina Merliainen and Marita Vos, “Human Rights Organizations and Online Agenda Setting” *International Journal* 16, no. 4 (2011); Maxwell McCombs, *Setting the Agenda: The Mass Media and Public Opinion* (Cambridge, UK: Polity Press, 2004); Byoungkwan Lee, Karen M. Lancendorfer, and Ki Jung Lee, “Agenda-setting and the Internet: The intermediate influence of internet bulletin boards on newspaper coverage of the 2000 general election in South Korea” *Asian Journal of Communication* 15, no. 1 (2005).

jurisdiction.¹² The formal agenda includes the issues that politicians have officially accepted for policymaking consideration via government institutions.¹³

A major debate regarding agenda setting is the order of influence of the three agendas and which one has the most power in generating solutions to societal programs. In the 1960s, G. Ray Funkhouser¹⁴ observed that many issues reach the national agenda as a result of social unrest and protests; so, he concludes that that agenda-setting is a bottom-up process, beginning with the public agenda, then gaining attention through the media agenda, and finally, reaching the formal agenda. Maxwell McCombs and Donald Shaw,¹⁵ on the other hand, argue that the media agenda is the foundation of the agenda setting process, because decisions newspaper editors make shape not only what issues the public sees but also their relative importance. In other words, they argue the media agenda selects the issues and their order of priority for the public agenda. Despite their differences, these scholars assume that the media and public agenda ultimately shape the formal agenda, but Van Aelst and Walgrave¹⁶ propose a different order. They studied the impact of the media on the political agenda in nineteen European cases and found almost an event split of the media impacting and not impacting policy.¹⁷ They explain that there

¹² Roger Cobb, Jennie-Keith Ross, and Marc Howard Ross, "Agenda Building as a Comparative Political Process," *American Political Science Association* 70, no. 1 (March 1976): 127.

¹³ Cobb, Ross, and Ross, "Agenda Building as a Comparative Political Process," 126.

¹⁴ G. Ray Funkhouser, "The Issues of the Sixties: An Exploratory Study in the Dynamics of Public Opinion," *The Public Opinion Quarterly* 37, no. 1 (Spring 1973): 74.

¹⁵ Combs and Shaw, "The Agenda-Setting Function of Mass Media," *The Public Opinion Quarterly* 36, no. 2 (Summer 1972), 176, accessed October 30, 2014, <http://www.jstor.org/stable/2747787>.

¹⁶ Peter Van Aelst and Stefaan Walgrave, "Minimal or Massive? The Political Agenda—Setting Power of the Mass Media According to Different Methods" *International Journal of Press/Politics* 16, no. 3 (2011), 297.

¹⁷ Ibid.

is a time lapse within the media and formal agenda, which mitigates the effect of one on the other.¹⁸ Van Aelst and Walgrave also survey members of parliament in Belgium who say that the media has immense impact on the political process, some respondents saying that the media has more influence than all political actors except the prime minister.¹⁹ There is no resolution to this debate and different issues achieve results through different processes, but it is important to keep in mind how issues progress in the agenda-setting process and ultimately warrant action, because this impacts the design and prioritization of the policy response.

Latin America has historically been one of the most unequal regions in the world, so what explains poverty not only reaching the formal agenda in many countries but also resulting in the passage of groundbreaking, large-scale policies in the form of CCTs? Representative of the opinions and research of other scholars, Tatiana Britto explains that that Mexico's creation of CCTs was a response to the Peso Crisis.²⁰ Britto's analysis connects agenda setting literature to CCTs, but she does not address contributing variables beyond the economic. My research includes the contributions of the media, citizens, and politicians, connecting these different agendas and studying the variables that influence them, such as economic crises, political leaders, and international institutions. Taking these variables into account shows what combination of actors, events, and institutions influence the creation of CCTs and the specific design of the program, and whether these are same across countries. This analysis provides the most

¹⁸ Aelst and Walgrave, "Minimal or Massive? The Political Agenda—Setting Power of the Mass Media According to Different Methods," 297

¹⁹Ibid.

²⁰ Tatiana Britto, "Recent Trends in the development agendas of Latin America: an analysis of Conditional Cash Transfers" *Ministry of Social Development* (2005), 5.

thorough answer to what explains the creation of CCTs and what determines the social policy design in each country.

FOCUSING EVENTS

If an issue does not have a society-wide sense of urgency as Downs²¹ explains, then how does it reach the formal agenda? Scholars offer the theory of focusing events to explain how major events reshape and reprioritize the formal agenda. Cobb and Elder first present the concept of “triggering [events]” that they define as “unforeseen events [that] help shape issues.”²² Thomas Birkland²³ critiques this ex post analysis because it examines events retrospectively and does not provide a framework for determining, what he refers to as, a potential focusing event. Birkland further complicates Cobb and Elder’s definition by differentiating focusing events into two categories,²⁴ crises and disasters, using definitions from Bill Faulkner.²⁵ This definition specifies based on the causes of the event with crises being the result inaction from leaders and organizations while disasters are a result of natural phenomena. While both types of events have strong impacts for agenda setting, crises especially induce policy response due to the assumption of policy

²¹ Anthony Downs, *An Economic Theory of Democracy* (New York: Harper, 1957).

²² Cobb and Elder, *Participation in American Politics: The Dynamics of Agenda-Building*, 84.

²³ Thomas A. Birkland, *After Disaster: Agenda Setting, Public Policy, and Focusing Events* (Washington D.C.: Georgetown University Press, 2007), 21. ‘Potential’ focusing event, because he argues that all events could be a focusing event, but he studies why some are ultimately focusing events.

²⁴ He also includes the category of ‘catastrophe,’ but this is a gradation of disaster, and for the purpose of my thesis is irrelevant.

²⁵ Bill Faulkner, “Towards a framework for tourism disaster management,” *Tourism Management* 22 (2001): 136.

failure and a seemingly greater need to devise a new strategy.²⁶ In other words, when policymakers assume responsibility for a negative event, they are more likely to pursue strategies to address the larger issue behind it compared to when an apparently random natural act impacts a population. When an issue reaches the formal agenda for either of these types of focusing events, Birkland argues there are two phases: (1) the media agenda picks up the crisis and monitors the level of damage and (2) policymakers bring the crisis to the formal agenda to address the underlying problem.²⁷

One of the most prevalent focusing events today is economic crisis; therefore, there is a branch of focusing event literature devoted to these events. As policy formation literature gained attention in the 1970s, international economic crises plagued many countries, so it should be no surprise that these events gained scholarly attention. Barbara Stallings' studied authoritarian responses to the Latin American economic crises of the 1980s.²⁸ Considering the wave of democratization at the end of this decade, new literature needs to analyze the new conditions in the region and how this spaces policy responses to significant events.²⁹

Many scholars point to the Mexican peso crisis in 1994 as the focusing event that influenced led national leaders to implement a new type of poverty program, thus

²⁶ Thomas A. Birkland, *Lessons of Disaster: Policy Change After Catastrophic Events* (Washington D.C.: Georgetown University Press, 2007), 17.

²⁷ Birkland, *After Disaster: Agenda Setting, Public Policy, and Focusing Events*, 29.

²⁸ Joan M. Nelson, "Politics and Economic Crisis: A Comparative Study of Chile, Peru, and Colombia," in *Economic Crisis and Policy Choice* (Princeton, NJ: Princeton University Press, 1990), 165.

²⁹ Patrio Navia and Ignacio Walker, "Political Institutions, Populism, and Democracy in Latin America" in *Democratic Governance in Latin America* ed. Scott Mainwaring and Timothy R. Scully (Stanford: Standard University Press, 2010), 245.

initiating the new CCT model.³⁰ The connection that scholars draw between the Mexican peso crisis and the creation of PROGRESA are valid, but there is little analysis of other relevant variables that may have also catalyzed a policy response. Along these lines, scholars have pinpointed one reason as the cause for CCT formation in Mexico, and they ignore the complexity of the political decision-making process and ignore the theoretical scholarship that explains the multi-faceted nature of this process. I test the viability of economic crises as a focusing event in the creation of CCT programs, and I analyze what combination of other variables induces policymakers to devise new programs and how this shapes the design of these programs.

CONTAINMENT STRATEGIES

Not all focusing events or important issues reach the agenda, and this is because most issues contend with containment strategies. Cobb and Elder define containment strategies as efforts to prevent an issue from expanding or reaching the agenda.³¹ Containment strategies directly oppose focusing events and more broadly explain how societal actors prevent an issue from reaching any agenda. Actors and organizations try to contain issues for a variety of reasons including, an ideological difference about the legitimacy of the issue, a preoccupation that the solution to the issue will negatively

³⁰ Andrés García Trujillo, *Social Policy in the Neoliberal Order: Conditional Cash Transfer Programmes as Mechanisms of Political Legitimacy in Latin America* 148 (Buenos Aires: CLASCO-CROP); Sarah Baird et. al, *Relative Effectiveness of Conditional and Unconditional Cash Transfers for Schooling Outcomes in Developing Countries: A Systematic Review* (Dunedin: Campbell systematic Reviews: 2013); Paola Pereznieta, "The Case of Mexico's 1995 Peso Crisis and Argentina's 2002 Convertibility Crisis" *United Nations Children's Fund (UNICEF)*, (New York, Division of Policy and Practice, 2010)

³¹ Cobb and Elder, *Participation in American Politics: The Dynamics of Agenda-Building*, 125.

impact them, or a desire for a different issue to be at the top of the agenda.³² In addition to targeted containment strategies, there are also aspects of the policy process itself that slow down or even prevent policy creation, essentially serving as a form of institutional containment, which I describe later in this section.

Containment strategies differ for when a focusing event occurs and galvanizes citizens instantaneously compared to when there is a group advocating for an issue and gradually gaining attention. There are four broad categories of containment strategies based on whether the strategy is direct or indirect or if the strategy addresses the societal actors trying to bring an issue to the formal agenda or the issue itself.³³ Table 2.1 shows the distinction between these differing strategies.

Table 2.1: Containment Strategies

	GROUP-ORIENTED	ISSUE ORIENTED
DIRECT	Attack Group – discrediting the group or its leaders by criticizing its legitimacy or associating it with something negative	Diffusing (of the issue) – creating new organizations to address the issue or enact symbolic actions to address them
INDIRECT	Undermine Group – coopt leaders or whittle away the group’s support base	Blurring (of the issue) – side step the issue, coopt the symbols of the group trying to introduce the issue, feigned constraint

Source: Cobb and Elder, *Participation in American Politics: The Dynamics of Agenda-Building*, 125.

Containment strategies change when a focusing event occurs, because focusing events have the power to immediately launch issues to the top of the formal agenda, and the strategies to prevent this from occurring is bypassed for strategies that suppress strong

³² Ibid.

³³ Ibid.

responses from various audiences.³⁴ When there is a group at fault for a crisis, Faulker explains, it attempts to simultaneously contain the effects of the event as well as the public reaction to it.³⁵ When the government appears to be the responsible party due to a policy failure, leaders quickly respond by implementing new and better policies to show a strong commitment to the issue.³⁶ Containment and focusing event theories show the clash in society that prevent issues from reaching the agenda due to varying interests and opinions of societal actors, but the theory stops short of explaining how this conflict shapes the design of the policies that come out of them. In the case of CCTs in Latin America, many countries experienced economic crises as well as political opposition to poverty programs, so what aspects of this process explains the social policy design similarities and differences in each of these countries? My framework analyzes the process of adopting CCT programs and how this process and the surround variables shape the design of the programs ultimately created.

Shifting to a second type of containment, Paul Pierson³⁷ argues that path dependency stands in the way of policy creation as a result of the structure of institutions passively containing policies. According to Pierson, path dependency is when the range of outcomes of an event decreases once initial decisions are made, and this offers one explanation for why countries are unable to deviate from their existing policy decisions.³⁸

³⁴Birkland, *Lessons of Disaster: Policy Change After Catastrophic Events*, 3.

³⁵Birkland, *After Disaster: Agenda Setting, Public Policy, and Focusing Events*, 90.

³⁶Birkland, *Lessons of Disaster: Policy Change After Catastrophic Events*, 17.

³⁷Paul Pierson, *Politics in Time: History, Institutions, and Social Analysis* (Princeton, Princeton University Press, 2004).

³⁸Ibid.

In other words, as policymakers move down a specific decision-making path, the cost of diverting from this path is often high enough to discourage change. Further, Pierson argues that a large-scale policy with a long duration is harder for politicians to push through for this very reason.³⁹ Francesco Zucchini similarly concludes that “procedural and institutional predominance” of government bodies lowers the expectations of major, controversial policies.⁴⁰ In other words, there is inertia behind major policy due to previous policy commitments and institutional expectations intrinsic to the vast network of government institutions. Offering empirical tests for these theories, Isabel Mares and Matthew E. analyze⁴¹ the major social policy change surrounding pensions in Latin America, finding that policymakers can deviate from previous paths as long as the cost and risks of the programs are distributed. These results complicate the initial theories, and I build off of this research to understand what allowed Latin American countries to enact social policies and sharply deviate from their previous social policy practices considering ever-present government inertia.

CCTs provide an important case study for analyzing how policymakers devise new strategies for long-term issues in the face of powerful opposition and effective containment strategies. In Brazil, for example, policymakers claim their CCT program, Bolsa Família, is a small cost compared to how much good it’s doing for citizens while

³⁹ Ibid.

⁴⁰ Francesco Zucchini, “Government Alternation and Legislative Agenda Setting,” *European Journal of Political Research* 50 (2011): 750.

⁴¹ Mares and. Carnes, “Social Policy in Developing Countries,” 110.

wealthy citizens claim CCTs are merely “populist handouts.”⁴² Supporters of the program highlight its potential while others claim it is simply a new technical form of clientelism. Scholarly attention on CCT origins tends to describe a focusing event, like an economic crisis, that lead to the creation of a program without providing information about the actors that advocated against creating the program, which results in a deterministic argument. My research analyzes the entirety of the policy process to show the complexity of creating a novel program like a CCT. My research also examines variables that gain importance as the policy spread throughout Latin America, such as the influence of policy diffusion and international influence. While I use policy formation literature as my foundation, the inclusion of international and domestic variables moves beyond this research and incorporates the multiple layers of complexities intrinsic to creating new policies.

POLITICAL DECISION-MAKING

After setting the agenda, policymakers eventually make decisions to initiate programs and policies to address the needs of the nation. Scholars study what variables influence this decision-making process and how this process shapes the ultimate design of the policy. Studying this process provides insight into the intentions of policymakers and the goals that behind the programs they create. Understanding these intentions and the variables as work are critical for addressing my question of what catalyzed the creation of an entirely new approach to poverty in Latin America, CCTs?

⁴² Taylor Barnes, “Brazil’s Bolsa Família: welfare model or menace?” *The Christian Science Monitor*, sec. Focus, Novemebr 17, 2013, accessed December 14, 2014, <http://www.csmonitor.com/World/Americas/2013/1117/Brazil-s-Bolsa-Familia-welfare-model-or-menace>.

Addressing the decision-making process of policymakers helps explain what brought about this notable policy shift. At the core, the political decision-making process entails an understanding of policymakers' personal goals. Intuitively, in a democratic society, politicians' goals include: re-election, appeasing party leadership, and enacting policies they agree with.⁴³ Building on these logical goals, scholars offer conflicting theories on how leaders weigh these competing priorities in the decision-making process.

Two theories offer different explanations for the decision making process: public interest theory⁴⁴ and the theory of regulatory capture.⁴⁵ On the one hand, public interest theory claims that governments exercise collective power to prevent market failures and generally promote the public good.⁴⁶ On the other hand, regulatory capture theory describes government decisions as narrow and self-interested with the goal of reelection and personal well being.⁴⁷ This pair of theories presents extreme views about the values of political decision-makers, but they both emphasize the will of leaders instead of the power of the institutional framework surrounding them.⁴⁸ In other words, the ability of politicians to pass extractive policies relies on a weakness of the surrounding government institutions; effective government institutions with internal oversight and accountability to citizens and the media should safeguard from extractive practices. Famous

⁴³ Roger Cobb, "Setting the Political Agenda" (lecture Brown University, Providence, March 17, 2014)

⁴⁴ George J Stigler, *A Theory of Price* (New York: Macmillan, 1946)

⁴⁵ Anthony Downs, *An Economic Theory of Democracy* (New York: Harper, 1957)

⁴⁶ Michael E. Levine and Jennifer L. Forrence, "Regulatory Capture, Public Interest, and the Public Agenda: Towards a Synthesis" *Journal of Law, Economics, and Organization* 6, Special Issue (1990): 168, accessed December 12, 2014, <http://www.jstor.org/stable/764987>

⁴⁷ Ibid, 159.

⁴⁸ David Weil, *Economic Growth*, Edition 2 (Boston, MA: Pearson Education Limited, 2013).

development scholar, Daron Acemoglu et al. explains that the extractive remnants from the colonial past in many developing countries leads to greater economic instability and volatility in foundational national institutions.⁴⁹ Other scholars argue, however, that the presence of interest groups in developed countries serve an equally corrosive role in the policy process by shaping policy-makers' decisions.⁵⁰ The structures surrounding policy-makers play an important part in shaping how they make decisions, bearing in mind the competing views of politicians as benevolent or self-serving.

DIFFUSION THEORY

Moving beyond the creation of policy in individual countries, an important aspect of this process is how policies spread across countries in a process known as policy diffusion. Summing up policy diffusion theory, Kurt Weyland argues, "A bold reform adopted in one nation soon attracts attention from other countries which come to adopt the novel policy approach."⁵¹ In other words, when a country adopts a new, popular policy, other countries examine the policy and often decide to implement it as well. Another component of the theory is the geographical patterns associated with the diffusion process, because the policy-reformers' neighbors and regional cohort are generally the first to enact the change.⁵² Notably, diffusion appears to follow this pattern

⁴⁹ Daron Acemoglu et al., "Institutional causes, macroeconomic symptoms: volatility, crisis, and growth," *Journal of Monetary Economics* 50, no. 1 (2003): 49, doi:10.1016/S0304-3932(02)00208-8.

⁵⁰ Jean-Jacques Laffont and Jean Tirole, "The Politics of Government Decision-Making: A Theory of Regulatory Capture," *The Quarterly Journal of Economics* 106, no. 4 (1991): 1089, <http://www.jstor.org/stable/2937958>.

⁵¹ Kurt Weyland, "Theories of Policy Diffusion: Lessons from Latin American Pension Reform" *World Politics* 57, no. 2 (2005): 262, accessed December 12, 2014, <http://www.jstor.org/stable/25054294>.

⁵² *Ibid.*

regardless of the differences in economic, social, and political conditions in each country.⁵³

Prior to diffusion theory, scholars followed prerequisites theory;⁵⁴ this theory argues that reaching certain levels of modernization and development are necessary for countries to enact sophisticated programs. Diffusion theory and its supporting data instead argue that policies spread regionally *regardless* of the level of development in each country.⁵⁵ Further, prerequisites theory ignores the possibility that programs can arise in developing countries and spread to more developed countries, as CCTs have. Responding to this shortcoming, Collier and Messick conclude, “In the area of political innovations, some of the most interesting new aspects of development originate at the top of a developmental hierarchy, but part way own it.”⁵⁶ They further argue that scholars should study these patterns of innovation to better understand them, because the assumption that policies originate from the “top” and works its way “down” to developing countries does not hold.⁵⁷ My thesis heeds this call and strives to provide evidence as to why policies arise, how they spread, and how countries amend policies to fit their specific needs.

Desmond McNeill offers one more aspect of diffusion theory that recognizes the power of international institutions in the spread of policy. He finds that the rate of policy diffusion has increased over time, and this is most likely due to the strength of

⁵³ Ibid.

⁵⁴ Collier and Messick, “Prerequisite Versus Diffusion: Testing Alternative Explanations of Social Security Adoption,” 1314.

⁵⁵ Ibid.

⁵⁶ Ibid.

⁵⁷ Ibid.

international institutions as policy-promoters.⁵⁸ He also concludes that the “ideas which are most successful in the policy arena are not those that are the most analytically rigorous but those that are most malleable...[and] can be interpreted to fit variety of differing perspectives.”⁵⁹ This point is important because CCTs are often treated as a model, but the program changes based on the country that implements them. Considering the claim that malleable programs spread more easily, my research regarding the viability of CCTs as a model would either reject or support this claim considering the spread of CCTs to over 30 countries in around 10 years.⁶⁰ Additionally, country leaders and citizens sometimes hesitate to accept programs pushed by international organizations, so understanding their impact in the CCT movement sheds light on their potential to both help and hinder the spread of effective social policies.

CCTs originated in the developing world and uphold diffusion theory in their regional dispersal, and analyzing their origins assesses how these policies spread and yielded modified programs in different country. Diffusion theory, especially Collier and Messick’s conclusion, are important for validating the policy contributions of developing nations, but they stop short in analyzing how policies change in the diffusion process. These theories are powerful, but they are outdated with empirical backing, so my thesis provides new evidence to analyze and test them.

Some studies of CCT origins have incorporated some aspects of policy formation literature, but none have applied the entirety of the framework. Doing so treats CCTs as a

⁵⁸ Desmond McNeil, “The Diffusion of Ideas in Development Theory and Policy,” *Global Social Policy* 6 no. 3 (2006), 348.

⁵⁹ Ibid.

⁶⁰ Ariel Fiszbein and Norbert Schady, *Conditional Cash Transfers: Reducing Present and Future Poverty* (Washington DC: The World Bank, 2009).

case study for policy formation literature, pushing this field of scholarship beyond its theoretical nature and incorporating variables such as social media and democracy in Latin America that were not as prevalent when scholars produced the bulk of this literature. Additionally, policy formation literature provides a more comprehensive analysis with which to understand how CCTs developed in Latin America and helps scholars better understand the policy decisions made in the reason and the path the nations are on for future policies.

POVERTY ALLEVIATION PROGRAM ORIGINS

Incorporating the poverty alleviation program origins body of literature contextualizes my study and strengthens it with techniques and findings of other scholars. Poverty alleviation program origins literature studies the variables that lead to the creation of program, and I provide this analysis for specifically CCTs in Mexico, Brazil, Nicaragua, and Colombia. My research provides case studies for this body of literature and incorporates policy formation literature to provide more rigorous analysis of the variables that led to the implementation of these programs. In this section, I analyze approaches to poverty, social policy in developing countries, and strategies for poverty alleviation. This body of research is often neglected for analysis of program outcomes, so I explain both the importance of this research as well as my plan to further develop it.

APPROACHES TO POVERTY

The ways countries approach and define poverty determines how they orient their policies decision to it, and these four approaches towards poverty have served as the basis

for programs around the world: the monetary approach, the capability approach, social exclusion, and participatory methods. These conceptualizations of poverty have evolved over time with different countries and regions adopting them at different times.

Understanding these different approaches to poverty situates CCT programs and shows what policymakers gain and sacrifice by operating in each framework.

The monetary approach is a longstanding identifier of poverty and is the basis for many poverty alleviation programs; this approach is arguably the most simplistic one, but it also serves off as the foundation for all subsequent approaches.⁶¹ The monetary approach defines people as poor if they fall below a predetermined level of income.⁶² The creation of a poverty line translates into policy by governments determining their threshold for supporting low-income citizens. Some policymakers and well-off citizens present arguments that the people are poor because they are lazy while others argue that the government is morally obligated to address the poverty and inequality inherent in the capitalist system.⁶³ The monetary view tends to be controversial due to this ideological divide, but critics and supporters both view money as the core indicator of poverty and the form that viable aid comes in.

The capabilities approach transitions to focusing on citizens' well-being and "freedom to lived a valued life."⁶⁴ In other words, this approach stresses the quality of life and equality of opportunity when measuring poverty as opposed to devising a baseline

⁶¹Caterina Ruggeri Laderchi, "The Monetary Approach to Poverty: A Survey of Concepts and Methods," December 2000, Queen Elizabeth House Working Paper Series, Oxford University, Oxford, UK, 3.

⁶² Ibid.

⁶³ Anup Shah, "Poverty Around the World," Global Issues, last modified November 12, 2011, accessed December 1, 2014, <http://www.globalissues.org/article/4/poverty-around-the-world>

⁶⁴Stewart, Laderchi, and Saith "Introduction: Four Approaches to Defining and Measuring Poverty," 15.

minimum for survival. This approach appeals to global ethicists and is the basis for poverty programs like CCTs that aim to address short-term needs of the poor as well as help end the cycle of poverty. This approach begins to recognize the poor people have disadvantages, such as access to worse schools and less understanding of economic or financial decisions, so they cannot fairly compete against wealthier citizens for jobs and opportunities, which creates a vicious cycle.

Two additional approaches are social exclusion and participatory method. Social exclusion entails citizens or groups of citizens being excluded from their communities on the basis of their economic status.⁶⁵ This approach complicates the poverty narrative by addressing the social barriers the poor face beyond purely financial ones and encompasses the effect of social isolation as a perpetuator of poverty.⁶⁶ Finally, the participatory method aims to include poor peoples' perception of poverty to fully understand the implications from within the affected societal group; this goal, though well intentioned, has not been actualized with empirical research and lacks the rigor of analysis of other measurements.⁶⁷

The capabilities approach shows that poor people deserve governmental support to help them improve their socioeconomic status, and CCTs build off of this approach. What leads a country to abide by one approach or another? Studying the origins of CCTs shows how a country's view of poverty translates into policy decisions. The comparative research in this thesis provides space to address how approaches in different countries are similar or different and what this means for the selection and design of social policies.

⁶⁵Ibid, 23.

⁶⁶Ibid, 25.

⁶⁷Ibid..

SOCIAL POLICY IN DEVELOPING COUNTRIES

The study of social policies in developing countries tends to prioritize the study of democratization rather than analyze the policy developments in nations around the world.⁶⁸ The democratic transition of the 1980s and 1990s across much of the developing world is very important, but scholarly analysis needs to incorporate the impact of government ideology and other political variables to understand the complexity of the policy design and implementation process. My study takes into account more variables than regime type and asks what political variables caused CCTs to arise; this research informs social policy research in developing countries to include more information about variables influencing policy implementation and provide the same level of rigor to developing nations that scholars give to developed nations.

Scholars in this field explain that there are significant differences in social policy formation for developed countries and developing countries. For example, Arthur Livingstone identifies variables that differentiate social policy between developed and developing countries as economic, political, cultural factors, and international aid.⁶⁹ Beyond identifying variables to study, Geof Wood and Ian Gough⁷⁰ compare social policy on the regional and international level. They explain that the welfare state regime

⁶⁸ Isabela Mares and Matthew E. Carnes, "Social Policy in Developing Countries," *The Annual Review of Political Science* 12 (2009), 110; Joan M. Nelson, "Politics and Economic Crisis: A Comparative Study of Chile, Peru, and Colombia," in *Economic Crisis and Policy Choice* (Princeton, NJ: Princeton University Press, 1990), 165.

⁶⁹ Arthur Livingstone, *Social Policies in Developing Countries* (New York: Routledge, 1969), 66.

⁷⁰ Geof Wood and Ian Gough, "A Comparative Welfare Regime Approach to Global Social Policy," *World Development* 34, no 10 (October 2006): 1696-1712, doi:10.1016/j.worlddev.2006.02.001

has been a crucial part of Western practice, but unimportant in the developing world.⁷¹ He adds the caveat that social welfare policy has been predominantly studied in developed nations, so there is a far smaller body of literature to reference and compare to when analyzing developing countries.⁷² My study fills in this knowledge gap and allows for more expansive studies on how social policies are similar and different both within developing countries and between the developed and developing world.

Social policy studies in Latin American have focused on the region's interaction with international institutions, the evolution of the relationship of the state and civil society, and the history of weak social safety nets.⁷³ In other words, scholars examine how developing countries in Latin America receive support from institutions such as the World Bank, how the democratic transition shaped policy decisions, and the lack of a comprehensive social safety net that developed in Western Europe. Growing awareness from the international community results in efforts to create policies in Latin America that address the longstanding inequality in the region and overcome the problems of the past.⁷⁴

These scholars acknowledge that there has been little research on the conceptualization of social policy in Latin America, and my research performs this

⁷¹ Ian Gough, "Welfare regimes in development contexts: a global and regional analysis" in *Insecurity and Welfare Regimes in Asia, Africa, and Latin America: Social Policy in Development Contexts*, by Ian Gough and Geoff Wood (Cambridge, UK: University of Cambridge Press, 2004), 15

⁷² Gough, "Welfare regimes in development contexts: a global and regional analysis," 20.

⁷³ Carlos Figueira and Mario Lombardi, "Social Policy in Latin America," in *Social Policy in a Global Society: Parallels and Lesson from the Canada-Latin America Experience*, edited by Daniel Morales-Gómez and Mario Torres A. (Ottawa: International Development Research Center, 1995), 107.

⁷⁴ *Ibid*, 107-108.

missing analysis for CCTs.⁷⁵ My work shows that deeper analysis of social policies in the developing world will provide substantive value to the study of policy development by informing scholars and policymakers about the unique opportunities and constraints to policymaking in different types of countries. Currently, CCT origins research examines the proximate variables that influenced program creation, such as an economic crisis or forward-thinking leaders, but it does not examine the combination of variables that influence the creation.⁷⁶ These deeper influences provide a more comprehensive understanding of social policy decisions that can be compared across countries in the spread of these influential policies.

STRATEGIES FOR POVERTY ALLEVIATION

Building off of the way countries perceive poverty and the variables that influence their policy process, countries employ distinct strategies for mitigating poverty and its negative effects. These strategies develop come from different frameworks, including asset viability framework, paternalism, political opportunism, and international pressure. CCTs incorporate a combination of these theories; considering the excitement they draw from scholars and policymakers, what is different about them that draws such attention and replication?

Strategies to combat poverty rely on foundational assumptions about what cause poverty and then try to either address them or mitigate the effects. The asset vulnerability

⁷⁵ Ibid, 109.

⁷⁶ Jishnu Das, Quy-Toan Do, and Berk Özler, “Reassessing Conditional Cash Transfer Programs,” *International Bank for Reconstruction and Development* 20 (2005): 57-80; Norbert R. Schady and Fiszbein, Ariel, “Policy Research Reports: Conditional Cash Transfers: Reducing Present and Future Poverty,” *World Bank Publications* (2009): 1-165.

framework identifies what poor people have rather than defining them by lacking a certain asset or falling below a certain threshold, and this is a relatively new and innovative approach to poverty alleviation.⁷⁷ This framework builds off of the capabilities approach to poverty, emphasizing the “asset vulnerability of the urban poor, whose susceptible assets include housing, labor, human capital, and social capital.”⁷⁸ This theory argues that poor people are not destitute but rather have an array of assets that the government can cultivate through social policies to help raise people out of poverty.⁷⁹ This strategy emphasizes a shift from the current standard of “top down” strategies to “bottom up” as a means of sustainable development; additionally this strategy seeks to have a both immediate and long-term impact on poverty alleviation.⁸⁰

The asset vulnerability framework provides an empowering approach for poor people, but it has not fully been adopted because more traditional, often paternalistic practices remain. Paternalism is a policy or practice in which those in authority restrict the freedom of those subordinate to them, often due to a belief that those in authority have more information about best practices.⁸¹ In practice, this entails governments incentivizing behavior they think people undervalue with conditional aid or imposing requirements to enter a program, such as drug tests, to shape peoples’ behavior. John Stuart Mill initiated a longstanding normative debate about paternalism by arguing the

⁷⁷ Caroline O.N. Moser, “The Asset Vulnerability Framework: Reassessing Urban Poverty Reduction Strategies,” *World Development* 26, no. 1 (1998), 1.

⁷⁸ Ibid.

⁷⁹ Ibid.

⁸⁰ Ibid, 16.

⁸¹ Oxford Dictionary s.v. “Paternalism” <http://www.oxforddictionaries.com/definition/english/paternalism>

imposition of will on another being is only permissible when done in self-protection.⁸² Many retorted that debates on paternalism must take into account liberty, freedom, and autonomy, arguing that an overarching rejection of the practice does not address its broader implications on people and nations.⁸³ Despite a longstanding normative debate about paternalism, many government policies are inherently paternalistic, which then garners critiques about the practicality of becoming “nanny-state” and preventing citizens from gaining autonomy.⁸⁴

Lawrence M. Mead adds that paternalistic policies are a relic of a pre-nation-state society, and he expresses surprise at their reincorporation in modern poverty alleviation practices.⁸⁵ He explains that in the nineteenth century, churches and nongovernment entities attached moral compliance with aid handouts, and this was the birth of paternalism.⁸⁶ Universal, state funded welfare programs later emerged in developed countries, but subsequent decades exhibited a shift back to paternalism.⁸⁷ Modern paternalism, though, places greater emphasis on compliance and economically responsible choices as opposed to moralistic ones.⁸⁸ Paternalism is particularly relevant to this thesis, because there is significant controversy surrounding the *conditionality* of CCTs. On the one hand, scholars question the economic implications of this component

⁸²John Stuart Mill, *On Liberty* (London: Longman, Roberts, and Green, 1869), 1.

⁸³Christian Coons and Michael Weber, “Introduction: Paternalism – Issues and Trends” in *Paternalism Theory and Practice* (Cambridge, UK: Cambridge University Press, 2013), 2.

⁸⁴Coons and Weber, “Introduction: Paternalism – Issues and Trends,” 2

⁸⁵Lawrence M. Mead, *The New Paternalism* (Washington D.C.: The Brookings Institute, 1997), 3.

⁸⁶Ibid, 6.

⁸⁷Ibid, 8.

⁸⁸Ibid, 8.

of the program as well as the moralistic argument.⁸⁹ On the other hand, some argue that the paternalism is linked with the intensity of the outcome-oriented approach and the increased capacity of countries to study the effects of the program.⁹⁰ On an additional and increasingly important level, I examine the presence of international paternalism on developing nations. The pressure from international financial organizations to implement pre-approved policies represents paternalism towards developing countries that some think would otherwise not create effective policies. This multilayered study of paternalism contributes to important conversations about the future of social policy in a globally integrated world that creates leaders and followers on the domestic and international level.

While paternalism assumes good moralistic intentions of policymakers a competing explanation for poverty programs is political opportunism. Bearing in mind the weak political institutions in developing countries, some scholars argue that poverty alleviation programs are merely a new form of clientelism in democracies that center more on individuals than institutions. Scholars have studied this effect extensively and conclusions vary, but some scholars have found that the paternalistic nature of some poverty programs enfranchises impoverished voters and encourages them to advocate for policies that aid their community, thus providing support for the party that created the

⁸⁹ Leonard E. Read, "Why is Paternalism Wrong?" Foundation for Economic Freedom, May 1, 1962, accessed April 2, 2015, <http://fee.org/freeman/detail/why-is-paternalism-wrong>; Daniel B. Klein, "The Moral Consequences of Paternalism," Ideas on Liberty, May 1994, accessed April 2, 2015, <http://www.scu.edu/civilsocietyinstitute/articles/upload/Paternalism.pdf>.

⁹⁰ Enelyn L Forget, "Paying People to be Healthy," *International Journal of Health Policy and Management* 1, no. 4 (2013), 245, accessed December 12, 2104, doi: 10.15171/ijhpm.2013.51; Sarah K. Bruch, Myra Marx Ferree, and Joe Soss, "From Policy to Polity: Democracy, Paternalism, and the Incorporation of Disadvantaged Citizens," *American Sociological Review* 75, no. 2 (April 2010): 205-226, <http://asr.sagepub.com/content/75/2/205.short>

program.⁹¹ There appears to be a fine line between democratically sound practices of societal groups supporting parties that they agree with and trading votes for social welfare benefits.

Finally, examining the creation of poverty alleviation programs on the national level does not take into account the significant influence of international organizations. Especially in developing countries, international organizations like the World Bank exert significant pressure to implement policies that have experienced success in other countries. This process encompasses entails diffusion theory as well as international institutions theory. International institutions theory contends that the immense network of international organizations shapes the “agenda, rules, and procedures” that guide state decision-making.⁹² Especially considering the monetary and political strength of international organizations, leaders of developing states often heed the advice of these organizations because they rely on these organizations for support.

Studying CCTs in Mexico, Brazil, Nicaragua, and Colombia addresses these four varying perspectives on poverty alleviation strategies. CCTs are arguably paternalistic due to their conditionality, and they also receive allegations that they are simply a more sophisticated type of vote buying. Additionally, these programs receive significant international acclaim, so the power play between nations and international bodies becomes very important. I study the origins of CCTs to address these concerns and

⁹¹Cox, Gary W. “Swing Voters, Core Voters, and Distributive Politics.” *Political Representation* (2010): 342-57. Zucco, Cesar. “Conditional Cash Transfers and Voting Behavior: Redistribution and Clientelism in Developing Democracies.” Princeton: Princeton University, 2011.

<http://www.princeton.edu/~zucco/papers/cctvotingbehavior.pdf>; Ana L. De La O, “Do Conditional Cash Transfer Programs Affect Electoral Behavior? Evidence from a Randomized Experiment in Mexico” *American Journal of Political Science* 57 (2013), Accessed April 10, 2014
http://www.yale.edu/leitner/resources/PMF-papers/delao_progresas_finalb.pdf;

⁹²Christina L. Davis, “International Institutions and Issue Linkage: Building Support for Agricultural Trade Liberalization,” *American Political Science Review* 98, no. 1 (2004), 2.

understand to what extent they shape CCT program adoption and design. Bearing in mind the perceptions of poverty and accepted strategies of addressing it is the important backdrop for analyzing the variables that influence policy creation.

POVERTY ALLEVIATION PROGRAM OUTCOMES

The majority of literature on poverty alleviation programs evaluates program outcomes, and this is especially true for highly technocratic CCT programs.⁹³ Despite the wealth of studies in this field, scholarly program evaluations are often monolithic and determine success on a few standard metrics, ignoring the diversity between programs that shape program outcomes. This section analyzes the literature on program evaluation and larger societal understanding of poverty alleviation programs through this lens. I then introduce the structure of my study and explain how it improves this scholarship.

The debate in this body of literature essentially asks whether the policy decisions countries make are effective. For CCTs, and poverty alleviation programs more broadly, a major debate is whether countries should implement programs with or without conditions.⁹⁴ In the case of CCTs, conditionality incentivizes program recipients to attain education while unconditional programs allow people to receive a stipend with no strings

⁹³Laura B. Rawlings and Gloria M. Rubio, “Evaluating the Impact of Conditional Cash Transfer Programs,” *The World Bank Observer* 20, 1 (2005): 29–55; Cesar Zucco Jr., “When Payouts Pay Off: Conditional Cash Transfers and Voting Behavior in Brazil 2002–2010” *American Journal of Political Science* 57, no. 4 (2013); Susan W Parker and Graciela M. Teruel, “Randomization and Social Program Evaluation: The Case of Progresa” *Annals of the American Academy of Political and Social Science* 599 (2005): 199-219.

⁹⁴Alan de Brauw, “Must Conditional Cash Transfer Programs Be Conditioned to Be Effective,” *IFPRI Discussion Paper* 00757 (2008); Laura Robertson et. al., “Effects of unconditional and conditional cash transfers on child health and development in Zimbabwe: a cluster-randomized trial,” *Lancet* 381 (2013): 1283–1292. Norbert R. Schady and Fiszbein, Ariel, “Policy Research Reports: Conditional Cash Transfers: Reducing Present and Future Poverty,” *World Bank Publications* (2009): 1-165.

attached.⁹⁵ Other types of programs incentivize working a minimum number of hours, attaining job skills, or any other human capital building measures. The conditionality debate addresses whether or not the additional administrative costs necessary to oversee conditional programs are worth the cost. In studies that compare the results of CCTs and Unconditional Cash Transfer programs (UCTs), scholars do not find results that point to one program completely dwarfing the other.⁹⁶ Some studies claim either CCTs are more effective at meeting their specified goals, and others claim that UCTs and CCTs are effective in different ways depending on the program and the country they are implemented in. A potential drawback to the conditionality of CCTs is that some people are unable to meet program requirements, forcing them to either choose not to participate or ultimately be kicked out on charges of delinquency.⁹⁷ This situation forces scholars to question whether the structure of the program prevents some of the neediest citizens from accessing poverty programs, a significant misstep for such programs. Further, this debate begs the larger questions: can the poor be entrusted to make decisions or do they need conditionality to generate appropriate incentives? If the poor do not need governmental paternalism, how do policymakers and other citizens come to accept this fact?

Most of the literature on poverty alleviation programs studies program outcomes, but despite the significant research, most studies find similar results across a similar

⁹⁵De Brauw, “Must Conditional Cash Transfer Programs Be Conditioned to Be Effective,” *IFPRI Discussion Paper 00757* (2008), 1

⁹⁶Alan de Brauw, “Must Conditional Cash Transfer Programs Be Conditioned to Be Effective,” *IFPRI Discussion Paper 00757* (2008); Laura Robertson et. al., “Effects of unconditional and conditional cash transfers on child health and development in Zimbabwe: a cluster-randomized trial,” *Lancet* 381 (2013): 1283–1292. Norbert R. Schady and Fiszbein, Ariel, “Policy Research Reports: Conditional Cash Transfers: Reducing Present and Future Poverty,” *World Bank Publications* (2009): 1-165.

⁹⁷De Brauw, “Must Conditional Cash Transfer Programs Be Conditioned to Be Effective,” *IFPRI Discussion Paper* (2008), 5.

series of indicators. Scholars analyze the costs of the program, such as administrative costs of the programs, overall expenses, and program leakage and compare it to the program's ability to target effectively, raise people out of poverty, and lower the country's overall inequality rates.⁹⁸ First, this analysis does not account for different program goals; some programs have higher administrative costs to achieve a particular outcome or focus on outcomes that are not as easily interpreted by these measures. Second, the immediate outcomes of programs only tell part of the story. Scholars often study the short-term outcomes and do not account for the long-term effects.⁹⁹ Third, this does not account for the different starting points of countries that could lead to greater ease or difficulty in attaining desired outcomes. For all of these reasons, the analysis of CCT programs needs to encompass the differences across countries and programs as well as the long-term impact of the program.

Outcomes analysis of CCT only begins to address the impact of the program beyond the initial cash. Scholars analyze the political ramifications of these programs and ask whether CCTs are a vote-buying tool. The literature in this field questions whether these programs are a vote buying mechanism. In one study, Ana De La O conducts a randomized controlled trial (RCT) and argues that Mexico's CCT mobilizes low-income voters but does not build party allegiances.¹⁰⁰ Results like these have led policymakers to

⁹⁸Amy Shei, "Brazil's Conditional Cash Transfer Program Associated with Declines in Infant Mortality Rates" *Health Affairs* 32 (2013); Aaron Ansell and Ken Mitchell, "Models of Clientelism and Policy Change: The Case of Conditional Cash Transfer Programmes in Mexico and Brazil," *Bulletin of Latin American Research* 30, no. 3 (2011): 298—312.

⁹⁹Pierre Dubois, Alain de Janvry, and Elisabeth Sadoulet, "Effects on School Enrollment and Performance of a Conditional Cash Transfer Program in Mexico," *Journal of Labor Economics* 30, no. 3 (2012): 555—589; Cash Transfer Programmes, poverty reduction and empowerment of women: A comparative analysis" *International Labor Office Working Paper 4* (2013).

address questions not only about if CCTs are a form of vote-buying but also ask if CCTs enfranchise citizens and increase the representative nature of a country's democracy. Considering CCTs' and many other programs' commitment to long-term outcomes, there needs to be more studies about the broader societal impacts of these programs not just in the political realm but in the social and economic realm for program recipients and domestic society at large.

My holistic analysis of the origins of social program impacts evaluation research by providing it the context that accounts for differences between programs, sophisticating analysis of these programs. I compile variables used in policy formation literature to analyze the creation of CCTs, and I formulate an understanding of the conditions and context these programs come from and how this relates to program goals and social policy design. Evaluation literature tends to analyze programs only after they are implemented, but this does not provide the full picture of the country implementing the program and sufficient information to compare across countries. Further, scholars treat CCTs as a model, evaluating them with monolithic standards across countries. My research asks whether CCTs are a model, and if not, I offer a method to examine these programs holistically.

CONCLUSION

My framework goes beyond current poverty alleviation program origins literature, providing the theoretical rigor of policy formation literature and the measurability of

¹⁰⁰Ana L. De La O, "Do Conditional Cash Transfer Programs Affect Electoral Behavior? Evidence from a Randomized Experiment in Mexico" *American Journal of Political Science* 57 (2013), Accessed April 10, 2014 http://www.yale.edu/leitner/resources/PMF-papers/delao_progresas_finalb.pdf;

program outcomes literature in the form of a scale to analyze variables. This framework is holistic in two ways. First, it analyzes the full set of variables that impacts policy formation, giving a more comprehensive picture than current literature provides. Second, it combines three different areas of scholarship—policy formation, poverty alleviation program origins, and poverty alleviation program outcomes literature. As a result, this thesis answers many questions: how CCTs were created, why are they different across countries, and how do scholars appropriately analyze these programs considering their differences. Answering these questions for CCTs provides information not only about this popular program but also serves as replicable framework for analyzing other anti-poverty programs around the world. Considering the international attention on poverty and inequality, poverty alleviation programs are spreading rapidly and having the appropriate tools to analyze them can make significant impact.

This chapter situates my work in the context of three bodies of literature: agenda building theory, origins of poverty alleviation programs, and outcomes of poverty alleviation programs. Though these bodies of literature exist separately, they are strengthened when they account for one another. My thesis bridges the gap between these bodies and incorporates the literature of each to strengthen my work. This work can serve as a framework for other scholars operating in this space. More specifically, my focus on CCT origins provides a unique case study for agenda building theory, contributes to the origins literature, and serves as stepping stone for outcomes literature. In chapter three, I chronicle the history of CCTs in Latin America to build upon in my case studies. In chapters four, five, and six, I analyze the independent variables that lead to the creation of

CCTs in Mexico, Brazil, Nicaragua, and Colombia respectively. My final chapter is the conclusion where I share the findings of my work and implications for future research.

CHAPTER THREE CCTS IN PERSPECTIVE

National governments bear the responsibility to provide social assistance to its vulnerable populations. Latin American governments have often struggled to effectively support the poor or lacked a commitment to doing so during authoritarian rule. Many developed countries, on the other hand, are known for their comprehensive social safety nets and welfare programs that support their populations. Somehow, the tides are turning. Globalization has eroded the sovereignty of nations and pushed developed countries to be more economically competitive, lessening the intensity of social programs and protections.¹ All the while, international institutions support developing countries in their efforts to raise vast populations of impoverished people out of poverty.² With the development of CCT programs, Latin American countries gained international attention and acclaim for these comprehensive programs. How did a region confounded by fledgling democratic institutions that allowed corruption and clientelism to become an international star in poverty alleviation? To understand the weight of this transition, the history and progression of poverty alleviation programs are important context.

I organize this chapter into two sections: (1) the Modern History of Poverty Alleviation Programs and (2) The Origins of Conditional Cash Transfers in Latin America. The first section outlines the history of poverty alleviation programs, with

¹Katherine Wall, "The End of the Welfare State? How Globalization Is Affecting State Sovereignty," *Global Policy*, August 17, 2012, accessed April 4, 2015, <http://www.globalpolicyjournal.com/blog/17/08/2012/end-welfare-state-how-globalization-affecting-state-sovereignty-0>.

²The World Bank, "In Fight to Improve Lives of the World's Poor, World Bank Group Delivers Nearly \$53 Billion in Support to Developing Countries in FY13," News, July 23, 2013, <http://www.worldbank.org/en/news/press-release/2013/07/23/improve-lives-world-poor-world-bank-group-delivers-nearly-53-billion-support-developing-countries-fy13>.

emphasis on the 1950s and onward because this was when programs around the world began to expand and become embedded in the fabric of many nations—beyond Western democracies that had already implemented major welfare programs. Also, this section outlines the distinct progressions of poverty alleviation programs in developed and developing countries, highlighting some of the most popular programs. The second section, Conditional Cash Transfers in Latin America, broadly explains how CCTs became a phenomenon in the region and provides greater context from which these programs came. This information provides the foundation for the history of CCTs in Mexico, Brazil, Nicaragua, and Colombia and provides context for addressing the variables that contribute to the implementation of these programs in each country.

A HISTORY OF POVERTY ALLEVIATION PROGRAMS

This section outlines the evolution of poverty alleviation programs first in general and then specifically in the developing world. The history in this chapter is far from exhaustive, but it prioritizes the rationale, approaches, and the objectives of the programs to highlight the underlying thinking that led to the evolution of poverty alleviation programs.

HISTORY OF POVERTY ALLEVIATION

Poverty Alleviation strategies can be traced back to the British Poor Law of 1597 that provided the first form of aid to the poor, though the character of modern programs have shifted a great deal from these origins.³ With the consolidation of nation-states in

³ “Poor Law | British Legislation,” *Encyclopedia Britannica*, August 24, 2014, accessed April 3, 2015, <http://www.britannica.com/EBchecked/topic/469923/Poor-Law>.

the late 19th century in Europe, countries began to develop programs to assist their poorest citizens, and, for many European powers, their colonies across the world.⁴ These programs provided basic protections, and they served as the foundation of the national responsibility for the welfare of its citizens, but they also fostered a perception of worthiness and unworthiness.⁵ England's Poor Law began to include a distinction between the poor who were worthy of support—orphans, widows, the elderly—and unworthy—drunkards and lazy people.⁶ Governments wanted to ensure that they were aiding citizens while not fostering a sense of dependency, and as a result, these laws began to address worries of entitlement. Despite the efforts of these programs, inequality has been on the rise since 1820 with global inequality far outpacing inequality within nations.⁷ This rise in inequality began slowly at first, but began to explode due to economic integration, globalization, and other international and national reasons in the mid to late 20th century.⁸

Modern economists seriously began to think about poverty and its ramifications in the 1950s due to both a more rapid increase in inequality compared to previous decades and the new research highlighting the negative impact of poverty on the economy at large due to its reduction of consumption and shrinking of the labor market.⁹ With the help of

⁴ John E. Hanson, "Poor Relief in the Early America," *Social Welfare History Project*, 2011, accessed April 3, 2015, <http://www.socialwelfarehistory.com/programs/poor-relief-early-amer/>.

⁵ Ibid.

⁶ Ibid.

⁷ Sergio Vieira, "Inequality on the Rise? An Assessment of Current Available Data on Income Inequality, at Global, International and National Levels" (DESA, December 2012), 9, http://www.un.org/en/development/desa/policy/wess/wess_bg_papers/bp_wess2013_svieira1.pdf.

⁸ Ibid., 11.

economists, countries began to devise new strategies to not only mitigate the effects of poverty but also attempt to prevent its spread, and developed nations were at the forefront of this effort because of the greater amount of resources at their disposal.

While the interest in poverty alleviation increased in the developed world, developing countries concentrated on catching up in terms of economic growth at all costs, neglecting the poverty and inequality rates on the rise. The region experienced rapid economic growth due to the implementation of Import-Substitution Industrialization policies (ISI) in the 1950s and 1960s.¹⁰ ISI was a strategy for less-developed countries in the region to break out of the world division of economic power that placed them at the periphery by exporting food and raw materials in exchange for manufacturing goods with the ultimate goal of manufacturing to replace exportation of primary goods.¹¹ By the 1970s, countries began to realize that this strategy was ineffective because as industrial growth slowed, job opportunities disappeared and more people fell below the poverty line.¹² At the end of this era, private investors saw Latin America as an cheap and attractive investment to develop their infrastructure and allow them to industrialize. The influx of investment in the region in the form of loans sets the scene for the crises that swept the region in the 1980s and prompts significant social welfare reform.¹³

⁹ Michelle Adato and John Hoddindott, eds, *Conditional Cash Transfers in Latin America* (Baltimore: The Johns Hopkins University Press, 2010), 7.

¹⁰ Albert O. Hirschman, "The Political Economy of Import-Substituting Industrialization in Latin America," *The Quarterly Journal of Economics* 82, no. 1 (February 1, 1968): 1–32, doi:10.2307/1882243.

¹¹ Ibid.

¹² Ibid.

¹³ Karen L. Remmer, "The Political Impact of Economic Crisis in Latin America in the 1980s," *The American Political Science Review* 85, no. 3 (September 1, 1991): 778, doi:10.2307/1963850.

While developing countries concentrated on economic growth, the international perception of poverty began to change and reshape national priorities. Instead of examining poverty purely on the basis of people falling below a pre-specified level of income or assets, scholars began to develop new approach that included the ramifications of poverty on the quality of life for citizens.¹⁴ With this new perspective, the way governments approached poverty began to encompass these more comprehensive views; however, the ultimate test of successful programs remain their effectiveness in terms of lessening poverty rates and having a positive return on investment.¹⁵ These new approaches began to influence the way countries around the world perceived poverty and their commitment to addressing it.

By the 1970s, antipoverty efforts began to advance and seriously assess the impact of rapid economic growth has on society's most vulnerable citizens. Citizens at large began to recognize the negative ramifications of economic growth; for example, the environmental movement gained attention by explaining that economic growth leads to negative outcomes for the global environment, beginning a conversation about sustainable and inclusive growth.¹⁶ Advocates also linked poverty alleviation to this movement by showing that environmental degradation catalyzed poverty and famine because many impoverished people live in rural areas and rely on farming for food and

¹⁴ Ortrud Leßmann, "Freedom of Choice and Poverty Alleviation," *Review of Social Economy* 69, no. 4 (December 1, 2011): 439, accessed, January 5, 2015, doi: 10.1080/00346764.2011.577349.

¹⁵ D. Lee Bawden, "Welfare Analysis of Poverty Programs," *American Journal of Agricultural Economics* 54, no. 5 (December 1, 1972): 809, accessed January 6, 2015, doi:10.2307/1239221.

¹⁶ Michael Bruno and Boris Pleskovic, *Annual World Bank Conference on Development Economics 1995* (World Bank Publications, 1996), 62.

wages.¹⁷ In 1982, Mexico declared financial insolvency, initiating a wave of crises across Latin America.¹⁸ With this declaration of insolvency, countries across the region defaulted on the debt they had accumulated from private investors and the International Monetary Fund (IMF).¹⁹ The IMF conditions for defaulting on the loans entailed structural adjustment policies that generated a “contraction in the economy to correct the balance of payments deficit,” which included a reduction in subsidies for the poor.²⁰ As a result of these policies, across the region, “output per capita fell by over 10 percent, the real value of the minimum wage fell by over 25 percent, and the number of poor people rose by almost 50 percent,” yet, the bleak economic situation also yielded widespread consensus regarding the need for a new strategy for economic growth and addressing poverty.²¹ The new strategy for poverty alleviation incorporated the private sector, welcomed international capital, and provided social investments in education and health rather than welfare; this new strategy paved the way for CCTs to take hold in Latin America.²² Additionally, economists and leaders came to a general consensus that income transfers were not a viable long-run strategy for poverty reduction, because the middle and low-income nations in Latin America could not afford to sustain such efforts, beginning an effort to devise new poverty alleviation programs.²³ Further, many scholars

¹⁷ Ibid., 60.

¹⁸ Ibid.

¹⁹ Morley, *Poverty and Inequality in Latin America: The Impact of Adjustment and Recovery in the 1980s*, vii.

²⁰ Ibid.

²¹ Ibid.

²² Ibid., viii.

²³ Ibid.

argued that the excess of unskilled labor in Latin America perpetuated poverty and investing in human capital would be the key to mitigating this problem.²⁴

By the 1990s, the economic growth regime underwent more changes in its relationship with and commitment to poverty alleviation. Conventional wisdom had long argued that economic growth was necessary to help reduce poverty to both support programs and provide greater opportunity to poor people—a mentality that assumed economic growth in a country aided all citizens.²⁵ At this time, scholars and leaders began to understand that economic growth can help the poor, but instead often hurts vulnerable communities by outsourcing cheaper labor or moving towards skills-intensive industry that takes away jobs from the poor and increases societal stratification.²⁶

It is no coincidence that these policy shifts occurred at this time, because the proliferation of globalization at this time increased the incidence of poverty and inequality worldwide resulting in 43% of citizens in developing countries living in extreme poverty in 1990.²⁷ Globalization created new growth opportunities across the world, though certain regions and socioeconomic groups harnessed the benefits of this change more than others; for example, wealthy citizens and Asian economies accrued the greatest wealth in this shift, while many Western countries lost their advantage in certain

²⁴ Ibid.

²⁵ Ibid., 163.

²⁶ Ibid., 63.

²⁷ “Not Always with Us,” *The Economist*, June 1, 2013, accessed January 15, 2015, <http://www.economist.com/news/briefing/21578643-world-has-astonishing-chance-take-billion-people-out-extreme-poverty-2030-not>.

sectors.²⁸ Additionally, globalization erodes some of the power of the state, blurring what responsibilities fall to national governments and to intergovernmental bodies; for example, social welfare policy internationalized entailing a new way of “describing, understanding, evaluating, and promoting human well-being in the international context.”²⁹ The influx of international social welfare projects reshaped previous poverty alleviation efforts—mainly in developing countries—with conditional aid flowing across borders via financial intermediaries and fostering an increasing emphasis on the quantitative outcomes of programs and their measurable success.³⁰ This shift involves a change in the balance of power in which developed countries via international institutions have greater decision-making influence over the social policies of developing nations, despite a lack of specific knowledge about the countries.

Despite a growing commitment to poverty alleviation, in the 1990s, scholars disagreed about what anti-poverty programs to implement in countries around the world that desperately needed support. As an example, one scholar, Sam Hickey, describes a struggle between ‘progressives’ and ‘neoliberals’ regarding poverty alleviation that ultimately resulted in compromises from each group in the wake of financial crises in the decade that increased the need for effective programs.³¹ Hickey explains that some policymakers focused on ensuring that poor citizens reaped the benefits of capitalism as

²⁸ Branko Milanovic, “Globalization Helps the Rich & Asia While Hurting the Middle Class in the West. Here’s What Can Be Done About It,” *The Huffington Post*, August, 6, 2014, accessed April 3, 2015, http://www.huffingtonpost.com/branko-milanovic/globalization-west-middle-class_b_5655078.html.

²⁹ James Midgley, *Social Welfare in Global Context* (SAGE, 1997), 3.

³⁰ *Ibid.*

³¹ Sam Hickey, *The Government of Chronic Poverty: From the Politics of Exclusion to the Politics of Citizenship?*, SSRN Scholarly Paper (Rochester, NY: Social Science Research Network, May 3, 2010), 1139, <http://papers.ssrn.com/abstract=1719668>.

valued members of society while others argued that an emphasis on development is dangerous because it “[depoliticizes] and [disempowers]” poor people, removing some of their societal agency.³² Along these lines, anthropologist James Ferguson similarly argues that the need for development is the result of government neglect, so scholars must stop painting them as neutral actors attempting to support citizens ever-present poverty.³³ From his studies in Lesotho, Ferguson argues that international development projects in the country were often failures, because they ignored the insights and practices of poor citizens.³⁴ Hickey sums up that development is not just a relationship between the market and citizens but rather, it is embedded in the political system of a nation and strongly influences this system for a country and its citizens.³⁵

The evolution of social welfare programs shows how poverty analysis and resulting programs have changed over time and the successes and challenges associated with these shifts. Progress is far from a linear trend, so new eras yield new strategies that are not necessarily better from previous efforts address poverty from a constantly changing world view. Undoubtedly, recent decades provide new challenges of increased poverty due to globalization and the subsequent blurring of the power and responsibility between national governments and international bodies. With this understanding, I now present some popular types of poverty alleviation programs governments implement across the world.

³² Ibid., 1140.

³³ James Ferguson and Larry Lohmann, “The Anti-Politics Machine: ‘Development’ and Bureaucratic Power in Lesotho,” *The Ecologist* 24, no. 5 (October 1994): 178.

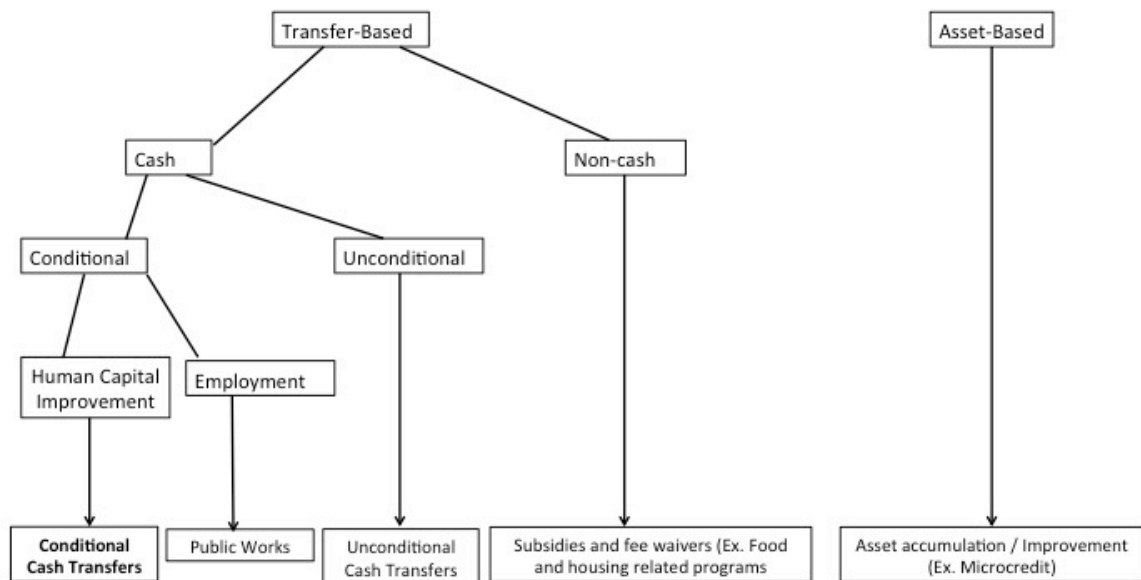
³⁴ Ibid.

³⁵ Hickey, *The Government of Chronic Poverty*, 1153.

TYPES OF POVERTY ALLEVIATION PROGRAMS

Different poverty alleviation programs gained popularity in distinct regions over time based on the goals of countries, their respective commitment to poverty alleviation, and the development of new policy strategies. Broadly speaking, leaders intend antipoverty programs to meet two major criteria: raise income levels of individuals living below the poverty line and protect vulnerable individuals from falling below the poverty after economic shocks.³⁶ To frame this section, Figure 3.1 organizes different categories of poverty alleviation programs that I then describe and organize them.

Figure 3.1: Classifications of Poverty Alleviation Programs



Source: Raj M. Desai, “The Political Economy of Poverty Reduction,” *The Brookings Institution*, 10, accessed January 10, 2015, <http://www.brookings.edu/research/papers/2007/11/poverty-desai>, 11

A critical design feature of all of poverty programs is the method to choose beneficiaries and the oversight institution that implements the program. The method to

³⁶Raj M. Desai, “The Political Economy of Poverty Reduction,” *The Brookings Institution*, 10, accessed January 10, 2015, <http://www.brookings.edu/research/papers/2007/11/poverty-desai>.

choose beneficiaries, or targeting, is often most difficult for developing countries, because they often lack the resources and administrative capacity to properly implement the program.³⁷ Though not discussed in depth in this chapter, NGOs often step in to provide the know-how, personnel, and funds to overcome these obstacles in developing countries.³⁸ Even with assistance from NGOs, governments are the main determinants of countries' social policy agenda and the extent to which poverty is a priority.³⁹ Public works are welfare programs that serve as developmental tools after economic shocks, because they promote the creation of infrastructure and provide citizens with jobs.⁴⁰ Middle-income countries employ these programs during periods of economic crisis or recession, and Chile was the first Latin American country to use these programs in 1982 in the aftermath of a major recession.⁴¹ A problem with this type of poverty alleviation program is if countries want high-quality public works investment, poor people often do not have the skills to work on this project.⁴² As a result, a country does benefit from infrastructure development but does not provide poor people with jobs.

Non-cash, or in-kind, transfers go to families in the form of food subsidy fee waivers.⁴³ Countries choose this type of program to shape consumption behavior of poor

³⁷ Muhammad Azhar Ikram Ahmad, "Poverty Alleviation and the Third World," *Pakistan Economic and Social Review* 39, no. 1 (July 1, 2001): 52.

³⁸ *Ibid.*, 53.

³⁹ *Ibid.*

⁴⁰ Desai, "The Political Economy of Poverty Reduction," 14.

⁴¹ International Labour Office, *Modular Package on Gender, Poverty and Employment: Facilitator's Kit* (International Labour Organization, 2000).

⁴² Desai, "The Political Economy of Poverty Reduction," 14.

⁴³ *Ibid.*, 13.

and because of the broader economic benefit of stimulating consumption, these programs have little trouble gaining political support.⁴⁴ In comparison to transfer-based strategies, asset based strategies are meant to develop the supply of assets poor citizens have as opposed to transferring baseline income or resources to them to.⁴⁵ CCTs bridge the gap between transfer-based programs and asset-based strategies due to their commitment to both short-term impact as a transfer payment and long-term impact through human capital accumulation, though asset-based transfers tend to focus on the accumulation of land and credit instead of health and education.⁴⁶

Countries choose different programs based on the needs of their citizens, the will of the leaders, the assets they are willing to provide for the programs, and a multitude of other reasons. Understanding the array of programs that countries select between provides the context for CCTs and raises the question of why did CCTs spread so rapidly across Latin America instead of a multitude of other poverty strategies? Further, why did Mexico and Brazil create new programs as opposed to implementing an existing one? With this broad background, the next section studies the rise of CCTs in the 1990s.

THE ORIGINS CONDITIONAL CASH TRANSFER PROGRAMS

Conditional Cash Transfer programs target poor household and induce investment in children's health and education—human capital investment—via cash incentives to

⁴⁴ Ibid.

⁴⁵ Ibid., 15.

⁴⁶ Ibid.

parents.⁴⁷ This approach assumes a sufficient supply and quality of social services and attempts to stimulate families' otherwise low demand in human capital.⁴⁸ International financial institutions hail CCTs as an innovation in the design and organization of antipoverty programs, and Latin America has been an incubator for the development of these programs from local-level experiments to vast national efforts.⁴⁹ They have the immediate objective of reducing poverty through income transfers and the long-term objective of increasing the human capital attainment of poor citizens.⁵⁰

Mexico was the early innovator of CCTs, and its program, PROGRESA has expanded to become one of the largest in the world. CCTs are often considered the brainchild of Santiago Levy, the Undersecretary of the Finance in Mexico.⁵¹ After the Mexican peso crash in 1994, he advocated for new approaches towards poverty.⁵² He presented the idea for a CCT at a cabinet meeting but received skeptical reactions, so he set up an experiment to gather data about his program to convince other leaders to sign on.⁵³ Ultimately, Mexico launched PROGRESA in 1997 during President Ernesto Zedillo's administration, initially covering 300,000 families with a budget of US\$58.8

⁴⁷ Alain de Janvry et al., "Can Conditional Cash Transfer Programs Serve as Safety Nets in Keeping Children at School and from Working When Exposed to Shocks?," *Journal of Development Economics*, 79, no. 2 (April 2006): 1, accessed January 15, 2015, doi:10.1016/j.jdeveco.2006.01.013.

⁴⁸ Ibid.

⁴⁹ Ibid., 2.

⁵⁰ Ibid.

⁵¹ Kathy Lindert et al., *The Nuts and Bolts of Brazil's Bolsa Familia Program: Implementing Conditional Cash Transfers in a Decentralized Context* (World Bank, May 2007), 13.

⁵² Santiago Levy, *Progress Against Poverty: Sustaining Mexico's Progres-Oportunidades Program* (Washington D.C.: Brookings Institute, 2006), 1.

⁵³ Tina Rosenberg, "A Payoff Out of Poverty?," *The New York Times*, December 21, 2008, accessed September 10, 2014, <http://www.nytimes.com/2008/12/21/magazine/21cash-t.html>.

million.⁵⁴ I provide more information about PROGRESA in my analysis of Mexico, but this history is also important for the larger development of CCTs as a whole.

Almost every country in Latin America adopted CCTs and other countries around the world, including Bangladesh, Indonesia, and Turkey also have large-scale programs.⁵⁵ CCT programs have been seen as modernizing social assistance strategies and entail vigorous targeting and evaluation.⁵⁶ Overall, CCTs have incentivized poor families to increase their usage of health and education services, but the results in terms of improvement in health and education outcomes have been mixed.⁵⁷

There are many arguments that both support and reject CCTs based on theory and data. Some evidence shows that CCTs are both equitable and efficient by transferring income to poor members of society and stimulating economic growth, while other scholars find that the programs generate perverse incentives due to its paternalistic nature.⁵⁸ The major debates about CCTs center on the conditionality of the program, because “attaching a constraint on the behavior of people one is trying to help is an unorthodox approach for economists.”⁵⁹ In other words, the nuance of conditionality in

⁵⁴ Levy, *Progress Against Poverty: Sustaining Mexico's Progres-Oportunidades Program*, 1.

⁵⁵ Ariel Fiszbein, Norbert Rüdiger Schady, and Francisco H. G. Ferreira, *Conditional Cash Transfers: Reducing Present and Future Poverty* (World Bank Publications, 2009), 1.

⁵⁶ *Ibid.*

⁵⁷ *Ibid.*, 3.

⁵⁸ *Ibid.*, 8.

⁵⁹ Wei-Jun Jean Yeung and Mui Teng Yap, *Economic Stress, Human Capital, and Families in Asia: Research and Policy Challenges* (Springer Science & Business Media, 2013), 205; Michelle Adato and Lucy Bassett, *Social Protection and Cash Transfers to Strengthen Families Affected by HIV and AIDS* (Intl Food Policy Res Inst, 2012), 102; Luca Pellerano and Valentina Barca, “Does One Size Fit All? The Conditions on Conditionality in Cash Transfers,” *Oxford Policy Management Working Paper* (January 2014): 1–23.

CCTs has garnered both praise and skepticism, and the next section outlines the key debates regarding conditional and unconditional aid.

CONDITIONAL AND UNCONDITIONAL CASH TRANSFERS

There are two broad categories of arguments in favor of conditional aid programs: the need to adjust private human capital investment that is too low and the ability to gain political support in favor of redistribution in an otherwise unfavorable climate. The first argument addresses the perception that poor families do not adequately invest in their children's education, which creates a gap between the expected and actual returns for education.⁶⁰ In this same line of reasoning, scholars argue that poor families often discount the future; in other words, they do not take into account the payoff an investment will have in the future—i.e. foregoing wages to go to school and earn higher wages later—because of their need to often address more immediate survival concerns.⁶¹ Conditional aid corrects these market failures by assigning an immediate value to education and health in the form of cash. Families who are currently undervaluing these investments change their spending amount due to the incentives of conditional aid.

On the other hand, some scholars argue that conditional aid programs create a social contract that overcomes distrust and disregard for society's poor.⁶² Conditional

⁶⁰ Fiszbein, Schady, and Ferreira, *Conditional Cash Transfers*, 8.

⁶¹ International Movement ATD Fourth World University Research Group, *The Merging of Knowledge: People in Poverty and Academics Thinking Together* (University Press of America, 2007), 169; Linda Tirado, "Poor People Don't Plan Long-Term. We'll Just Get Our Hearts Broken," *The Guardian*, September 21, 2014, <http://www.theguardian.com/society/2014/sep/21/linda-tirado-poverty-hand-to-mouth-extract>.

⁶² Joachim von Braun, *The Poorest and Hungry: Assessment, Analyses, and Actions* (Washington, D.C: International Food Policy Research, 2009), 302; Melissa Boteach | August 11 and 2014, "Reimagining Our Social Contract: The Safety Net Is Social Insurance for All Americans," *Name*, accessed April 11, 2015,

programs appeal to voters and taxpayers because instead of thinking that their income turns into handouts for the poor, they see the transfer as an agreement that the poor will use the money to improving their lives and their children's lives.⁶³ The appeal of the programs makes it easier to attain political support as well as wide spread approval.

Unconditional cash transfers (UCTs), on the other hand, follow a different economic rationale that supports letting individuals optimize their budgets. Because recipients of CCTs can and do lose their aid if they do not comply with program conditions, many families that are unable to comply with programs are unable to benefit from the aid and fall further behind their peers.⁶⁴ UCTs have been shown to prevent teen pregnancies and marriages in Malawi, because girls “who dropped out of school and lost their CCT payment were more likely to get married and pregnant” than girls who dropped out of school but still had the support of UCTs⁶⁵ Though analysis of UCTs and CCTs tends to only assess educational outcomes, evidence shows that UCTs have benefits for nation's poorest citizens that CCTs do not. Additionally, some economists argue against conditionality on the grounds that families know how to best allocate their income and forcing them to spend their income in certain ways and make choices that go against their prerogative is suboptimal for the economy.⁶⁶ The question here is whether poor families know how and choose to allocate their resources efficiently; if so, then conditionally is

<https://www.americanprogress.org/issues/poverty/news/2014/08/11/95373/reimagining-our-social-contract-the-safety-net-is-social-insurance-for-all-americans/>.

⁶³ Fiszbein, Schady, and Ferreira, *Conditional Cash Transfers*, 10.

⁶⁴ Sarah Baird et al., “Relative Effectiveness of Conditional and Unconditional Cash Transfers for Schooling Outcomes in Developing Countries: A Systematic Review,” *Campbell Systematic Reviews* 9, no. 8 (September 2, 2013): 12, <http://campbellcollaboration.org/lib/project/218/>.

⁶⁵ Ibid.

⁶⁶ Ibid., 7.

unnecessary, but if families undervalue education than UCTs do not reshape their incentives.

CONDITIONAL CASH TRANSFERS AS A MODEL

CCTs are evaluated identically across the board in areas such as educational outcome and number of people lifted out of poverty despite differences between CCT programs around the world. The World Bank recognizes the breadth of choices that policymakers have when they implement programs in terms of defining conditions, methods of targeting, methods of enforcement, and other program elements, so why does this not translate into how they assess programs?⁶⁷ If a program receives a poor evaluation that could lead to a decrease of funding and support for it, so the evaluations are important and need to be as accurate as possible. There is a lack of consistency in how policymakers conceptualize CCTs and how they and scholars ultimately analyze them. This section briefly discusses this tension to prompt the question: to what extent are CCTs a model and how does this impact program creation, implementation, and evaluation?

Berk Ozler, Senior Economist at the World Bank and expert on CCTs, sums up the discussion by explaining that policymakers tend to ask what impact conditions have without asking the larger question of: what does it mean to implement a CCT?⁶⁸ CCTs can have a huge range of conditions from keeping daughters in school to program recipients needing to pass mandatory drug tests.⁶⁹ Additionally, governments present

⁶⁷ Berk Ozler, "Defining Conditional Cash Transfer Programs: An Unconditional Mess," *Impact Evaluations*, accessed January 19, 2015, <http://blogs.worldbank.org/impactevaluations/defining-conditional-cash-transfer-programs-unconditional-mess>.

⁶⁸ Ibid.

⁶⁹ Ibid.

public aware campaigns and closely monitor program recipients to encourage beneficiaries to comply with the program.⁷⁰ Programs in different countries are run by different government departments, they can have conditional and unconditional components, and there is a range in strictness about complying with programs to continue receiving benefits. Does this range of possibilities mean that CCTs are really a model that countries emulate or are they a catch all concept for an antipoverty program that countries can tweak to fit their needs? The answer to this question has implications on how programs are conceptualized, studied, funded, and evaluated; by examining four different programs, I provide research regarding the similarities and differences between these programs and examine how countries conceptualized their adoption of the programs—whether with a model in mind or a more general concept they abided by?

Francesca Bastagli concludes an article about Latin America’s transition towards the implementation of CCTs by saying “the devil is in the details.”⁷¹ She explains that “cash transfer coverage and amounts, targeting practices, and conditionality design and implementation” reflect different weighting of goals of inclusion, long term poverty alleviation, and economic growth.⁷² Considering the transition that many developing countries make from having little or no organized welfare programs to implementing widespread CCT programs, the difference between applying a model to creating a unique policies is of the utmost importance. Could programs be effective across the world or do different countries require targeted efforts?

⁷⁰ Ibid.

⁷¹ Francesca Bastagli, *From Social Safety Net To Social Policy? The Role Of Conditional Cash Transfers In Welfare State Development In Latin America*, Working Paper (Brasilia, Brazil: International Policy Centre for Inclusive Growth, 2009), 17.

⁷² Ibid.

CONCLUSION

The path towards CCT plots the rise in global poverty and the subsequent international commitment to poverty alleviation. The program hinges on innovation from developing countries, mainly in Latin America. It is not surprising that developing countries seeking new approaches to poverty as they democratized in the 1990s and 2000s sought out CCTs, because of the well-documented success they achieved in Mexico. The history of poverty alleviation broadly and CCTs shows the progression of programs and the arrival at one that builds on the synergies between education and health and does so with rigorous targeting and evaluation. The history of CCTs Latin America and Mexico, Brazil, Nicaragua, and Colombia specifically highlight the similarities and differences that led countries to create and adopt these novel programs. The broad history of CCTs provides the necessary background for my specific analysis of variables leading to program creation explained in the next three chapters.

CHAPTER FOUR

A COMMITMENT TO TECHNOCRATIC DESIGN: THE MEXICAN CASE

In a speech unveiling PROGRESA on August 6, 1997, President Ernesto Zedillo asserts, “The main goal of the Federal Government is to promote the welfare of all Mexicans, but especially that of those living under conditions of poverty.”¹ The inception of PROGRESA in 1997 marked a major shift in Mexican social policy initiatives and has come to shape the CCT movement around the world. This chapter describes the progression of Mexican social policy from PRONASOL to PROGRESA, analyzes the variables that explain the shift to a groundbreaking social welfare policy, and examines social program design and address the specific structural decisions Mexican leaders made in creating the new CCT program, PROGRESA. This chapter is the foundation for examining and comparing the variables that catalyze the implementation of four CCT programs in Latin America.

HISTORY OF SOCIAL WELFARE IN MEXICO

Historically, Mexico has not been a standout in social welfare practices due to the use of social policies to attain electoral support.² More specifically, Mexico has often shown a weak commitment to redistribution and social welfare policies as well as comparatively low tax revenues that prevent the government from funding

¹Ernesto Zedillo, “Presentation of PROGRESA in Hidalgo, Mexico 1997” (Cardonal,Hidalgo, August 6, 1997), http://zedillo.presidencia.gob.mx/welcome/PAGES/library/sp_06aug97.html.

² Peter M. Ward, “Social Welfare Policy and Political Opening in Mexico,” *Journal of Latin American Studies* 25, no. 3 (October 1, 1993): 615.

comprehensive welfare systems.³ Issues such as clientelism have plagued countries across Latin America, leaving citizens dependent on informal and often unsavory structures to attain support. In fact, only five countries in the region have even attempted to develop a universal welfare system, Argentina, Uruguay, Costa Rica, Chile, and Cuba, with only Cuba achieving the goal.⁴

Compared to other countries, Mexico is on the low end of social welfare investment; in 2000, the level of public social expenditure as a percent of GDP in OECD countries was a little under 20% while in Mexico it was 5%.⁵ Additionally, Mexico scored a 34 on the Corruption Perception Index—100 indicating no corruption and 0 indicating complete corrupt—giving Mexico a ranking of 106 in the list of countries from least to more corrupt.⁶ Combining these statistics, the negative impact of Mexico's underinvestment in social programs is compounded by the perception and reality of program leakage that disincentivizes attempts from government or international officials to fund social policy. In other words, the reality of corruption disincentivizes investment in social welfare projects even when there is not corruption directly impacting projects, because it would not be an economically effective investment. Despite this history, PROGRESA, and its successor, Oportunidades, have reshaped poverty alleviation not only in Mexico but also around the world. This section describes the evolution of social welfare policy in the pivotal decade of the 1990s—a period of democratic opening and

³ Maxine Molyneux, "Mothers at the Service of the New Poverty Agenda: ProgresA/Oportunidades, Mexico's Conditional Transfer Programme," *Social Policy & Administration* 40, no. 4 (August 1, 2006): 426, doi:10.1111/j.1467-9515.2006.00497.x.

⁴ Ibid.

⁵ *Social Spending Is Falling in Some Countries but in Many Others It Remains at Historically High Levels*, OECD Social Expenditure Database, Social Expenditure Update (OECD, November 2014), 2.

⁶ "How Corrupt Is Your Country?," accessed March 5, 2015, <https://www.transparency.org/cpi2013/results>.

economic recovery in Mexico that fostered a new commitment to social policy—and analyzes the variables that explain the shift.

THE MODERN HISTORY OF SOCIAL WELFARE IN MEXICO

The underpinning for PROGRESA actually comes a decade before its inception with the inception of its predecessor, PRONASOL. In 1989, President Carlos Salinas de Gortari implemented PRONASOL, setting off a wave of criticism and reform. President Salinas, a Harvard-educated technocrat,⁷ was elected president of Mexico in 1988 in a highly controversial election that solidified the descent of the Partido Revolucionario Institucional (PRI), which had controlled politics in Mexico for over 60 years but was losing support.⁸ After initial results proclaiming a loss for the PRI, sitting President Miguel de la Madrid declared his party the winner,⁹ and soon announced the official count of the 1988 Presidential Election that declared the PRI candidate, Carlos Salinas, the winner with 50.74% with the closest competitor from the Party of the Democratic Revolution (PRD) earning 31.06% of the vote.¹⁰ Despite the PRI holding on to executive power, the PRI lost its 2/3 majority in congress for the first time—a super majority necessary for constitutional amendment that the PRI often used to amend the constitution

⁷ “Carlos Salinas de Gortari / México / América Del Norte / Biografías Líderes Políticos / Documentación / CIDOB Home Page,” accessed April 11, 2015, http://www.cidob.org/es/documentacio/biografias_lideres_politicos/america_del_norte/mexico/carlos_salinas_de_gortari.

⁸ Victoria E. Rodríguez, *Decentralization in Mexico: From Reforma Municipal to Solidaridad to Nuevo Federalismo* (Boulder: Westview Press, 1997), 37.

⁹ Ginger Thompson, “Ex-President in Mexico Casts New Light on Rigged 1988 Election,” *The New York Times*, March 9, 2004, accessed February 15, 2015, <http://www.nytimes.com/2004/03/09/world/ex-president-in-mexico-casts-new-light-on-rigged-1988-election.html>.

¹⁰ Juan Molinar and Jeffrey Weldon, “Elecciones de 1988 En México: Crisis Del Autoritarismo,” *Revista Mexicana de Sociología* 52, no. 4 (October 1, 1990): 231, doi:10.2307/3540608.

to consolidate its power—and the PRI was accused of systemic fraud.¹¹ In a televised speech after the elections, President Salinas said the election ends “the era of virtual one-party rule” and begins “a new political stage in the life of [Mexico], with a majority party and very intense competition from the opposition.”¹² He also claimed that he would work to promote new ways of organizing political relationships and fostering participation, but he was met with skepticism from the National Action Party (PAN) and PRD.¹³

Ultimately, despite evidence of vote fixing and frustration around the country, Salinas retained the presidency and used his *sexenio*¹⁴ to try to regain support loyalty for the PRI.

A powerful tactic Salinas used, pursuant on PRI leaders before him, was to use social welfare spending to garner support.¹⁵ Salinas went as far to create a new program, the Programa Nacional de Solidaridad (PRONASOL). PRONASOL was an executive initiative that allocated funds for public works projects in communities that suffered disproportionately from the neoliberal policies of the Salinas administration,¹⁶ but the program did little to lessen poverty though it constituted 1.18% of GDP per year,

¹¹World Bank Mexico, *Democratic Governance in Mexico: Beyond State Capture and Social Polarization* (Washington DC: The International Bank for Reconstruction and Development / The World Bank, 2007), 59.

¹²“Mexico Vote Close, `Winner` Says,” *Chicago Tribune*, accessed February 17, 2015, http://articles.chicagotribune.com/1988-07-08/news/8801130629_1_pri-opposition-candidates-vote-fraud.

¹³Ediciones El País, “Salinas dice que la revolución mexicana no está vigente,” *EL PAÍS*, November 2, 1989, http://elpais.com/diario/1989/11/02/internacional/625964403_850215.html.

¹⁴An expression for the term limit of the Mexican President who is limited to one six-year term in office.

¹⁵Alberto Diaz-Cayeros, Federico Estévez, and Beatriz Magaloni, *Strategies of Vote Buying: Democracy, Clientelism, and Poverty Relief in Mexico* (Cambridge, UK: Under Review at Cambridge University Press, 2015), 11.

¹⁶Alina Rocha Menocal, “Do Old Habits Die Hard? A Statistical Exploration of the Politicisation of Progres, Mexico’s Latest Federal Poverty-Alleviation Programme, under the Zedillo Administration,” *Journal of Latin American Studies* 33, no. 3 (August 1, 2001): 515.

compared to PROGRESA which later needed half that to accomplish much more.¹⁷ To oversee this program and all other urban and rural social programs, Salinas created a new government body, the Ministry of Social Development (SEDESOL).¹⁸ The rhetoric of PROGRESA centered on restructuring the relationship between the Mexican government and its citizens, and it claimed to develop infrastructure in areas such as health, education, and nutrition with the intention of ultimately supporting Mexico's 17 million citizens living in extreme poverty.¹⁹ PRONASOL also promised to improve access to public goods such as electricity, sewage, drinking water, and education.²⁰

PRONASOL did deliver on some changes to the Mexican social policy infrastructure that paved the way for PROGRESA, including an emphasis on care for mothers and children and having the program be noncontributory.²¹ Additionally, PRONASOL shifted from having funds distributed on a territorial basis instead of a programmatic basis; in other words, the program allocated money based on municipalities in need rather than earmarking money for specific purposes, such as food subsidies or maternal care.²² Salinas argued that the program would eliminate former

¹⁷Diaz-Cayeros, Estévez, and Magaloni, *Strategies of Vote Buying: Democracy, Clientelism, and Poverty Relief in Mexico*, 12.

¹⁸Gerard Huiskamp, *Salinastroika, PRONASOL and Passive Revolution: Political Cultural Transformation in Rural Mexico*, Speech at Latin American Studies Association 2000 (Boca Raton, FL: Florida Atlantic University, 2000), 12.

¹⁹Menocal, "Do Old Habits Die Hard?," 517.

²⁰Alberto Diaz-Cayeros and Beatriz Magaloni, *The Politics of Public Spending--Part II. The Programa Nacional de Solidaridad (PRONASOL) in Mexico*, Background for World Bank World Development Report 2004 (World Bank, 2004), 17.

²¹ John M. Herrick and Paul H. Stuart, *Encyclopedia of Social Welfare History in North America* (SAGE, 2005), 240.

²² Diaz-Cayeros and Magaloni, *The Politics of Public Spending--Part II. The Programa Nacional de Solidaridad (PRONASOL) in Mexico*, 3.

clientelism and replace it with buy-in from citizens, creating a “new model of social assistance linking state and society.”²³ Despite promising decentralization of poverty alleviation, PRONASOL maintained the federal government’s decision-making authority over fund allocation.²⁴ PRONASOL managed to aid the administration in gaining support from groups that had previously not belonged to the PRI and establishing connections with new constituencies.²⁵ A powerful example of PRONASOL’s ability to bridge gaps between different political groups is when the Committee for Popular Defense, a leftist, Maoist student group that had publically criticized the PRI since 1988, signed an agreement with Salinas to sign on to PRONASOL—exchanging aid for a cessation of violence.²⁶

Despite being considered a success by the OECD and the World Bank at its height, PRONASOL was ultimately deemed highly clientelistic by scholars and policy analysts, so the next step in Mexican social policy largely attempted to move away from the program while taking away important lessons from the program.²⁷ Mocked as ‘PRInasol’ for its clear goals of generating party loyalty to the PRI, citizens and scholars were outraged by this policy program.²⁸ For example, scholars discovered that as much

²³ Alina Rocha Menocal, “Less Political and More Pro-Poor? The Evolution of Social Welfare Spending in a Context of Democratisation and Decentralisation,” December 2005, 347.

²⁴ Diaz-Cayeros and Magaloni, *The Politics of Public Spending--Part II. The Programa Nacional de Solidaridad (PRONASOL) in Mexico*, 3.

²⁵ Jack A. Goldstone, *States, Parties, and Social Movements* (Cambridge University Press, 2003), 134.

²⁶ Dan La Botz, *Democracy in Mexico: Peasant Rebellion and Political Reform* (South End Press, 1995), 109.

²⁷ Diaz-Cayeros and Magaloni, *The Politics of Public Spending--Part II. The Programa Nacional de Solidaridad (PRONASOL) in Mexico*, 8.

²⁸ Rocha Menocal, “Less Political and More Pro-Poor? The Evolution of Social Welfare Spending in a Context of Democratisation and Decentralisation,” 347.

as 12% of PRONASOL's entire budget in 1992 went to the small state of Michoacán, where the Partido de la Revolución Democrática (PRD) had growing support.²⁹

Additionally, Juan Molinar and Jeffrey Weldon developed a statistical model to show that the funding from PRONASOL was strategically distributed based on electoral goals of the PRI; they found that the strategy rewarded families who were loyal to the PRI and was simply the newest in the PRI's vote buying techniques.³⁰ Overall, PRONASOL provided powerful rhetoric and prepared the country for major changes to social policy, but it remained entrenched in clientelistic practices. Despite this setback, the combination provided a foundation for change and a resolve for improvement that helped PROGRESA achieve success.

PRONASOL lasted only one presidential term, and the 1994 election of President Ernesto Zedillo of the PRI ushered in a new era. When President Zedillo came to office in 1994, he lacked and his party suffered from a lack of legitimacy due to Salinas' actions in the election and his manipulations of social policy. In a letter from the leader of the Ejército Zapatista de Liberación Nacional Mexico (EZLN), a rebel movement advocating for the rights of indigenous people, Subcomandante Insurgente Marcos wrote, "the distrust of the Nation toward electoral processes includes him, who took you to that deceitful transfer of power," and he goes on to add, "I see that you perpetuate that government office of alms, called Sedesol."³¹ This letter does not represent the opinion of all Mexicans at this time—the EZLN consisted of a few thousands rural citizens—but it

²⁹ Ward, "Social Welfare Policy and Political Opening in Mexico," 626.

³⁰ Juan Molinar Horcasitas and Jeffrey Weldon, "Electoral Determinants and Effects of Pronasol," in *Transforming State-Society Relations in Mexico: The National Solidarity Strategy*, ed. Wayne A Cornelius, Ann Craig, and Jonathan Fox (La Jolla: University of California-Sandiego, Center for U.S.-Mexican Studies, 1994).

³¹ Marcos (subcomandante.), *Ya Basta!: Ten Years of the Zapatista Uprising* (AK Press, 2004), 74.

exemplifies the frustration Mexico's marginalized citizens felt.³² Zedillo also suffered from a lack of support from his own party because the original PRI candidate, Luis Donaldo Colosio, had been assassinated during the campaign and Zedillo was chosen to replace him, though no PRI leader at the time had as much support as Colosio.³³ In response to his lack of legitimacy at the start of his term Zedillo decided he had no choice but to initiate a comprehensive reform of the government and the PRI, decentralizing power as a means of regaining trust from citizens.³⁴

Unlike PRONASOL, PROGRESA targeted the root causes of poverty such as nutrition, health, and education instead of trying to mitigate the effects. PROGRESA was a new incentive-based antipoverty program initially covering 300,000 families in 12 states with a budget of US\$58.8 million.³⁵ Replacing PRONASOL and previous food subsidy programs, PROGRESA provided income transfers (instead of in-kind transfers), made aid receipt provisional on adhering to program conditions, incorporated the synergies between previously separate nutritional, health, and educational goals, and applied strict program guidelines for beneficiary targeting and program evaluation.³⁶

Initially, the federal budget funded the entirety of PROGRESA, but the Inter-American Development Bank (IDB) began funding the program through loans in 2002

³² "Zapatista National Liberation Army (EZLN) | Political Movement, Mexico," *Encyclopedia Britannica*, accessed March 7, 2015, <http://www.britannica.com/EBchecked/topic/655858/Zapatista-National-Liberation-Armey-EZLN>.

³³ Rocha Menocal, "Less Political and More Pro-Poor? The Evolution of Social Welfare Spending in a Context of Democratisation and Decentralisation," 348.

³⁴ *Ibid.*, 349.

³⁵ Santiago Levy, *Progress Against Poverty: Sustaining Mexico's Progresas-Oportunidades Program* (Washington D.C.: Brookings Institute, 2006), 1.

³⁶ *Ibid.*, 1-2.

and the World Bank began providing aid and technical support in 2009.³⁷ By 2012, Oportunidades employed over 7,000 people with a budget of MXN 63 billion (USD 5 billion) with the IDB and World Bank each providing 6% of the budget.³⁸ Additionally, PROGRESA was implemented with a vertical model, meaning that national level officials coordinated the program and oversaw the efforts from the state or local governments.³⁹ Notably, PRONASOL had a vertical model as well, and the central government maintained decision-making authority for the program.⁴⁰ Salinas even made the director of SEDESOL, which oversaw PRONASOL, a cabinet level position.⁴¹ While PROGRESA is a very different program than PRONASOL, it clearly makes use of some of its infrastructure and builds upon the program rhetoric though not the program itself.

While the focus of this paper is on the creation of Mexico's first national CCT, PROGRESA, the transition to Oportunidades is important in understanding how PROGRESA evolved over time. In 2000, Mexican voters selected the first non-PRI candidate in 71 years; Vicente Fox Quesada of the PAN won the election and ended the reign of the PRI.⁴² In 2001, Fox's administration formed the Comité Técnico para la

³⁷ Romulo Paes-Sousa, Ferdinando Regalia, and Marco Stampini, "Conditions for Success in Implementing CCT Programs: Lessons for Asia from Latin America and the Caribbean," June 17, 2013, 22, <http://publications.iadb.org/handle/11319/1487>.

³⁸ Ibid.

³⁹ Ibid., 44.

⁴⁰ Robert Kaufman and Guillermo Trejo, "Regionalism, Regime Transformation, and Pronasol: The Politics of the National Solidarity Programme in Four Mexican States," *Journal of Latin American Studies* (October 1997), <http://www.columbia.edu/~chalmers/KandT.html>.

⁴¹ Ibid.

⁴² Sam Dillon, "Mexico, Voting In New Leader, Begins Political Sea Change," *New York Times*, July 4, 2000, Online edition, sec. International, <http://www.nytimes.com/library/world/americas/070400mexico-election.html>.

Medición de la Pobreza (CTMP) with the goal of measuring poverty rates in Mexico to determine the extent of PROGRESA's success.⁴³ Using findings from this committee, the Mexican government estimated three national poverty lines: food poverty (lack of sufficient income to meet basic food needs) 24.2%, capacities poverty (lack of sufficient income to provide food, education, and health needs) 31.9%, and asset poverty (lack of sufficient income to cover food, health, education, clothing, shoes, housing, and public transport needs) 53.7%.⁴⁴ The committee also found that PROGRESA helped make progress in key areas such as raising incomes through education by 8%, increasing the average years of schooling by .7 years and decreasing percent of sick or disability days by 19%.⁴⁵ Wielding this information, the Mexican government committed itself to reducing all forms of poverty with some updates to PROGRESA. Oportunidades, the new name for PROGRESA beginning in 2002, covered 5 million families, or 24% of Mexico's population, and almost all families living in extreme poverty.⁴⁶ Unlike PRONASOL, which lasted one *sexenio*, PROGRESA lasted through a major political transition and acquired support from different parties, helping the program to develop, change, and expand over time and serve as a touchstone for other countries. By 2002,

⁴³ Michelle Adato and John Hoddindott, eds., *Conditional Cash Transfers in Latin America* (Baltimore: The Johns Hopkins University Press, 2010), 56.

⁴⁴ *Ibid.*, 57.

⁴⁵ Emmanuel Skoufias and Bonnie McClafferty, *Is PROGRESA Working? Summary of the Results of an Evaluation By IFPRI* (Washington D.C.: Food Consumption and Nutrition Division, International Food Policy Research Institute, July 2001), iii.

⁴⁶ Levy, *Progress Against Poverty: Sustaining Mexico's Progresa-Oportunidades Program*, 2.

Mexico reached its Millennium Development Goal (MDG) for poverty alleviation, 13 years before its target date, in large part due to PROGRESA-Oportunidades.⁴⁷

Mexico could have chosen any number of tactics to combat poverty, and it did not simply chose a CCT but rather devised this new program. This policy shift that sparked a wave of similar policies begs the question, what variables led to the creation of a CCT program with the specific policy choices that Mexico incorporated? This question is important for all CCT programs but especially for Mexico, because it is the trailblazer in the field and as a founding program, had a unique set of variables at work.

VARIABLES EXPLAINING POLICY SHIFT TO CCT

The most common scholarly explanation for the inception of a CCT program in Mexico is the Peso Crisis in 1994; the economic crisis may have been an important trigger event that generated a strong interest in poverty alleviation programs but it is not sufficient to fully explain the creation of PROGRESA. This section analyzes the different variables that contribute to the creation of the program including economic explanations, political factors, learning from previous programs, technocratic program learning, international influence, and social variables. This comprehensive analysis provides a complete argument regarding what combination of variables led to the creation of PROGRESA.

⁴⁷ Michelle Adato and John Hoddindott, *Conditional Cash Transfers in Latin America*, 56.

ECONOMIC EXPLANATIONS

The Mexican peso crisis escalated with a 50% devaluation⁴⁸ of the Mexican currency on December 20, 1994 that sent shockwaves through the nation and region.⁴⁹ Latin American countries suffered from a decade of economic stagnation in the 1980s and with a better start to the 1990s and the formation of NAFTA in 1994, Mexican leaders thought the tough times were behind them.⁵⁰ In the late 1980s, the price of oil, one of Mexico's main exports, dropped, and low interest rates in the U.S. sent investors looking for cheaper new markets, setting their sights on Mexico to seek higher returns. At this time, countries around the world were moving to floating exchange rates, leading to instability for national economies around the world.⁵¹ The combination of these variables put Mexico's economy in a precarious place until it ultimately collapsed.

President Zedillo took office less than 9 months prior to December 1994, and Mexico's economy went from bad to worse; the devaluation of the peso caused Mexico's "worst recession in modern times" requiring a "\$50-billion, U.S.-led loan package" to avoid total bankruptcy.⁵² Zedillo, having earned his Ph.D. in economics at Yale University, strived to leave the economy in a more stable place for his successor and was

⁴⁸ "Pass the Tequila," *The Economist*, December 13, 2014, <http://www.economist.com/news/finance-and-economics/21636106-two-decades-after-peso-crisis-mexico-faces-new-shocks-pass-tequila>.

⁴⁹ Pierre-Richard Agénor and Paul R. Masson, "Credibility, Reputation, and the Mexican Peso Crisis," *Journal of Money, Credit and Banking* 31, no. 1 (February 1, 1999): 70, doi:10.2307/2601140.

⁵⁰ Patrick Karl O'Brien, *Atlas of World History* (Oxford University Press, 2002), 243.

⁵¹ Joseph A Whitt Jr., *The Mexican Peso Crisis*, Economic Review (Atlanta: Federal Reserve Bank of Atlanta, n.d.), 13.

⁵² Mary Beth Sheridan, "Zedillo Leaves Behind Great Achievements--and Significant Failures," *Los Angeles Times*, December 1, 2000, <http://articles.latimes.com/2000/dec/01/news/mn-59741>.

determined to change Mexico's fate.⁵³ Though different opinions circulate regarding the merits of Zedillo's administration, his legacy has been his reform of the nation—through democratic openness, rigid economic austerity, and social welfare provisions.⁵⁴ Zedillo focused his energies on addressing the recession that plagued Mexico as a result of the crisis and gave speeches around the country outlining his strategies, including in his first state of the union in 1995.⁵⁵ In this State of the Union, Zedillo told the nation that he hoped to increase public investment by the end of the year, assuming the worst of the crisis was over.⁵⁶ Despite Zedillo's campaign slogan being 'Bienestar para tu familia' (Well-being for your family), he implemented an emergency austerity plan in response to the economic crisis. He vowed to maintain prices and wages, and in a national speech, he tried to lure foreign investors back to Mexico while reassuring his constituents that his government had a plan.⁵⁷ His specific measures included a 50% income tax hike, reduced public spending, disengaging the Central Bank of Mexico from politics, and privatizing state-owned enterprises.⁵⁸ There is an inherent contradiction between austerity, which requires a reduction in government spending, and the creation of an unprecedented social

⁵³ Ibid.

⁵⁴ Ibid.

⁵⁵ Rodríguez, *Decentralization in Mexico: From Reforma Municipal to Solidaridad to Nuevo Federalismo*, 43.

⁵⁶ From Times Wire Services, "Financial Markets: Mexico Stocks Soar After Speech by Zedillo," *Los Angeles Times*, September 5, 1995, http://articles.latimes.com/1995-09-05/business/fi-42485_1_u-s-financial-markets.

⁵⁷ Mark Fineman and Juanita Darling, "Zedillo Outlines Rescue Plan, Calls for Deep Sacrifices : Mexico: President Declares 'Economic Emergency,' Acknowledges Real Earnings Will Drop for Most. Program Includes Wage and Price Controls, Major Privatizations.," *Los Angeles Times*, January 4, 1995, http://articles.latimes.com/1995-01-04/news/mn-16228_1_real-earnings.

⁵⁸ Mark Fineman, "Mexican Tax Hike Wins Key Congress Vote," *Los Angeles Times*, March 18, 1995, http://articles.latimes.com/1995-03-18/news/mn-44107_1_sales-tax-increases.

policy creation. Considering this paradox, how did revolutionizing social welfare fit into Zedillo's economic plans fit?

By 1997, Zedillo's austerity speeches began advocating for social spending as the nation reemerged from crisis. In that year, he traveled around the country giving speeches on farm subsidies and social development programs,⁵⁹ and the public responded positively, with Zedillo's approval ratings rising to 60%.⁶⁰ The connection between creating a new economic direction for Mexico and improving social welfare, in part, came from the policy weaknesses that the crisis exposed, impacting millions of Mexican citizens. In a speech in 1999, Zedillo asserts, "We all know that we need to go faster, and deeper, in attacking poverty...[and] for this we need a strong economy."⁶¹ Santiago Levy, one of the architects of PROGRESA, explains in his book, that the economic crisis was a major motivation for change in Mexico.⁶² Levy explains that the economic crisis provided initial motivation for change, but the combination of a new government administration eager for improvement and empirical evidence from Levy's task force pushed leaders to commit to a new policy initiative.⁶³ Levy adds that Zedillo's incoming administration did not want to appear insensitive to the poor in the implementation of

⁵⁹ John Ward Anderson, "Zedillo's New Image: No More Mr. Ice Guy," *Washington Post Foreign Service*, February 15, 1997.

⁶⁰ "Mexico's New Political Equation," *Chicago Tribune*, accessed March 7, 2015, http://articles.chicagotribune.com/1997-09-03/news/9709030011_1_zedillo-porfirio-munoz-ledo-prd.

⁶¹ Ernesto Zedillo, "PROGRESA Speech" (Speech, Adolfo López Mateos school of the "Emilio Hernández" in La Florida, Mexico, August 6, 1997), http://zedillo.presidencia.gob.mx/welcome/PAGES/library/sp_06aug97.html.

⁶² Levy, *Progress Against Poverty: Sustaining Mexico's Progres-Oportunidades Program*, 13.

⁶³ *Ibid.*, 14.

austerity policies, so he strived to find a delicate balance to build a new social policy and use the economic crisis as a catalyst for change.⁶⁴

All in all, the Mexican peso crisis in 1994 served as a focusing event to bring poverty to the national agenda; however, it does not alone explain the policy shift nor does it explain why Mexico implemented a CCT. The peso crisis brought the issue of poverty to the attention of policymakers, but it is only one variable in the creation of the specific PROGRESA program. I do agree with the conventional wisdom that the policy shift would not have happened if the crisis did not occur when it did—at the beginning of Zedillo’s administration—because Zedillo showed a clear departure from his predecessors and wanted to create effective policies, not self-serving ones. As president, Zedillo fostered a commitment to economic reform and to mend Mexico’s corrupt system, and without this context, policymakers might not have been able to overcome the inertia that holds policies in place and works against major change. This being said, many other variables influence the creation of the program to varying degrees.

In writing about Mexico’s 1980s economic shocks, Joan Nelson explains that crises demand developing nations to stabilize payments to foreign investors and structurally change their saving activities.⁶⁵ Such practices, she explains, provoke controversy, so what leads Zedillo to spend some precious social capital on creating a new policy program? The 1980s economic crises in Latin America does not yield particularly new programs, as many countries focused on paying back debt and

⁶⁴ Ibid., 15.

⁶⁵ Joan M. Nelson, *Economic Crisis and Policy Choice: The Politics of Adjustment in the Third World* (Princeton University Press, 1990), 4.

stimulating growth—so what was different for Mexico in the 1990s? Some other variables must explain the difference.

The Mexican Peso Crisis “ushered in a new economic orthodoxy,” and Mexico, as well as other countries, made “substantial efforts to reform their social insurance,”⁶⁶ yet welfare institutions have often been deeply intertwined with the political institutions and the reforms were highly contentious.⁶⁷ The economic crisis of 1994 helped trigger change in Mexico, but political variables also played a part in bringing about the change.

POLITICAL FACTORS

This section examines both the political variables that led to the creation of PROGRESA despite the obstacles that could have prevented its creation. According to Jordi Díez, a scholar of comparative Latin American politics, the executive branch takes the lead in policy agenda setting, regardless of the strength of local leaders and input from international institutions.⁶⁸ Díez goes explains that from 1929-2000 in the PRI’s rule, *presidencialismo*, the high concentration of power in the executive branch, defined the Mexico public policy process.⁶⁹ Most Mexican presidents have used economic crises, that occur frequently in the region, as a justification for emergency powers and concentrating their authority, but Ernesto Zedillo instead decides to reform and

⁶⁶ Dion, Michelle L., *Workers and Welfare: A Comparative Institutional Change in Twentieth-Century Mexico* (Pittsburgh, Pa: University of Pittsburgh Press, 2010), 1.

⁶⁷ *Ibid.*

⁶⁸ Jordi Díez, “Presidentialism and Policy-Making in Latin America: The Case of Mexico,” in *Comparative Public Policy in Latin America*, by Susan Franceschet and Jordi Díez (Toronto: University of Toronto Press, 2012), 34.

⁶⁹ *Ibid.*, 35.

decentralize power.⁷⁰ Zedillo enjoyed the “exclusionary character of the formation of policy” that PRI leaders often enjoyed, which means that any decisions PRI leaders made were simply rubber-stamped by congress, but he individually decided to use his power differently than his predecessors.⁷¹

Background of the Executive

Political scientist Denise Dresser credits Zedillo reforms to his upbringing; she explains that he does not come from the typical elite classes of more politicians, shaping a very different perspective for him compared to other leaders.⁷² Zedillo’s background influences the societal groups he represents and provides a different lens through which to view Mexican society. Zedillo was born in extreme poverty in northern Mexico and his ticket to the political world was not his family connections but his Ph.D. from Yale University that was financed by the Mexican government.⁷³ As a beneficiary of a government funded degree, Zedillo understands the importance of government-funded social policy programs more deeply than many other policymakers, and this serves as the foundation for his commitment to effective social policies. The personal background of Mexico’s executive, one of the figures in the country with the most authority and ability

⁷⁰ Ibid., 37.

⁷¹ Ibid., 41.

⁷² Denise Dresser, “Zedillo’s Nod to Democracy Could Take Tortuous Twists,” *LA Times*, May 19, 1999, sec. Commentary, <http://articles.latimes.com/1999/may/19/local/me-38768>.

⁷³ Mark Fineman, “Mexican President Marks His First Year in Office Amid Crises : Latin America: Some Say Ernesto Zedillo Is Weak. Others Declare He Has a Vision.,” *Los Angeles Times*, December 1, 1995, http://articles.latimes.com/1995-12-01/news/mn-9244_1_ernesto-zedillo/2.

to make change, is an important variables in centering Mexico's social policy programs on effectiveness as opposed to manipulating it as a vote buying tool.

Political Parties

Zedillo worked to bring about political transition in Mexico, but he faced significant resistance from his own political party. Coinciding with Zedillo's election, the PRI had already begun losing its grasp on power, and 15 majors leaders defected to other parties or started their own, including Cuauhtémoc Cárdenas Solórzano, Rodolfo González Guevara, and Porfirio Muñoz Ledo (the founders of the Party of the Democratic Revolutions. Internally, the PRI struggled with a schism between younger members who were more open to reform and the party's 'dinosaurs,' who fought tooth and nail to control the PRI's wrest on control.⁷⁴ This is all in the midst of allegations that the PRI fixed elections for decades and most notably the elections of 1988 that may have been won by the opposition candidate, Cuahtémoc Cárdenas.⁷⁵ One of Mexico's governors, Manual Bartlett Díaz expressed his desire to run for president and when reporters told him he would receive serious questions about the PRI's election fraud, he "burst into a guffaw," and said he was not worried about such allegations.⁷⁶ The tides were turning for the PRI, and while Zedillo presents himself as a beacon of change, his party remains stoic and one of the greatest obstacles in the way of reform. A bastion of the PRI was against the reforms of Zedillo, and this old guard was upset with the changes

⁷⁴ Sam Dillon, "'Dinosaur' Stirs Mexico's Old Guard," *The New York Times*, February 19, 1998, sec. World, <http://www.nytimes.com/1998/02/19/world/dinosaur-stirs-mexico-s-old-guard.html>.

⁷⁵ Ibid.

⁷⁶ Ibid.

under Zedillo, including PROGRESA.⁷⁷ While Zedillo's political party seems like an impediment to creating CCT, the lack of support from the PRI forces Zedillo to ensure that his poverty program is apolitical and able to survive a political transition. Zedillo did not limit himself and his policies based on the desires of his party, and the vote-buying policies intrinsic to his party inspire him to create a new model. Political parties are not the most important variable in shaping the creation of PROGRESA, but it does have moderate importance on shaping Zedillo's policy decisions.

Political Transition

In a speech in 2003, Zedillo discusses the importance of political reform in the creation of prosperity. In the course of his speech, he explains the importance of invoking altruism when discussing poverty; he argues,

For people in the rich world, elementary self-interest is also at stake. In the global village, someone else's poverty very soon becomes one's own problem: lack of markets for one's products, illegal immigration, pollution, contagious disease, insecurity, fanaticism, terrorism.⁷⁸

Just as Zedillo explains that poverty is enmeshed with many other challenges, he shows that poverty is interwoven into his reforms for the nation, because a more democratically open Mexico needs to incorporate all of its citizens. SEDESOL, the government agency in charge of PROGRESA further showed its commitment by explaining that one of main objectives of PROGRESA was to restructure the relationship with the state and society,

⁷⁷ Ibid.

⁷⁸ Ernesto Zedillo, "On the New International Disorder" (Second Annual Stavros S. Niarchos Lecture, Institute for International Economics, Washington D.C., May 19, 2003), 12.

especially in ending the generational continuation of poverty.⁷⁹ Zedillo linked his political transformation to a social one as well. In 1996, Zedillo introduced a law that transferred the physical infrastructure budget to state and local governments.⁸⁰ With this transfer, two-thirds of the poverty now shifted to the hands of the states and municipalities after the Mexican federal government had controlled for decades.⁸¹ While Salinas had promised such a decentralization of control, Zedillo ultimately delivered on it showed that structural reforms for the Mexican government went hand-in-hand with social policy reforms.

Zedillo opened up the Mexican process to a nationwide primary and implemented many other political reforms, knowing that it might negatively impact his party.⁸² He wanted to rein in “unruly PRI politicians” and he removed the PRI tradition of the *dedazo*, a president hand-picking his successor.⁸³ Zedillo wanted his administration to stand for clean elections,⁸⁴ but he also uses his platform to attain social change in Mexico. His commitment to improving social policy in Mexico is deeply intertwined with the cleansing of the Mexican political machine and makes political transition an important variable in the process of implementing a CCT

⁷⁹ *El combate a la pobreza en el sexenio de Zedillo* (Plaza y Valdes, 2003), 47.

⁸⁰ Susan Kaufman Purcell and Luis Rubio-Freidberg, *Mexico Under Zedillo* (Lynne Rienner Publishers, 1998), 91.

⁸¹ *Ibid.*

⁸² Dresser, “Zedillo’s Nod to Democracy Could Take Tortuous Twists.”

⁸³ *Ibid.*

⁸⁴ *Ibid.*

LEARNING FROM PREVIOUS PROGRAMS

Before Zedillo implemented PROGRESA, Salinas implemented PRONASOL and garnered harsh criticism over the programs blatant vote buying tactics. The program preceding PROGRESA had a role in either galvanizing support for a new poverty alleviation program or elicited skepticism. The program influenced PROGRESA in both its ability to pass and garner support as well as its structural elements, so examining this variable is critical in understanding PROGRESA's origin.

Between 1989 and 1994, PRONASOL used .51% of GDP each year and PROGRESA, in its inaugural year, represented .04% of GDP.⁸⁵ This being said, "El Pronasol fue un programa, en el discurso, de gran envergadura; Progresas fue más pequeño en sus pretensiones, pero más concreto en sus objetivos y realizaciones."⁸⁶ In other words, PRONASOL was a major program with major importance put on it while PROGRESA was not as grand with its pretensions but had concrete objectives and goals instead. PRONASOL was controlled directly by President Salinas' office and it upset some members of the PRI.⁸⁷ PRONASOL did not operate within the traditional PRI clientelist system, weakening the power of some party members and eroding the foundation of the PRI's traditional system and supporters.⁸⁸ Despite some skepticism from the PRI, PRONASOL used PRI state organizations and leaders to operate—avoiding governors and mayors of different parties— but citizens needed to form groups

⁸⁵ *El combate a la pobreza en el sexenio de Zedillo*, 46.

⁸⁶ *Ibid.*

⁸⁷ Shannon Kathleen O'Neil, *Two Nations Indivisible: Mexico, the United States, and the Road Ahead* (Oxford University Press, 2013), 67.

⁸⁸ *Ibid.*

to advocate for the receipt of support from PRONASOL.⁸⁹ While PRONASOL began with support from citizens and groups that had not traditionally supported the PRI, by 1994 citizens discredited the program for its clear commitment to vote buying and manipulation of poverty alleviation to do so as well as the program's lack of follow through on some of its objectives, such as local level development.⁹⁰

PRONASOL laid the foundation for change in the Mexican political system, but it did not garner trust from citizens. PROGRESA built on many of the changes of this program and benefited from the leaps that PRONASOL took, but PROGRESA went further to legitimize the program through highly technocratic measures and really achieve its goals.

TECHNOCRATIC AND EVALUATIVE PROGRAMS

The 1990s ushered in a wave of “evidence-based research” and international conferences adopted goal setting tactics.⁹¹ An industry of evaluation has developed that builds in an upward accountability to domestic and international policymakers without a comparable commitment to the beneficiaries themselves.⁹² World Bank Berk Ozler explains that technocratic programs provide policymakers with a range of program options to design and develop that can condition any behavior they would like, and show

⁸⁹ Botz, *Democracy in Mexico*, 107.

⁹⁰ Elisa Servín, Leticia Reina, and John Tutino, *Cycles of Conflict, Centuries of Change: Crisis, Reform, and Revolution in Mexico* (Duke University Press, 2007), 291.

⁹¹ Sakiko Fukuda-Parr for content partner and the European Centre Development Policy Management, “MDGs: Facing up to the Limitations of Global Goal Setting,” *The Guardian*, accessed February 23, 2015, <http://www.theguardian.com/global-development-professionals-network/2013/may/20/millennium-development-goals-targets-global-development>.

⁹² Jordi Díez and Susan Franceschet, *Comparative Public Policy in Latin America* (University of Toronto Press, 2012), 217.

the population a commitment to poverty.⁹³ Research at the UN correlates the democratic transition with a rise in more transparent, technocratic policies.⁹⁴ Mexico implemented a CCT in an effort to legitimize the work of the government and meet demands for human rights and support from a population reeling from an economic crisis.

INTERNATIONAL INFLUENCE

Timing is important when it comes to passing government policies and the international social policy norms influenced Mexico's new policy. Goal setting has been an international development strategy since the 1960s, and this practice brings about a commitment to measurement and evaluation.⁹⁵ Goal setting is a mechanism to impact the behavior of states, NGOs, and businesses to adhere to global priorities.⁹⁶ The international agenda in the 1990s made "huge strides in recognizing the need to change social norms and power structure to rid society of poverty."⁹⁷ So how does Mexico fit into this wave of goal oriented international policies? Sonia Cardenas writes broadly about national human rights institutions, which are national organizations that, she

⁹³ Berk Ozler, "Defining Conditional Cash Transfer Programs: An Unconditional Mess," *Impact Evaluations*, accessed January 19, 2015, <http://blogs.worldbank.org/impac evaluations/defining-conditional-cash-transfer-programs-unconditional-mess>.

⁹⁴ "Technocratic Policy Making and Democratic Accountability (Research and Policy Brief)" (United Nations Research Institute for Social Development, August 1, 2014), 1, <http://www.unrisd.org/80256B3C005BCCF9/%28httpPublications%29/AE49CC52BEFC658EC1256EFA002D44FB?OpenDocument>.

⁹⁵ Sakiko Fukuda-Parr, *Global Development Goal Setting As a Policy Tool for Global Governance: Intended and Unintended Consequences*, Working Paper (Brasilia: International Policy Centre for Inclusive Growth; UNDP, April 2013), 1.

⁹⁶ *Ibid.*, 3.

⁹⁷ partner and Management, "MDGs."

argues, are created in the 1990s to satisfy international audiences.⁹⁸ She mentions that Mexico held an international conference about these institutions in 1997.⁹⁹

Additionally, Martha Finnemore argues that international organizations supply the organizational information to states to create innovative programs.¹⁰⁰ Though discussing science programs specifically, she discusses the new international norms that states must coordinate and direct new programs, but they are not expected to develop these programs alone.¹⁰¹ Following this new convention, the Mexican government received help from the World Bank on how to create new programs while upholding their commitment to fiscal discipline, but the government would not accept funding support right away to help the program have greater entrenchment in Mexico and staying power.¹⁰²

SOCIAL VARIABLES

To what extent did civil society contribute to the decision to make CCTs? Mexico has had persistent problems of poverty and inequality, and Guillero Trejo and Claudio Jones argues that addressing these problems requires “an effective state and a strong civil

⁹⁸ Sonia Cardenas, *Adaptive States: The Proliferation of National Human Rights Institutions*, Working Paper, National Human Rights Institutions (Carr Center for Human Rights Policy, n.d.), 1.

⁹⁹ *Ibid.*, 7.

¹⁰⁰ Martha Finnemore, “International Organizations as Teachers of Norms: The United Nations Educational, Scientific, and Cultural Organization and Science Policy,” *International Organization* 47, no. 04 (September 1993): 566, doi:10.1017/S0020818300028101.

¹⁰¹ *Ibid.*

¹⁰² Kerianne Piester, “Targeting the Poor: The Politics of Social Policy Reform in Mexico,” in *The New Politics of Inequality in Latin America : Rethinking Participation and Representation: Rethinking Participation and Representation*, ed. Douglas A. Chalmers, Carlos M. Vilas, and Katherine Hite (Oxford University Press, 1997), 471.

society.”¹⁰³ This means that a state needs to be open to the needs of its citizens and civil society must have consistent and widespread engagement.¹⁰⁴ Looking forward to Vicente Fox’s election in 2000, this is the culmination of a transformation of Mexico’s democracy and civil society. Philip Oxhorn explains that Mexico’s democratic transition was a process of “citizen mobilization that helped force reluctant elites to share power.”¹⁰⁵ Despite this argument, Oxhorn argues that Mexico’s democratic transition was particularly dominated by the political parties, namely the PRI.¹⁰⁶ Considering the limited power of citizens in the 1990s and the stifled civil society, did social variables influence the creation of PROGRESA?

The strengthening of political parties to compete with the PRI helped to foster citizen activists and the development of civil society. When the PRD first began to emerge, it did not need to specify its politics because citizens were simply looking for a party to support other than the PRI, but as it gained prominence in the 1990s, it needed to actively mobilize opponents of the PRI.¹⁰⁷ In 1995, dealing with crisis, Zedillo’s approval rating dropped into the 30s, but he was not deterred to continue work on his economic policies. In 1996, there were at least 1,522 protests with many marches a day; people

¹⁰³ Guillermo Trejo and Claudio Jones, “Political Dilemmas of Welfare Reform,” in *Mexico under Zedillo*, ed. Susan Kaufman Purcell and Luis Rubio (Boulder: Lynne Rienner Publishers, 1998), 97.

¹⁰⁴ Ibid.

¹⁰⁵ Philip Oxhorn, *Sustaining Civil Society: Economic Change, Democracy, and the Social Construction of Citizenship in Latin America* (Penn State Press, 2011), 186.

¹⁰⁶ Ibid.

¹⁰⁷ Deborah L. Norden, “Taking on Goliath: The Emergence of a New Left Party and the Struggle for Democracy in Mexico by Kathleen Bruhn,” *Political Science Quarterly* 113, no. 2 (June 1, 1998): 358, doi:10.2307/2657894.

protested environmental actions, the economic crises, NAFTA, and other issues.¹⁰⁸

Protests became a fixture of everyday life and top officials were buffered from it, because handling the protests fell to the mayors.¹⁰⁹ While protests did happen in Mexico, there were many issues on the minds of citizens and not a direct commitment to poverty alleviation that initiated the creation of PROGRESA. Table 4.1 shows the compilation of variables that influence the creation of PROGRESA in Mexico. The table emphasizes the relative importance of the variables and what each variable consists of.

¹⁰⁸ Molly Moore Washington Post Foreign Service, "Fighting Wrongs With a Gridlock of Protests," *The Washington Post (1974-Current File)*, December 2, 1996, accessed April 1, 2015, <http://search.proquest.com.revproxy.brown.edu/docview/1034001974/abstract/A09BC72CEC7341BCPQ/1?accountid=9758>.

¹⁰⁹ Ibid

Table 4.1: Compilation of the Influencing Variables in PROGRESA

Category of Analysis	Independent Variables	Rating	Mexico
Economic	Crisis	High	The Peso Crisis in 1994 was Mexico's worst economic crisis in decades, and it prompted President Zedillo to add poverty measures to his plan for economic stabilization because of the high rate of poverty after the crisis.
Politics	Background of Executive	High	President Zedillo's personal background as an impoverished youth and economic Ph.D. shaped his decision to not only implement an antipoverty program but do so with rigorous economic analysis
	Political party	Low	Pushing back against the old guard of the PRI party, Zedillo created PROGRESA and other policies that did not earn their approval. Zedillo was responding to a crisis of legitimacy facing the party after election rigging in 1988, though this variable does not have a significant, direct influence
	Political Transition	Medium	The 1990s were a period of democratic opening in Mexico and by 2000, the PRI lost its hold on power. President Zedillo's legacy was to transform Mexico into a legitimate democracy and wanted PROGRESA to survive through a potential political transition. This variable shaped the technocratic design of the program more than the decision to implement the program itself
Preceding Programs	Learning from Preceding Programs	High	PRONASOL paved the way for new poverty alleviation efforts in Mexico by diverting from previous clientelistic practices, but underlying vote buying tactics were embedded with it. This combination set a precedent for change and pushed leaders to devise a new, more transparent program
Technocratic programs	Technocratic Program Design	High	PROGRESA employs rigorous technocratic measures, but it does so due to the planning and efforts of Mexican leaders.
International	International Influence	None	President Zedillo intentionally blocked international funding efforts in an effort to gain domestic support for a fully home-grown program
	Policy Dispersion	None	PROGRESA was the first national level CCT program and it did not follow a model set by other countries
Society	Societal Views	Low	While there were many protests in Mexico in the time leading up to PROGRESA, there was not a coherent movement towards poverty program development. The underlying social instability of an economic crisis, however, contributed to rapid poverty alleviation efforts

SOCIAL PROGRAM DESIGN

The outcome of policy decisions is the creation of programs. Policymakers have many options for shaping programs, so the study of social policy creation must not end at the decision to create policies but include the specifics of these choices. These specifics are especially important when discussing CCTs, because scholars view these programs as a model, so we expect consistency across programmatic design that does not always occur.

In 1997, Undersecretary of the Finance Ministry Santiago Levy's social policy strategy came into effect in the form of PROGRESA. PROGRESA was a "new incentive-based poverty reduction program" initially covering 300,000 families in 12 states with a budget of US\$58.8 million.¹¹⁰ Replacing previous food subsidy programs, PROGRESA: provides income transfers (instead of in-kind transfers), makes aid receipt conditional on adhering to program conditions, incorporates the synergies between previously separate nutritional, health, and educational goals, and applies strict program guidelines and evaluations.¹¹¹ Building on these characteristics, Table 4.2 outlines PROGRESA's specific objectives at its inception. The objectives highlight a commitment to food access, poverty alleviation, improving health outcomes, and fostering a social contract between the government and participants—all of which have become central tenets of CCTs around the world as explained by diffusion theory. Program objectives represent policymakers goals in creating the program, but they only tell part of the story. They are instrumental for examining the conditions, context, and goals that shape the program, and

¹¹⁰ Levy, *Progress Against Poverty: Sustaining Mexico's Progresa-Oportunidades Program*, 1.

¹¹¹ *Ibid.*, 1–2.

when coupled with information about self-serving goals of politicians and plans from political parties, they provide a comprehensive understanding of why programs come into being.

Table 4.2: Objectives of PROGRESA, 1997

1. “Improve the health and nutritional status of poor households, particularly of their more vulnerable members: children under the age of five and pregnant and nursing women”
2. “Contribute to children’s and young people’s completion of their primary, secondary, and high school education”
3. “Integrate education, health, and nutrition interventions, so that children’s school performance is not affected by ill-health or malnourishment or by the need to work”
4. “Redistribute income to families in extreme poverty, increasing their certainty of having a minimum level of consumption”
5. “Encourage the responsibility and active participation of parents and all members of the family in improving their own and their children’s education, health and nutritional status by giving them sufficient information on these issues and complete freedom”

Adapted from Santiago Levy, *Progress Against Poverty: Sustaining Mexico’s Progresa-Oportunidades Program* (Washington D.C.: Brookings Institute, 2006), 21 compiling textual explanation into a table.

Upon announcement of PROGRESA in August 1997, program administrators split soon-to-be recipients into two groups with different start dates to analyze the impact of the program.¹¹² The first group of families received benefits starting in April 1998, and the second group began in 1999.¹¹³ Initially, the federal budget funded the entirety of PROGRESA, but the Inter-American Development Bank (IDB) began funding the program through loans in 2002 and the World Bank began providing aid and technical support in 2009.¹¹⁴ By 2012, Oportunidades employed over 7,000 people with a budget of MXN 63 billion (USD 5 billion) with the IDB and World Bank providing 6% of the

¹¹² Paes-Sousa, Regalia, and Stampini, “Conditions for Success in Implementing CCT Programs,” 22.

¹¹³ Ibid.

¹¹⁴ Ibid.

budget each.¹¹⁵ Additionally, PROGRESA-Oportunidades has a vertical model, a type of model that means the program is coordinated on the national level as opposed to the subnational level, such as the state or local governments.¹¹⁶ Funding decisions are only part of what policymakers need to consider when making choices, and the next section addresses the policymakers structural choices that made PROGRESA so well known around the world.

At the core of any social program are the program recipients and how the program provides them aid. The *conditional* aspect of CCTs already make a statement about how PROGRESA provides aid, but other aspects of the program shape how exactly this aid comes, what the conditions are, and the ramifications for not adhering to program conditions. At the outset, PROGRESA targeted rural villagers who often spoke an indigenous language rather than Spanish, and 95% of the homes chosen lacked running water and over 75% had mud floors.¹¹⁷ Mexican citizens were immediately interested in the program and of the families that qualified for the program, 97% signed up for the PROGRESA.¹¹⁸ The families on the program receive, on average, \$18 per capita per month (about one fourth of the national average income), and the stipend went directly to the female head of household on a bimonthly payment schedule—intended to match a food-buying schedule.¹¹⁹ Policymakers point to two reasons for giving the program

¹¹⁵ Ibid.

¹¹⁶ Ibid., 44.

¹¹⁷ Beryl Lieff Benderly, *Mexico's Model Conditional Cash Transfer (CCT) Program for Fighting Poverty* (The World Bank, September 2006), 2.

¹¹⁸ Ibid.

¹¹⁹ Ibid.

benefits to women: first, because their research pointed to women as more effective household budgeters and second, to increase their status in the household and community with greater financial agency.¹²⁰

PROGRESA's rigorous targeting methods are one of the program features that made it popular in the international community that values effectiveness. Mexico created new targeting techniques with a three-step process for deciding pioneer participants of PROGRESA. In the three step process, step one identified economic 'marginality' to determine which villages were most in need of the program, based off of "type of housing, average number of people in each room, and the percentage of literate adults, of people doing agricultural work, and of households lacking such services as electricity, piped water, and sewers."¹²¹ Once the most needy villages were chosen, in step two, eligible households were chosen based off of proxy indicators, such as "family size, education levels of family members, types of occupation, [and] characteristics of the dwelling."¹²² Finally, upon selection, eligible families were publically announced to allow families who felt they were wrongfully excluded apply for the program.¹²³ While the public nature of the announcement may seem unusual, the Center for Global

¹²⁰ Sarah L. Barber and Paul J. Gertler, "Empowering Women to Obtain High Quality Care: Evidence from an Evaluation of Mexico's Conditional Cash Transfer Programme," *Health Policy and Planning* 24, no. 1 (January 1, 2009): 19, April 13, 2015, doi:10.1093/heapol/czn039.

¹²¹ Lieff Benderly, *Mexico's Model Conditional Cash Transfer (CCT) Program for Fighting Poverty*, 2.

¹²² Felipe Barrera-Osorio et al., "Improving the Design of Conditional Transfer Programs: Evidence from a Randomized Education Experiment in Colombia," *American Economic Journal: Applied Economics* 3, no. 2 (April 1, 2011): 174.

¹²³ Lieff Benderly, *Mexico's Model Conditional Cash Transfer (CCT) Program for Fighting Poverty*, 2.

Development argues that the procedure “may have contributed to the sense that the program was truly aimed at the poor and was not a program of political patronage.”¹²⁴

A fundamental aspect of CCTs is conditionally accompanied by consequences if program recipients do not adhere to the rules of the program. PROGRESA stipulated that once enrolled, a family remained eligible for the program for 3 years contingent on fulfilling program conditions though regardless of changes in income.¹²⁵ The three year minimum on the program attempts to mitigate the problem that some programs have of recipients preventing income acquisition in the fear that it makes them ineligible for benefits. Theoretically, three years allows for a family to rise above the poverty line and stabilize in a new life style before outgrowing the benefits. Other CCTs choose different deadlines for eligibility and different conditions for staying on the program as income changes or conditionality infractions occur; these decisions are not arbitrary and reflect policymakers’ goals, citizens’ needs, the will of international organizations, and other variables.

Finally, the PROGRESA’s commitment to evaluation is one of the reasons that led to its meteoric rise to popularity in the eyes of national governments and international organizations. Its evaluation mechanisms began from the program inception in which the organizing body of the program determined eligible villages and then split them into a treatment and control group. 320 of the villages received benefits as soon as the program was up and running while the other 186 villages started receiving payments 18 months later; this experimental style of program operation set up a comparison for program

¹²⁴ Ibid.

¹²⁵ Ibid., 3.

coordinators and government officials to determine the impact of the program while holding all other variables constant. The Center for Global Development explains, “Turning administrative reality into a research design provided both an ‘incomparable base of information for evaluators’ and solid assurance than any differences were really owed to the program and not to preexisting discrepancies between the groups.”¹²⁶

My research examines the decisions governments made when implementing CCTs, so the components of CCTs are an important aspect of my research. The foundational elements of CCTs are subject to change across countries and the decisions to do so are not arbitrary. The next section outlines the timeline of passing PROGRESA-Oportunidades in Mexico and is the final foundational piece before examining the variables that led to the development of this CCT.

There is a distinct difference in examining why Mexico decided to implement PROGRESA and how policymakers made key structural decisions that they did. This section examines programmatic elements of PROGRESA and what variables influenced these choices. In order to avoid redundancy with prior sections, this section will address the same variables in the same order but is abridged.

Mexico was coming out of an economic crisis when the government launched PROGRESA, so how did the government justify a new program and its specific costs? For one, the evaluative component of PROGRESA came not only from the general popularity of such measures, but it was identified as a program element for budgetary and administrative reasons that prevented all eligible communities from being on boarded

¹²⁶ Ibid.

into the program at once.¹²⁷ Further, economic pressure pushed policymakers towards a new program, because the food subsidy program had significant shortcomings and a new program would fix these issues as well as save money.¹²⁸

Another economic condition that factored into the decision making process for PROGRESA was the availability of health and education resources. Levy explains that before advising the creation of a program that increases human capital attainment, Mexico needed to have sufficient health and education services “must be reasonably present or they must be created as part of the program.”¹²⁹ Part of the rationale that went into creating the program addressed the resources needed to make the program successful, and the architects of PROGRESA deemed the supply of health and education resources viable to support an increased demand from the program.

ACCOUNTING FOR PROGRAM DECISIONS

In his Ph. D. dissertation, Zedillo examines the intricate relationship between Mexico’s debt and oil, but intermingled with his economic analysis are statements about the complex relationship between politics and economics.¹³⁰ Zedillo mentions that “normative criteria” shape politics and economics, so despite any rigorous economic

¹²⁷ Paul J. Gertler and Simone Boyce, *An Experiment in Incentive-Based Welfare: The Impact of PROGRESA on Health in Mexico*, Royal Economic Society Annual Conference 2003 (Royal Economic Society, 2003), 7, <https://ideas.repec.org/p/ecj/ac2003/85.html>.

¹²⁸ Levy, *Progress Against Poverty: Sustaining Mexico’s Progres-Oportunidades Program*, 81.

¹²⁹ *Ibid.*, 90.

¹³⁰ Ernesto Zedillo Ponce de Leon, “External Public Indebtedness in Mexico: Recent History and Future Oil Bounded Optimal Growth” (Dissertation, Yale University, 1981), 208, <http://search.proquest.com.revproxy.brown.edu/docview/303209050?accountid=9758&title=EXTERNAL+PUBLIC+INDEBTEDNESS+IN+MEXICO%3A+RECENT+HISTORY+AND+FUTURE+OIL+BOUND+OPTIMAL+GROWTH#.VOtsSNAkYEU.email>.

analysis that may occur, the policy decisions that countries make may not always align.¹³¹ Regardless of evidence supporting the decision to enact this policy even in economically challenging times, there is a general understanding from the president that policy decisions are sometimes made somewhat separately from economic decisions.

Levy explains that President Zedillo's policy design choices were the lynchpin for creating PROGRESA and assuring the program's survival after party transition. He provides four reasons why Zedillo was necessary for the program to come together: creating PROGRESA required dismantling preexisting programs, which was politically challenging, the newness of the program left policymakers without a precedent, the cabinet lacked consensus on key decisions, and the program represented a major shift in the "implementation of poverty policy, so Levy argues, "the decision clearly could be taken only by the president. The program was at a point where leadership was not merely important, it was critical; indeed without it there would have been no program."¹³² PROGRESA operated instead of previous food subsidy programs for two reasons: studies should that food subsidy programs did not enhance the ability of the poor to overcome poverty and the budgetary restrictions of the time did not allow for multiple programs.¹³³ Policymakers explicitly chose not to fund these programs through a tax increase, because they doubted the political feasibility and wanted to get support for the program.¹³⁴

Part of the reason the Mexican government moved towards targeted social welfare programs was because they were viewed as most effective in the international community

¹³¹ Ibid.

¹³² Levy, *Progress Against Poverty: Sustaining Mexico's Progres-Oportunidades Program*, 116.

¹³³ Ibid., 82.

¹³⁴ Ibid., 88.

and could help bring stability after the economic crisis.¹³⁵ These programs were believed to “reduce the likelihood of mass mobilization against austerity and market reforms,” so they tempered the response that citizens had to the challenging policies Mexico implemented to mitigate the recession.¹³⁶ In Mexico, leaders’ concerns about the “crisis of the traditional institutions for representation and control” led them to revamp their efforts to alleviate poverty and implement transparent social programs.¹³⁷ At this time, civil society began to change in Mexico with grassroots organizing separate from the PRI for the first time in the party’s history with groups advocating for issues like housing, health care, urban services, and the environment, so politicians in the PRI used public policies to try to bring people back into the fold.

CONCLUSION

This chapter analyzes the variables that influence the creation of PROGRESA, a groundbreaking CCT program in Mexico. This chapter uses five categories of variables, economic, political, learning from previous programs, international, and social to examine what conditions lead to the creation of the program and to what extent. The analysis of the creation in Mexico shows the importance of an economic crisis, the background of the political leader, policy learning, and other variables to shape the decision to implement a CCT program and specifically how to design it. PROGRESA is an important CCT program because it is the foundation for the movement and a touchstone for later efforts. This chapter analyzes the variables that contribute to the

¹³⁵ Piester, “Targeting the Poor: The Politics of Social Policy Reform in Mexico,” 471.

¹³⁶ Ibid.

¹³⁷ Ibid.

implementation and design of PROGRESA in Mexico and provides a foundation for analyzing another foundational case of Bolsa Família in Brazil as well as subsequent programs in Nicaragua and Colombia.

CHAPTER FIVE

A NEW MODEL OF SOFT CONDITIONALITY: THE BRAZILIAN CASE

This chapter analyzes the origins and design of Bolsa Família in Brazil and compares them to PROGRESA in Mexico. Bolsa Família supports about 11 million households in Brazil and PROGRESA covers 5 million in Mexico;¹ these program covers approximately a quarter of the population in each country and they are the largest CCT programs in the world.² Further, as two of the first national CCT programs implemented, these programs serve as touchstones for policymakers around the world looking to design and implement similar policies. Despite these similarities, however, these programs differ dramatically in their structure and goals.³ To understand the CCT movement, the foundational cases of PROGRESA and Bolsa Família provide the models that other countries learn from, build on, and adapt. I compare these two cases and the variables that shaped their implementation and design to explain what caused the two fundamental CCT programs to differ so greatly from one another.

HISTORY OF SOCIAL WELFARE IN BRAZIL

The second half of the 20th century was a transitory time in Brazil due to dramatic political transition, rapid economic growth, and significant changes to social welfare. A

¹Ariel Fiszbein, Norbert Rüdiger Schady, and Francisco H. G. Ferreira, *Conditional Cash Transfers: Reducing Present and Future Poverty* (World Bank Publications, 2009), 32.

²Ibid., 37.

³Tina Rosenberg, “To Beat Back Poverty, Pay the Poor,” *Opinionator*, accessed March 23, 2015, <http://opinionator.blogs.nytimes.com/2011/01/03/to-beat-back-poverty-pay-the-poor/>.

military dictatorship controlled Brazil from 1964 to 1985, committing severe human rights violations and maintaining a minimal commitment to the well being of Brazilian citizens.⁴ Despite the harsh conditions of the dictatorship, this era also marked rapid economic growth in Brazil, earning the country the title of ‘miracle economy’ due to the double-digit growth rate in the nation while other countries in the regions struggled with slow-downs or cessation of growth.⁵ Despite the economic success, underlying societal problems persisted, and the end of the dictatorship resulted in political instability and hyperinflation that led to a screeching halt of Brazil’s economic growth at the end of the 1980s, along with the rest of the region.⁶

In terms of social welfare, scholars find that authoritarian governments make less of a commitment to social services than democratic ones in terms of policy and funding.⁷ In line with this theory, Brazil’s experience under dictatorship from 1964 to 1986 did not see extensions to Brazil’s social welfare programs and neither did the tumultuous decade after, despite many countries around the world fortifying their welfare regimes at this time.⁸ In fact, the economic hardship of the 1980s led to an increase in social costs, such

⁴“The Final Reckoning,” *The Economist*, December 13, 2014, <http://www.economist.com/news/americas/21636059-investigation-human-rights-abuses-names-culprits-far-too-late-final-reckoning>.

⁵Tim Ito, “Brazil: A History of Political and Economic Turmoil,” *Washington Post*, January 1999, Virtual edition, sec. World, <http://www.washingtonpost.com/wp-srv/inatl/longterm/brazil/overview.htm>.

⁶Ibid.

⁷Stephan Haggard and Robert R. Kaufman, *Development, Democracy, and Welfare States: Latin America, East Asia, and Eastern Europe* (Princeton University Press, 2008), 100.

⁸Ibid.

as healthcare services and housing, so the limited social safety net that mainly supported moderately well-off, formal sector employees became even more limited.⁹

Despite the bleakness of the situation, the fall of the dictatorship brought a surge of optimism to the nation and propagated a commitment to improve the nation's social welfare standards.¹⁰ The most visible of these commitments was the New Constitution of 1998 that made momentous plans to deliver on human rights, especially poverty alleviation and social protection.¹¹ The New Constitution stresses universality of coverage for new social policies and outlines eligibility guidelines for targeting Brazilian citizens most in need of state support.¹² According to the Speaker of Constituent Assembly in Brazil, Ulysses Guimaraes, ““This constitution will protect the weak and punish those who abuse power.””¹³ The democratic and social welfare transition went hand-in-hand in Brazil, and the New Constitution of 1988 represented the start of a new era in Brazil, defined by a commitment to democracy and social rights.¹⁴

Despite this excitement, the democratic elections of 1989 ultimately yielded disappointing results. Fernando Affonso Collor de Mello won the first democratic

⁹John Dixon and Robert P. Scheurell, *The State of Social Welfare: The Twentieth Century in Cross-National Review* (Greenwood Publishing Group, 2002), 63.

¹⁰Ibid.

¹¹Michelle Adato and John Hoddindott, eds., *Conditional Cash Transfers in Latin America* (Baltimore: The Johns Hopkins University Press, 2010), 80.

¹²Ibid.

¹³“Brazil Completes New Constitution” *The New York Times*, September 3, 1988, sec. World, <http://www.nytimes.com/1988/09/03/world/brazil-complete-new-constitution.html>.

¹⁴Juliano Zaiden Benvindo, *On the Limits of Constitutional Adjudication: Deconstructing Balancing and Judicial Activism* (Springer Science & Business Media, 2010), 91.

election after the end of the dictatorship, defeating the leftist candidate, Lula.¹⁵

Unfortunately, his time in office coincided with severe economic decline due to the accumulation of immense foreign debt.¹⁶ Additionally, under Collor de Mello, a major rift developed between the desire for social welfare change and the executive actions implemented. First, congress passed constitutional legislation called the Organic Law of Social Assistance, committing policymakers to universal social welfare policies.¹⁷

Within a few years, however, Collor de Mello blocked the intended reform and expansion of social pension programs and decreased overall federal social expenditure.¹⁸ Health expenditure per capita, for example, decreased from US \$80 in 1989 to US\$40 in 1993.¹⁹ Additionally, Collor de Mello decided to address the shortage of social policy in Brazil but ultimately used this initiative as a means of trading funding for the program to certain states in exchange for support from politicians on other issues.²⁰ Apart from these policies, Collor de Mello's time in office ended in 1992²¹ after a congressional

¹⁵William R. Long, "President-Elect of Brazil Readies Plan on Inflation : Economics: Experts Say Fernando Collor de Mello Must Control Runaway Inflation Quickly or Lose Credibility.," *Los Angeles Times*, February 27, 1990, http://articles.latimes.com/1990-02-27/business/fi-1437_1_fernando-collor-de-mello.

¹⁶ Ibid.

¹⁷ Dixon and Scheurell, *The State of Social Welfare*, 66.

¹⁸ Ibid., 67.

¹⁹ Ibid.

²⁰ Márcio Moraes Valença, "Poor Politics — Poor Housing. Policy under the Collor Government in Brazil (1990—92)," *Environment and Urbanization* 19, no. 2 (October 1, 2007): 406, doi:10.1177/0956247807082820.

²¹"Fernando Collor de Mello | Biography - President of Brazil," *Encyclopedia Britannica*, accessed March 8, 2015, <http://www.britannica.com/EBchecked/topic/125925/Fernando-Collor-de-Mello>.

investigation contended that Collor de Mello's campaign treasure, Paulo Cesar Farias, siphoned off millions to pay for the president's home, car, and other expenses.²²

Despite Collor de Mello's lack of a commitment to social policies, other government actors began to implement welfare policies more in line with national sentiments of inclusion and universalism. In 1991, Senator Eduardo Suplicy of the Workers Party (PT) introduced the Programada de Garantia de Renda Mínima, a program that guaranteed a minimum income to individuals over 25 years of age with an income below US \$150.²³ Over the course of the 1990s, officials also launched longer-term projects for schooling and social security.²⁴ The Brazilian educational system made great strides at this time, reaching universal coverage by the late 1990s, though the quality of the nation's schools remains in question.²⁵ Additionally, Brazilian leaders developed social security that was non-contributory and targeted towards rural citizens, expanding coverage from 4 million beneficiaries in 1991 to 7 million in 2003.²⁶ Finally, social assistance, in the form of aid and cash transfers, began to gain popularity at this time. For example, Governor Cristovam Buarque of the PT introduced "Bolsa Escola" in the Distrito Federal on January 3, 1995 to target poor families and provide incentives to

²² Thomas Kamm, "Brazil Panel's Inquiry Report Criticizes Collor--Influence-Peddling Scheme Is Linked to Payments Of Personal Expenses," *Wall Street Journal, Eastern Edition*, August 25, 1992, sec. International.

²³ Michelle Adato and John Hoddinott, *Conditional Cash Transfers in Latin America*, 83.

²⁴ Wendy Hunter and Natasha Borges Sugiyama, "Democracy and Social Policy in Brazil: Advancing Basic Needs, Preserving Privileged Interests," *Latin American Politics and Society* 51, no. 2 (June 1, 2009): 36, doi:10.1111/j.1548-2456.2009.00047.x.

²⁵ De Souza and Pedro H. G. Ferreira, *Poverty, Inequality and Social Policies in Brazil, 1995-2009* (Working Paper, International Policy Centre for Inclusive Growth, 2012), 17, <http://www.econstor.eu/handle/10419/71804>.

²⁶ *Ibid.*, 22.

educate children.²⁷ Other programs also began appearing around Brazil with similar strategies and goals.

After Collor de Mello's resignation, Fernando Henrique Cardoso of the Brazilian Social Democratic Party (PSDB) became president in 1994. This was, arguably the most important election in Brazil since before the dictatorship, because citizens voted for president, governors of all states, and national and state assemblymen for the first time in decades.²⁸ Cardoso ultimately won this election on the first ballot with 54.3% of votes²⁹ — a rare feat in Brazilian politics—due to widespread support for his Real Plan.³⁰ In the months before the election, then Finance Minister Cardoso announced the Real Plan, a technocratic package of programs to combat the hyperinflation plaguing Brazil.³¹ During his term as Finance Minister, Cardoso improved tax collection, mended the banking system, and stabilized Brazil's economy, earning him a strong reputation within his party and on the national stage.³² While Lula initially received widespread support in the election, Cardoso's economically centered campaign ultimately helped him overtake the

²⁷ Kathy Lindert et al., *The Nuts and Bolts of Brazil's Bolsa Familia Program: Implementing Conditional Cash Transfers in a Decentralized Context* (World Bank, May 2007), 11.

²⁸ Rafael Meneguello, "Electoral Behaviour in Brazil: The 1994 Presidential Elections," *International Social Science Journal* 47, no. 4 (December 1, 1995): 627.

²⁹ *Ibid.*, 625.

³⁰ *Ibid.*, 633.

³¹ Susan Kaufman Purcell and Riordan Roett, *Brazil Under Cardoso* (Lynne Rienner Publishers, 1997), 20.

³² "Cardoso vs. Lula: Two Brazilian Presidents Vie over Who Turned Country around," *The Washington Post*, October 30, 2010, sec. World, http://www.washingtonpost.com/wp-dyn/content/article/2010/10/30/AR2010103002341_2.html.

other candidates with his public approval ratings rising from 17% in May to 48% in October, just prior to the election.³³

As president, Cardoso focused his attention on Brazil's economic future, scholars point out some of the underlying problems in the Brazilian social policy regime. According to these scholars, the fiscal crisis under Collor de Mello government exposed mismanagement of social spending and the limitations of existing social safety net, despite the promises of the New Constitution.³⁴ Hunter and Sugiyama add that while the 1990s and democratic turn in Brazil yielded new social policy efforts, elites and groups trying to protect their entitlements have limited the efforts of some politicians.³⁵

During Cardoso's administration, Brazilian municipalities, including Campinas, Brasilia, Blumenau, Belo Horizonte, Victoria, Salvador, and Ribeirão Preto implemented CCT projects, and these local experiments laid the groundwork for a national commitment to CCTs within a few years.³⁶ At the same time, an international effort towards goal setting via the Millennium Development Goals (MDGs) and the rise of evaluating and accessing programs through measurable outcomes became a normative instrument of institutions like the United Nations.³⁷ With a Ph.D. in sociology, Cardoso

³³ Meneguello, "Electoral Behaviour in Brazil," 632.

³⁴ Matías Vernengo, "Fiscal Squeeze and Social Policy during the Cardoso Administration (1995-2002)," *Latin American Perspectives* 34, no. 5 (September 1, 2007): 89; Arturo Valenzuela, "Latin America: Presidentialism in Crisis," *Journal of Democracy* 4, no. 4 (1993): 3–16, doi:10.1353/jod.1993.0059; Lars Thomann, *Steps to Compliance with International Labour Standards: The International Labour Organization (ILO) and the Abolition of Forced Labour* (Springer Science & Business Media, 2011).

³⁵ Hunter and Sugiyama, "Democracy and Social Policy in Brazil," 49.

³⁶ Anthony Hall, "From Fome Zero to Bolsa Família: Social Policies and Poverty Alleviation under Lula," *Journal of Latin American Studies* 38, no. 04 (November 2006): 694, doi:10.1017/S0022216X0600157X.

³⁷ Sakuda Fukuda-Parr, *Should Global Goal Setting Continue, and How, in the Post-2015 Era?*, Working Paper (New York: United Nations, July 2012), 16.

shared a similar perspective, and he supported objective, statistical informational to evaluate the success of social programs.³⁸ Upon seeing the success of CCTs in municipalities, Cardoso raised these programs to the national level, setting the foundation for his successor to further expand the commitment to these programs.³⁹

At the end of Cardoso's second term, executive power shifted from the PSDB, a centrist, to an up-and-coming socialist party, the Workers' Party (PT), with the election of Luiz Inácio Lula da Silva. Lula won the 2002 election with an impressive 61.5% of the vote, despite two unsuccessful presidential campaigns years earlier.⁴⁰ Lula and the PT prioritized poverty mitigation in a way they felt prior administrations had not, despite Cardoso initial attempts at reform. Lula initiated his commitment to poverty alleviation during the campaign with the launch of the Zero Hunger Project, a widespread collection of policies to generate food security via a food stamp program, redistribution of land, expanding school meal programs and creating food education programs.⁴¹ The Fome Zero campaign became the flagship program of President Lula's administration, and it aimed to bring food and money to Brazil's 44 million impoverished citizens.⁴² Once Lula took office, he refocused his social welfare efforts and announced the Bolsa Família

³⁸ Ted Goertzel, *Eight Years of Pragmatic Leadership in Brazil A Supplement to: Fernando Henrique Cardoso: Reinventing Democracy in Brazil* (Camden: Rutgers University, Camden NJ, 2003), 2.

³⁹ Anthony Hall, "Brazil's Bolsa Família: A Double-Edged Sword?," *Development and Change* 39, no. 5 (September 1, 2008): 799, doi:10.1111/j.1467-7660.2008.00506.x.

⁴⁰ "Luiz Inacio Lula Da Silva | Biography - President of Brazil," *Encyclopedia Britannica*, accessed March 8, 2015, <http://www.britannica.com/EBchecked/topic/861479/Luiz-Inacio-Lula-da-Silva>.

⁴¹ José Graziano da Silva, Mauro Eduardo Del Grossi, and Cíaco Galvão de França, eds., "The Zero Hunger Project: A Proposal For A Food Security Policy for Brazil" (Brasília: Food and Agriculture Organization of the United Nations (FAO), 2011), 13.

⁴² *Ibid.*, 689.

program to integrate existing CCT programs, and he used Fome Zero at the title of the nation's 30 other social intervention programs.⁴³ Bolsa Família integrated three programs: (1) the Federal Bolsa Escola Program, created in 2001, managed by the Ministry of Education, with the goal of encouraging all children to complete 8 years of schooling, (2) Bolsa Alimentação, launched in 2001, managed by the Ministry of Health, with the goal of reducing nutritional deficiencies and infant mortality through a government vaccination program, regular health checkups for pre- and post-natal pregnant women, and growth monitoring for 0-7 year old children, and (3) Auxílio gas, announced in 2002, administered by the Ministry of Mines and Energy, with the goal of replacing existing cooking gas subsidies with cash transfers.⁴⁴ Lula introduced the Bolsa Família program with the objectives listed in Table 5.1. Considering Lula's learning from Santiago Levy, the creator of Mexico's CCT program, many of the objectives of Bolsa Família are similar to PROGRESA's. The objectives, in fact are almost identical, but the difference comes in the way each country creates a program to address them. Also, the first objective is noticeably different in Brazil, because Lula wants to build off of the success of previous policies while Zedillo was trying to regain legitimacy with a new program. While many of the objectives are similar, the differences and policy choices to meet these objectives generate very different programs. This shows how programs can have similar goals but other variables can shape the policy formation process to create very different programs.

⁴³ Ibid., 697.

⁴⁴ Lindert et al., *The Nuts and Bolts of Brazil's Bolsa Família Program: Implementing Conditional Cash Transfers in a Decentralized Context*, 12.

Table 5.1: Objectives of Bolsa Família in 2003

1. Consolidate and rationalize then existing federal condition cash transfer program
2. Promote efficiency in the use of public resources
3. Improve the system for identifying the target population
4. Leverage synergies from jointly promoting education, health and nutrition initiatives
5. Strengthen monitoring and evaluation
6. Leverage opportunities to promote vertical integration in the social safety net between federal and subnational programs

Source: The World Bank, *Brazil - Bolsa Família Project* (The World Bank, June 28, 2010), <http://documents.worldbank.org/curated/en/2010/06/12568141/brazil-bolsa-familia-project>.

At the start of the program, Bolsa Família paid families a monthly stipend of \$12 for each child that attended school with additional cash rewards for vaccinations of children under 5.⁴⁵ The money is distributed to mothers through government issued debit cards and the program boasts significant returns on investment.⁴⁶ According to the World Bank, Bolsa Família is extremely successful at reducing poverty, cutting Brazil's headcount of 6.3% of citizens living on a dollar a day to 3% by 2009 and raising 22 million people out of poverty⁴⁷ with a cost of only .5% of GDP.⁴⁸ Further, in 2012 alone, 120 delegations visited Brazil to learn about its program and bring back lessons to countries around the world.⁴⁹ Despite the World Bank's rigorous approval, critics argue that Bolsa Família takes attention away from structural causes of poverty, such as low

⁴⁵ Mercedes White, "What Brazil Can Teach America about Fighting Poverty," *DeseretNews.com*, March 21, 2013, <http://www.deseretnews.com/article/865576264/What-Brazil-can-teach-America-about-fighting-poverty.html?pg=all>.

⁴⁶ Ibid.

⁴⁷ "In Brazil, Social Welfare Programs Worked," *Forbes*, accessed April 7, 2015, <http://www.forbes.com/sites/kenrapoza/2013/11/01/in-brazil-social-welfare-programs-worked/>.

⁴⁸ White, "What Brazil Can Teach America about Fighting Poverty."

⁴⁹ Deborah Wetzel, "Bolsa Família: Brazil's Quiet Revolution," *World Bank*, November 4, 2013, sec. Opinion, <http://www.worldbank.org/en/news/opinion/2013/11/04/bolsa-familia-Brazil-quiet-revolution>.

wages, while others argue that paying families for actions that they have a “moral obligation” to perform is paternalistic.⁵⁰ Overall, there is no consensus on the program despite significant scrutiny, but the program remains embedded in the Brazilian society and the crown jewel of the Brazilian social welfare regime and a popular social policy tool for politicians.⁵¹

VARIABLES EXPLAINING POLICY SHIFT TO CCT

While scholars explain Mexico’s CCT program implementation as a reaction to an economic crisis, the Brazilian case tends to center on political variables. Just as an examination of PROGRESA reveals a combination of different variables coming together to account for the creation of the program, the creation of Bolsa Família also arises due to a combination of variables. This section analyzes the different variables that contribute to the creation of Bolsa Família including economic conditions, political explanations, learning from preceding programs, effect of technocratic and evaluative program influence, international influence, and social variables. This analysis provides a comprehensive understanding of the combination of variables that lead to the creation of Bolsa Família in comparison to the variables at work in the case of PROGRESA.

⁵⁰ White, “What Brazil Can Teach America about Fighting Poverty.”

⁵¹ Hall, “Brazil’s Bolsa Família,” 819.

ECONOMIC CONDITIONS

Many scholars credit Cardoso with laying the foundation for macroeconomic stability in Brazil despite the economic turmoil during his time in office.⁵² In 1997, East Asia experienced a major economic shock and Russia followed suit in 1998, resulting in a wave of uncertainty about developing economies and unearthing preoccupations about Brazil's overvalued exchange rate.⁵³ As a result, Brazil experienced a harsh capital flight, pressure to adopt a floating exchange rate, and a loss of 40% of the value of its currency.⁵⁴ To correct the economy after this shock, Cardoso implemented a floating exchange rate, inflation-targeting monetary policy, and targeted cash transfer programs to alleviate poverty.⁵⁵

At first glance, these economic events appear very similar before the start of PROGRESA and Bolsa Família. Approximately four years before the start of these national programs, each country experienced an economic crisis that the country's pragmatic, highly educated leader responded to with seemingly contradictory economic austerity and expansion of social welfare. While economic crises impacted both countries and helped bring about the creation of a CCT program, the evidence in Brazil shows that economic turmoil play a minimal part in influencing the development of Bolsa Família.

Due to the combination of President Cardoso's macroeconomic policy reforms in the 1990s and loans from international financial institutions and the United States,

⁵² Peter J. Meyer, *Brazil: Political and Economic Situation and U.S. Relations*, CSR Report Prepared for Members and Committees of Congress (Congressional Research Service, March 27, 2014), 3.

⁵³ *Ibid.*

⁵⁴ *Ibid.*

⁵⁵ *Ibid.*

Brazil's economic crisis did not have a sustained impact on the country. After developing countries in Asia faced financial crisis, speculators bet against developing countries, so to defend Brazil's currency, the *real*, leaders raised national interest rates to reduce the profitability of speculation.⁵⁶ A side effect of this policy, however, was an increase in export prices that forced Brazil to borrow to finance its imports. To aid Brazil in this precarious time, the International Monetary Fund (IMF), the World Bank, the United States provided a conditional \$41.5 billion loan.⁵⁷ Overall, the reforms of the 1990s helped to stabilize the *real* and foreign aid staved off the serious economic collapse that happened in Mexico.⁵⁸

In contrast of the case of Mexico where the peso crisis was the worst economic crisis in nearly a century, Brazil's stabilizing policies and foreign loans kept prevented a comparable level of devastation. As a result, the effect of the crisis in Brazil did not serve as a stimulus for social investment in the way that it did in Mexico by forcing the government to address the rapid increase in poverty. Before the economic crisis in Brazil, the government began meeting the commitments of the New Constitution to improve and expand social welfare policies. Between 1994 and 1996, the Brazilian government increased discretionary spending on health, education, and land reform efforts by 50%, increased the minimum wage by 54.3%, and increased federal salaries by 23%.⁵⁹ At this time, CCTs were also taking root at the municipal level and the federal Brazilian

⁵⁶ Enrique R Carrasco and Sean Williams, "Emerging Economies after the Global Financial Crisis: The Case of Brazil," *Northwestern Journal of International Law and Business* 33, no. 1 (2012): 101.

⁵⁷ *Ibid.*, 102.

⁵⁸ *Ibid.*, 103.

⁵⁹ Amaury de Sousa, "Cardoso and the Struggle for Reform in Brazil," *Journal of Democracy* 10, no. 3 (1999): 57, doi:10.1353/jod.1999.0056.

government allowed for these local experiments to guide the revolution in social welfare policy.⁶⁰ In response to the devaluation of the *real* in 1999, Cardoso launched Bolsa Escola at the national level to mitigate the short-term negative impact on the poor and maintain government support in the trying time.⁶¹ As in Mexico, the launching of the first national CCT program responds to an economic crisis, but in the Brazilian case, there were already subnational CCT programs and a widespread commitment to these programs and the policies behind them. The peso crisis caused a policy shift in Mexico while Brazilian leaders continued their efforts that they had initiated before the crisis, showing no major change in policy catalyzed by the economic situation in Brazil.

POLITICAL EXPLANATIONS

President Lula is synonymous with Bolsa Família from the perspective of many scholars, policymakers, and Brazilian citizens, and many scholars already identify the importance of political variables in explaining the creation of Bolsa Família.⁶² While there are other variables influencing the creation of the program, political actors and institutions play an important part in the creation of Bolsa Família. I divide political variables in Brazil into three categories to address the major actors and events that shaped

⁶⁰ Tracy Beck Fenwick, “Local Solutions to National Challenges? Politics of Income Transfer Programs in Brazil and Argentina” (Panel Presentation, Local Experiments and Shifting Patterns of Governance, Montreal, August 2009), 11.

⁶¹ *Ibid.*

⁶² Tracy Beck Fenwick, “Avoiding Governors: The Success of Bolsa Família,” *Latin American Research Review* 44, no. 1 (2009): 102–31, doi:10.1353/lar.0.0073; Simone Cecchini and Rodrigo Martínez, *Protección social inclusiva en América Latina: Una mirada integral, un enfoque de derechos* (Santiago: Comisión Económica para América Latina y el Caribe (CEPAL), 2011); Elvira Nica, “Bolsa Família’s Contribution to Poverty Alleviation,” *Economics, Management and Financial Markets* 9, no. 4 (December 2014): 112–18.

Brazilian politics at this time: background of the executive, leftward political transition, and political parties.

Background of the Executive

First, Lula has become an apocryphal figure in Brazil and a representation of the Brazilian government's renewed commitment to poverty alleviation. Like Zedillo in Mexico, Lula comes from a humble background, which differs from most major politicians in Brazil. In fact, Lula was the first working-class Brazilian elected as President, and he is from the Northeast region of Brazil, the poorest part of the country.⁶³ Unlike Zedillo, who left Mexico to attain higher education and enter politics not because of political connections but rather economic prowess, Lula learned to read at ten and his access point to politics was trade union organizing.⁶⁴ During his time as a trade union organizer, Lula became more interested in politics and ultimately formed the first major socialist party in Brazil's history, the Worker's Party (PT).⁶⁵

Zedillo was not his party's first choice as candidate, and while Lula lost two presidential elections, Lula received widespread support in the 2002 election. His election to the presidency was the culmination of a decade-long desire for social and political transition in Brazil, so he received widespread support from both his party and citizens, giving him a powerful mandate. A public opinion survey in 1999 found that only 35% of people in Brazil thought that they had a great deal or some influence in political decisions

⁶³ "Lula: Brazil's Worker President," Text, *Radio National*, (July 8, 2005), <http://www.abc.net.au/radionational/programs/backgroundbriefing/lula-brazils-worker-president/3366194>.

⁶⁴ "Profile: Luiz Inacio Lula Da Silva," *BBC*, January 28, 2010, sec. Americas, <http://news.bbc.co.uk/2/hi/americas/5346744.stm>.

⁶⁵ *Ibid.*

in their country compared to 40% in the region.⁶⁶ Considering this sentiment in 1999, Lula's campaign three years later that stressed inclusion of all Brazilians strived to include voters in the political system in a way that had not felt since before the dictatorship.⁶⁷ As a result, Lula earned 52 million votes, more than any previous Brazilian presidential candidate, and he stressed building a "more fraternal society" in Brazil in his acceptance speech.⁶⁸ Lula ran on a platform of social reform, and his landslide victory in addition to the support from his party gave him a mandate to implement his policies. According to public opinion surveys in 2002, voters had the most confidence that Lula could fulfill 3 of his 52 campaign promises: alleviating hunger, misery and poverty, creating jobs, and raising the minimum wage, and less than one percent of the population was able to remember any other of his promises.⁶⁹ This shows how deeply citizens associated Lula with social welfare programs, unlike Zedillo whose popularity came from economic and political reform. In the final round of the election, Lula won approximately 53 million votes, 62% of the popular vote, becoming the second most voted-for-president in the world.⁷⁰ Once in office, Lula and the PT transformed social welfare in an ambitious

⁶⁶Polling the Nation. Wall Street Journal Americas: March 1999, accessed April 4, 2015, http://poll.orpub.com.revproxy.brown.edu/document.php?id=quest99.out_22915&type=hitlist&num=0

⁶⁷ Alvaro Bianchi and Ruy Braga, "Brazil: The Lula Government and Financial Globalization," *Social Forces* 83, no. 4 (June 1, 2005): 1745.

⁶⁸ Bill Vann, "Brazil's 'Lula' Celebrates Victory, IMF Demands More Austerity - World Socialist Web Site," World Socialist Website, (October 29, 2002), <http://www.wsws.org/en/articles/2002/10/lula-o29.html>.

⁶⁹ Fenwick, "Avoiding Governors," 106.

⁷⁰"Republica Federative do Brasil / Federal Republic of Brazil," Political Database of the Americas, August 13, 2005, accessed April 2, 2015, <http://pdba.georgetown.edu/Elecdata/Brazil/pres02.html>. 12 março115.

and widespread way that developed a new social relationship between the government and citizens in Brazil.⁷¹

While Zedillo lacked widespread support at his election and Lula's won a landslide victory, their similar personal background shaped a similar commitment to social welfare reform in Mexico and Brazil. Before Lula's election, Cardoso implemented widespread social welfare reforms, but Lula took up this mantle and continued to expand and consolidate these programs with advice from the World Bank.⁷² Initially, citizens were wary of CCTs, considering Brazil's rampant corruption.⁷³ Corruption in Brazil happened at all levels of government; for example, Ferraz and Finan find that second-term mayors divert R\$188,431.40, compared to first term mayors who diverted slightly less.⁷⁴ Largely due to Lula's commitment to Bolsa Família, citizens soon came to trust the program, and by 2010, 73.2% of the population agreed with the statement "There will always be poor, so programs like Bolsa Família should not end."⁷⁵ Lula's personal background is an extremely important variable in creating Bolsa Família because he provided the legitimacy and resolve to create the program. While the personal background is an important variable in the case of Brazil, Lula had a foundation from Cardoso that initiated the wave of social policy reform.

⁷¹ Bianchi and Braga, "Brazil," 1761.

⁷² Lindert et al., *The Nuts and Bolts of Brazil's Bolsa Família Program: Implementing Conditional Cash Transfers in a Decentralized Context*, 13.

⁷³ Wetzel, "Bolsa Família: Brazil's Quiet Revolution."

⁷⁴ Claudio Ferraz and Frederico Finan, "Electoral Accountability and Corruption," *The American Economic Review* 101, no. 4 (2011): 1274.

⁷⁵ "Brazilians Support Bolsa Família Welfare Program | The Rio Times | Brazil News," *The Rio Times*, accessed March 23, 2015, <http://riotimesonline.com/brazil-news/front-page/brazilians-support-bolsa-familia-welfare/>.

Lula is an important part of the transition to Bolsa Família and citizens of Brazil continue to associate the program with him, but Cardoso's policies paved the way for him. After success with municipal CCTs, the federal government started co-financing these local level programs in 1998.⁷⁶ From there, Cardoso introduced national programs—the Federal Bolsa Escola Program, Bolsa Alimentação, and Auxílio Gas in 2001 and 2002.⁷⁷ So, then why does Lula ultimately receive credit for Brazil's social welfare reform? He made alleviating poverty and hunger the commitment of his campaign and administration, while Cardoso was more famous for his economic policies. The evidence suggests that the background of a political executive has medium importance in the case of Bolsa Família. In Mexico, Zedillo's background is of high importance because his humble origins and his receipt of an economics Ph.D. shaped both his commitment to poverty and the technocratic strategy he used to combat it. In the case of Brazil, however, Cardoso, who did not come from an impoverished background, initiated national-level CCT programs, and Lula's background as a trade union organizer did not influence the type of policy he implemented. Lula's background is still important, however, because his impoverished childhood influenced his decision to define his presidential career by poverty alleviation programs and ensure the institutionalization of Bolsa Família.

⁷⁶ Lindert et al., *The Nuts and Bolts of Brazil's Bolsa Família Program: Implementing Conditional Cash Transfers in a Decentralized Context*, 12.

⁷⁷ Ibid.

Leftward Political Transition

Brazil's political transition to the first leftist government in decades played a significant part in the creation of CCT programs, though this transition alone could not have brought about the long-lasting policy shift. Brazil was part of a leftist wave in the late 20th century with many other Latin American countries.⁷⁸ These leaders promoted "social improvements over macroeconomic orthodoxy" and "egalitarian distribution of wealth."⁷⁹ Deeper than the left-turn itself, the changing of political leadership in Brazil meant that the PT, a party formed in 1980 and only beginning to gain prominence, needed to find a way to compete with the clientelist networks of more established parties, like the BDSP, on the national level. Universal poverty programs eroded the power of conservative leaders who used clientelist practices to obtain voter support, because these programs became associated with the PT and garnered widespread support from Brazil's low-income citizens.⁸⁰ Summing up this shift, Alfred Montero explains, Bolsa Família "is a threat to conservative rule particularly in poor states because of the way that it disrupts the traditional distribution of support within the state."⁸¹ In speeches, Lula explains, part of the aim of Bolsa Família was to redesign the relationship between citizens and the

⁷⁸ Jorge G. Castañeda, "Latin America's Left Turn," *Foreign Affairs* 85, no. 3 (May 1, 2006): 32, doi:10.2307/20031965.

⁷⁹ Ibid.

⁸⁰ Alfred P Montero, "No Country for Leftists? Clientelist Continuity and the 2006 Vote in the Brazilian Northeast," *Journal of Politics in Latin America* 2, no. 2 (2010): 118.

⁸¹ Ibid.

state, and the result is the mobilization of low-income citizens who largely support the PT because of their commitment to poverty alleviation.⁸²

At first glance, the left turn in Brazilian politics does not appear to be a major influence of Brazil's shift to a CCT program, but its connection with political parties increases its importance. The adoption of Bolsa Família spread across two different administrations, but the transition to a left leaning political party forced a restructuring on how parties operated. In practice, this meant that newer, leftist parties with far less developed clientelist networks reshaped the way social policies were implemented in Brazil. Additionally, though delayed, the impact of the New Constitution and the energy at the fall of the dictatorship opened the country up to more left-leaning policies, though the period of implementation was drawn out. The left-turn in tandem with the specifics of Brazil's political party system is ultimately an important variable in the creation of a CCT program.

Political Parties

Amidst this broad political transition, the PT wanted to have programs that helped them gain greater support and trust from voters, and the final political variable, political parties, incorporates this component of the adoption of Bolsa Família. Brazil scholar Frances Hagopian explains that Brazil experiences a shift to more programmatic political parties in the 1990s.⁸³ Brazil's government structure has historically had weak political

⁸² Lindert et al., *The Nuts and Bolts of Brazil's Bolsa Família Program: Implementing Conditional Cash Transfers in a Decentralized Context*, 31.

⁸³ Frances Hagopian, "Programmatic Parties and Social Policy Change in Brazil" Lecture, Brazil Initiative from Brown University, Providence, February 24, 2015.

parties due to the structure of politics in Brazil itself as open list proportional representation, which fosters loyalty to candidates rather than parties.⁸⁴ Until the 1990s, less than half of the Brazilian population identified with political parties.⁸⁵ This changes because increased competition between parties forces them to establish more specific identities. Additionally, the impact of globalization on Brazil's economy provides an exogenous shock that parties address with very different stances.⁸⁶ Brazilian citizens who were beneficiaries of Bolsa Família were aware of the program's effort to reduce clientelism, and in a survey a few years after implementation, 84% of people surveyed said that local leaders were not trying to take advantage of program for political gain.⁸⁷ Regardless, opponents to Bolsa Família argue that CCTs are a new form of political opportunism that attempts to gain voter support through social policies.⁸⁸ This argument arises around the world regarding government's exchanging state spending for votes. Despite this argument, the structure of Bolsa Família and the strength of the commitment to supporting the nation's poor show a new national commitment to programmatic politics to earn citizens' support through effective policies rather than simply personal identity.

The transition of the PT to executive power for the first time in the party's history led leaders to institute new policies and programs to ensure their power. Doing so in a

⁸⁴ Rebecca Weitz-Shapiro, "Legislative Professionalism: How Legislature and Executive Interact" (Class Lecture, Political Science 1285, Brown University, March 17, 2014).

⁸⁵ Ibid.

⁸⁶ Hagopian, "Programmatic Parties and Social Policy Change in Brazil."

⁸⁷ Felipe Hevia, "Direct or Mediated Relationships: Civic Involvement and Social Accountability in the Bolsa Família Programme," *International Policy Centre for Inclusive Growth* One pager, no. No. 106 (March 2010).

⁸⁸ Hagopian, "Programmatic Parties and Social Policy Change in Brazil."

time when parties were transitioning to implementing more programs and needing to carve out concrete identities had a powerful influence on creating Bolsa Família. The PT has become associated with Bolsa Família in a powerful way and has led other parties to either offer their own programs and strategies to incorporate the poor or try to gain association with the program itself. For example, in the 2014 presidential election, both Dilma Rousseff of the PT and Marina Silva of the Brazilian Socialist Party stressed their commitment to poverty alleviation and specifically to Bolsa Família. In a speech during the campaign, Silva states, “We are going to keep the Bolsa Família. Do you know why? Because I was born in the Seringal Bagaço, and I know what it is to go hungry.”⁸⁹ She assures voters of her commitment to Bolsa Família, despite her political party not being its architect, and she asserts her connection to the program through her impoverished background.

These political variables play a significant part in Brazil’s implementation of CCTs and expand beyond often-mentioned scholarship on Lula’s background to include Brazil’s broader political transition and the nature of its political parties. Mexico’s initiation of PROGRESA similarly spans a political transition, and President Zedillo strives to ensure that PROGRESA continues after a party transition, just as Lula builds off of Cardoso’s foundational work in his term. Both Mexico and Brazil have strong leaders with a resolve to bring about fundamental change in their nations, but the combination of other variables accounts for some of the differences across program design as well as the different processes of adopting the programs themselves.

⁸⁹ “‘This Is Not a Speech. It Is a Life,’” *The Economist*, September 18, 2014, <http://www.economist.com/blogs/americasview/2014/09/brazils-election>.

LEARNING FROM PRECEDING PROGRAMS

PRONASOL influenced Mexico's leaders to readjust their policy strategies and create more transparent programs, while Brazil's preceding programs serve as the foundation and core for Bolsa Família. Brazil's programmatic policies and political opening in the 1990s resulted in municipal level programs that experimented with the CCT model.⁹⁰ By 2001, over one hundred municipalities as well as states operated CCT programs, reaching about 200,000 families.⁹¹ The progression of CCTs from municipal programs, to disjoint national programs, to finally the unified Bolsa Família program has played a vital part in shaping the program.

The preceding municipal programs shaped the policy design of Bolsa Família. Unlike PROGRESA, which used the experience of earlier programs to justify centralization and technocratization to gain legitimacy, Bolsa Família used the success of local programs as a foothold and retained its reliance on municipalities to run the program.⁹² For the transition from national programs to the unified Bolsa Família, Lula claimed that the rearrangement of the disparate programs was not to fundamentally change them but rather to consolidate the programs organizationally and increase the money families would receive.⁹³ In a speech in 2003, he specified that the consolidation of the programs into Bolsa Família would increase the reach of the program and increase

⁹⁰ Lindert et al., *The Nuts and Bolts of Brazil's Bolsa Família Program: Implementing Conditional Cash Transfers in a Decentralized Context*, 11.

⁹¹ Ibid.

⁹² Alain de Janvry, Frederico Finan, and Elisabeth Sadoulet, "Evaluating Brazil's Bolsa Escola Program: Impact on Schooling and Municipal Roles," *University of California at Berkeley*, n.d., 2, <http://are.berkeley.edu/~sadoulet/papers/BolsaEscolaReport6-6.pdf>.

⁹³ Carlos Torio, "Rechaza Lula Presiones de EU," *Reforma*, October 21, 2003, sec. Internacional.

the money offered from approximately twenty to forty dollars.⁹⁴ Unlike the experience in Mexico where PRONASOL pushed leaders to make change the nature of poverty alleviation programs, Bolsa Família based its practices off of the findings of its preceding programs.

TECHNOCRATIC AND EVALUATIVE PROGRAMS

From the start, PROGRESA and Bolsa Família showed a different level of commitment to a technocratic program design with PROGRESA rolling out in stages to allow for randomized controlled testing and Bolsa Família beginning much more piecemeal. In part for this reason, Mexico's program receives more scholarly attention because PROGRESA's highly technocratic design and emphasis on data collection make it accessible to study.⁹⁵ Further, bearing in mind that the majority of scholarship on CCTs engages with the outcomes of CCT programs, emphasizing quantitative results, Mexico's program shares this commitment that the World Bank and other financial institutions emphasize. Overall, Bolsa Família has shown less of a commitment to technocratic tactics as other programs in the region, and Table 5.3 shows the difference in what Brazil and Mexico's program evaluates. As the table shows, Brazil does not evaluate recipients of its program to the same extent that Mexico does. In applying for World Bank funding, Brazil implemented the technocratic structures similar to Mexico's programs, but leaders committed to more rapid expansion of the program at the expense of building the

⁹⁴ Ibid.

⁹⁵ Paul Glewwe and Ana Lucia Kassouf, "The Impact of the Bolsa Escola/Familia Conditional Cash Transfer Program on Enrollment, Dropout Rates and Grade Promotion in Brazil," *Journal of Development Economics* 97, no. 2 (2012): 506.

infrastructure necessary to fully support the evaluative components of the program. The metrics in Table 5.2 are compiled in the federal Cadastro Unico database and evaluated via audits, surveys, councils, etc. at both the state and national level.⁹⁶

Though Mexico is known for creating the technocratic CCT model itself, Brazil created a model of its own by ensuring support by signaling a commitment to evaluation to domestic and international constituents while reducing program costs by minimizing actual evaluative efforts. Handa and Davis posit that because conditionality is a way of gaining middle-class support for the poverty budget, then monitoring can be done in a haphazard way; according to Handa and Davis,

This may be the Brazilian model; *Bolsa Família* is advertised as a human-capital development programme that emphasises beneficiary responsibility, which provides a degree of political support. Yet actual monitoring of compliance is left to the municipalities and is haphazard at best.⁹⁷

Further, home visits as a means of checking on benefits is an important part of PROGRESA but was ignored in Brazil, which is one of the evaluative mechanisms that Bolsa Família did not include.⁹⁸ Unlike Mexico's concerted effort to initiate PROGRESA slowly and test its results, Bolsa Família was intended to stimulate rapid social change. Two years after the launch of the program, Bolsa Família covered 6.6 million families, and a year later, covered 11.2 million families.⁹⁹ The plan for Bolsa Família was to

⁹⁶ Lindert et al., *The Nuts and Bolts of Brazil's Bolsa Família Program: Implementing Conditional Cash Transfers in a Decentralized Context*, 84.

⁹⁷ Sudhanshu Handa and Benjamin Davis, "The Experience of Conditional Cash Transfers in Latin America and the Caribbean," *Development Policy Review* 24, no. 5 (2006): 523, doi:10.1111/j.1467-7679.2006.00345.x.

⁹⁸ *Ibid.*, 525.

⁹⁹ Kathy Lindert, "Brazil Bolsa Família Program-Scaling-up Cash Transfers for the Poor," *MfDR Principles in Action: Sourcebook on Emerging Good Practices*, n.d., 67, accessed April 12, 2015.

continue to adjust practices and calibrate expectations over time, so the program left more room for change and flexibility than PROGRESA.¹⁰⁰

Table 5.2: Comparing Evaluations in Bolsa Família and PROGRESA

	Bolsa Escola	PROGRESA
Outcomes		
School enrollment	X	X
Preventive health check-ups		X
Vaccinations		X
Pre-natal care		
Impacts		
Food Availability		X
School achievement		X
Nutritional status (height)		X
Anemia		X
Indirect effects		
Child labour	X	X
Women's status		X
Spillover		X
Investment Spending		X

Source: Sudhanshu Handa and Benjamin Davis, "The Experience of Conditional Cash Transfers in Latin America and the Caribbean," *Development Policy Review* 24, no. 5 (2006): 527, doi:10.1111/j.1467-7679.2006.00345.x.

A comparison of Bolsa Família's path with that of the Continuous Cash Benefit (BPC) shows Brazil's propagandistic commitment to technocratic programs. Political praise from the public, media, and international community has been a motivation for politicians to expand Bolsa Família more than BPC.¹⁰¹ Similar to Mexico, the technocratic nature of the program was helpful for the coalition building necessary in Brazil to pass legislative in the congress, because the data and the support from the World Bank legitimized the program. At the same time, Bolsa Família's commitment to technocratic programs is a bit different because the program evolves from the municipal

¹⁰⁰ Ibid., 73.

¹⁰¹ Marcelo Medeiros, Tatiana Britto, and Fábio Veras Soares, *Targeted Cash Transfer Programmes in Brazil: BPC and the Bolsa Família*, Working Paper (New York: International Poverty Center, UNDP, June 2008), 3.

level and shares power and responsibility across many levels of government.¹⁰² Overall, Brazil adheres to the CCT label to gain credibility from the program's technocratic practices, but there is far less of an internal commitment to these practices. Brazil recognizes the ability of technocratic programs to gain financial backing and support from at home and abroad, so the government adheres to these conventions. The evidence shows that technocratic programs are of medium importance in Brazil because they serve as a signal for Brazil to validate their program, but they also create a model of noncompliance. In Mexico, Zedillo valued technocratic program measures as the best indicator of success and Brazil uses conditionality to gain political approval. Cardoso shared Zedillo's technocratic beliefs, but these values are ultimately superseded by the desire to expand the program rapidly and disperse responsibility through different levels of government. This is especially important because Brazil and Mexico's standing as two foundational CCT programs provide different models for their fellow Latin American countries to choose from.

INTERNATIONAL INFLUENCE

According to former Mexican politician and renowned scholars Jorge Castañeda, "At the end of the day, however, perhaps his most important achievement on this front will be the generalization of the Bolsa Família (family fund) initiative which was copied directly from the antipoverty program of Mexican Presidents Ernesto Zedillo and Vicente Fox."¹⁰³ While scholars offer different explanations of Mexican and Brazilian social

¹⁰² Fabio Veras Soares, *Oportunidades Y Bolsa Familia: Una Perspectiva Comparativa de Su Evolución*, One Pager Spanish (International Policy Centre for Inclusive Growth, 2012), 1, <https://ideas.repec.org/p/ipc/opespa/177.html>.

¹⁰³ Castañeda, "Latin America's Left Turn," 36.

policy interactions in creating their CCT programs, Brazilian leaders welcomed international influence and financial support. In Mexico, President Zedillo rejected the idea of international funding, because he argued a homegrown program would more easily gain domestic buy-in. In the case of Bolsa Família, Brazilian leaders welcome support from the World Bank and started with a four year project loan of US\$572.2 million to continue providing social policy support as the Bank had throughout the 1990s.¹⁰⁴ Further, in March 2003, Lula met with World Bank President Wolfensohn and Santiago Levy to get advice on program design for Bolsa Família.¹⁰⁵ The meeting helped to outline the structure of World Bank funding to Brazil as outlined in Table 5.3, which shows that the majority of funding goes to supporting the cash transfers as opposed to program design. The total loan from the World Bank in addition to the one billion dollar loan from the Inter-American Development Bank added to Brazil’s spending on the program, 3.4 billion *reais* that rose to 11.1 billion *reais* in 2008.¹⁰⁶

Table 5.3: Brazilian Loan Receipt from the World Bank 2003

	Percent of Total	World Bank Contribution
Conditional Cash Transfer	97.7%	\$510M
Governance	0.5%	\$3M
Graduation	1.0%	\$5M
Monitoring	0.8%	\$4M
Total	100%	\$522M

Source: Ariel Fiszbein, Norbert Rüdiger Schady, and Francisco H. G. Ferreira, *Conditional Cash Transfers: Reducing Present and Future Poverty* (World Bank Publications, 2009),

In addition to taking technical advice from international organizations, Brazil used Bolsa Família as policy tool to reach the goals set forth in the Millennium

¹⁰⁴ Lindert, “Brazil Bolsa Familia Program-Scaling-up Cash Transfers for the Poor,” 69.

¹⁰⁵ Lindert et al., *The Nuts and Bolts of Brazil’ Bolsa Família Program: Implementing Conditional Cash Transfers in a Decentralized Context*, 13.

¹⁰⁶ James Connelly, *The Withering of the Welfare State: Regression* (Palgrave Macmillan, 2012), 164.

Declaration.¹⁰⁷ The MDGs resulted in a realignment of national policies to combat poverty and increase development, and doing so in measurable ways.¹⁰⁸ As a nation identified for economic success with the BRICS, Brazil has wanted recognition from the international community in the form of a seat at the Security Council.¹⁰⁹ Since 2004, right around the start of Bolsa Família, Brazil began leading the UN stabilization effort in Haiti and building its case for international leadership.¹¹⁰ One of the factors holding the nation back is its rampant inequality, because international leaders argue that Brazil must first address its human rights violations and the 26% poverty rate to gain international power—even if this is just a stalling tactic, it is worth addressing the argument for the future.¹¹¹

Cardoso adopted neoliberal policies and Lula continued integrating Brazil into the more international world order. Around the turn of the century, the government subsumed national interests and international goals to better integrate into the global community.¹¹² Under Lula, the Brazilian state worked to expand its economic capacity and gain international power, and it would be remiss to think that the flagship program of the

¹⁰⁷ Maria Teresa Tatto et al., “Is Poverty Reduction Enough? Lessons from Bolsa Família in Brazil,” in *Learning and Doing Policy Analysis in Education: Examining Diverse Approaches to Increasing Educational Access: Examining Diverse Approaches to Increasing Educational Access* (Springer Science & Business Media, 2012), 21.

¹⁰⁸ *Ibid.*, 13.

¹⁰⁹ “Brazil Wants Some Security Council Love. But It Won’t Get It (yet).,” *Foreign Policy*, accessed March 17, 2015, <http://foreignpolicy.com/2012/04/03/brazil-wants-some-security-council-love-but-it-wont-get-it-yet/>.

¹¹⁰ *Ibid.*

¹¹¹ Tatto et al., “Is Poverty Reduction Enough? Lessons from Bolsa Família in Brazil,” 19.

¹¹² Amado Luiz Cervo, “Brazil’s Rise on the International Scene: Brazil and the World,” *Revista Brasileira de Política Internacional* 53, no. SPE (December 2010): 7–32, doi:10.1590/S0034-73292010000300002.

administrative did not bear in mind these aspirations. The international variable is at high importance in shaping Brazil's policy decision to implement a CCT. Brazil's deviation, however, from the Mexico CCT design highlights its independence in specific design elements of the policy and will be discussed later in this chapter.

SOCIAL VARIABLES

Left leaning political groups were in turmoil after the narrow defeat of the PT candidate, Lula, to Collor de Mello in the 1989 presidential election, but his impeachment reignited this flame for the left.¹¹³ In 1992, youth mobilization gained national attention, but due to the strength of *globalizando* (globalizing) reforms under Cardoso, the energy dissipated and students receded into a segmented field.¹¹⁴ Replacing the prominence of student movement in the 1990s, the Landless Workers Movement (MST) in Brazil gained momentum. The movement began in the 1980s, protesting the unequal distribution of land in Brazil. From Cardoso and a government increasingly focused on international appeasement, they did not find much sympathy. Extreme examples of this governmental disregard come from the data on loss of life in the MST movement: between 1988 and 2001, 1517 members of the MST movement lost their lives from attacks from the military or private militias.¹¹⁵ The Cardoso government was unsympathetic to the protests and the

¹¹³ Ann Mische, *Partisan Publics : Communication and Contention Across Brazilian Youth Activist Networks*, Princeton Studies in Cultural Sociology (Princeton: Princeton University Press, 2008), 60, <http://search.ebscohost.com/login.aspx?direct=true&db=e000xna&AN=549240&site=ehost-live>.

¹¹⁴ *Ibid.*, 63.

¹¹⁵ Laura Landertinger, "Brazil's Landless Workers Movement (MST)" (York University, 2009), 13.

World Bank presented its own strategy for Brazil's land distribution situation that went against what the MST movement advocated for.¹¹⁶

Social influence was not a major factor in Brazil's social policy decision to implement a CCT. The student protest and MST efforts show that protests occurred in Brazil in the decade leading up to this policy decision but that the issues people mobilized around neither related to CCTs nor prompted the government to respond with a poverty alleviation policy.

Table 5.4 compiles the variables influencing the implementation of Bolsa Família, and Table 5.5 compares Bolsa Família to PROGRESA. Table 5.5 shows these two programs are shaped by a different combination of variables, and even when there are similarities in weighting of variables, the specific nature of the variable differs in each country.

¹¹⁶ Ibid.

Table 5.4: Compilation of the Influencing Variables in Bolsa Família

Category of Analysis	Independent Variable	Rating	Brazil
Economic	Crisis	Low	A Crisis occurred in 1999, 4 years before Lula introduced Bolsa Família, but it did not have the same impact on Brazilian cities, the crisis itself was not as intense, and leaders previously showed a commitment to social welfare
Politics	Background of Executive	Medium	Like Zedillo, Lula comes from a humble background, this shapes his policy decisions regarding social welfare and he was elected due to his commitment to Brazil's marginalized poor people; however, his predecessor had already begun a series of reforms that served as the foundation for his policies
	Political Parties	High	The PT coming to power led to a desire to block future clientelist practices by parties that had a more established network of local brokers. Initializing universal programs took away this advantage and gained attention and credit for the PT
	Political Transition	High	Highly connected with the political parties variable, the strengthening of political parties in Brazil and the leftward shift of the nation influenced the increasing programmatic nature of politics and the commitment to social rights
Preceding Programs	Learning from Preceding Programs	High	Brazil's municipalities experimented with CCT's throughout the 1990s and expanded these programs to the national level via separate programs. These phases of CCT serves as the foundation for Bolsa Família and the guide for its policy decisions
Technocratic, evaluative programs	International Technocratic Programs	Medium	The technocratic nature of Bolsa Família helped get it approval, but in practice, Brazil is less commitment to technocratic program elements than many of its peer programs
International	Institutional Influence	High	Brazil took financial and technical support from the World Bank in creating the program and sought international prestige by addresses one of its vices, high inequality
	Policy Dispersion	Low	Along with Mexico, Brazil was one of the first countries to develop a CCT and was creating its program at the local level even before PROGRESA launched. Brazil learned from Mexico a bit in its program but largely devised its own model. This variable is not negligible though, because Brazil used the concept of a CCT to gain legitimacy.
Society	Social Views	Low	Lula's election indicates a desire for social change but no other specific social movements indicate the pushing of CCTs

Table 5.5: A Comparison Between PROGRESA and Bolsa Família

Variable	PROGRESA Rating	Bolsa Família Rating	Specific Information
Economic: Crisis	High	Low	The Peso Crisis led policymakers to increase their commitment to poverty alleviation while Brazil fostered a commitment to these programs before a their smaller crisis
Politics: Background of Executive	High	Medium	This variable is important in both cases, but in the Mexican case, Zedillo's background and education shapes his policy decisions and design. In Brazil, however, Cardoso initiated the foundation for Bolsa Família and Lula expanded it.
Politics: Political Party	Low	High	Brazilian political parties needed to create new programs at this time to gain voter support, while the PRI was largely unwilling to influence new programs in Mexico
Politics: Political Transition	Medium	High	Both countries were democratizing at this time, and in Brazil, a changing nature of programmatic politics influenced the creation of Bolsa Família while Zedillo also designed PROGRESA to be separate from the PRI and ready for political transition
Learning from Previous Programs	High	High	In both countries, policymakers learned from previous domestic poverty efforts; however, Brazil built on past success while Mexico used a previous program as a platform for change but moved away to a new programmatic design
Technocratic Program Design	High	Medium	For both of these countries, a technocratic program design was fundamental to CCT development. In Mexico, this was for ideological reasons while Brazil relied on this program structure to gain domestic and international credibility.
International: International Influence	None	High	Mexico intentionally rejected international support in favor of garnering domestic approval of a homegrown effort. Though Brazil relied on international funding, they designed a program that had softer conditionality than other institutions wanted
International: Policy Dispersion	None	Low	Both of these countries were the foundational CCT programs, so this variable gains greater importance for later cases. Brazil, however, did learn from Mexico in transitioning from a local to national CCT program
Societal Views	Low	Low	In both cases, the public was not particularly organized around the issue of poverty and did not shape policymakers' designs though there was an underlying desire for improvement to social welfare in both countries

SOCIAL POLICY DESIGN

The origins of social policy impact how policymakers decide to structure the programs they enact. The combination of political, economic, international, and social variables come together to shape politicians decisions about social policies, with political variables and influence from preceding programs having the greatest weight in the case of Brazil. Brazilian policymakers made important decisions regarding the structural elements of Bolsa Família that are both similar and different from Mexico's CCT program developing at a similar time. Brazil and Mexico's CCT programs are some of the few that were designed domestically and they are often the models for other countries developing CCT programs; however, the two programs have some drastic programmatic differences.¹¹⁷ This section first outlines the elements of Brazil's Bolsa Família program and then analyzes these policy decisions in relation to Mexico.

A. PROGRAM DESIGN

Brazil introduced Bolsa Família in 2003 by an executive order, and the legislature passed Law 10,839 in 2004 for the programs regulation and institutionalization.¹¹⁸ The program targets families that earn less than R\$60 a month or families with pregnant women and children up to 15 years of age with income lower than R \$120 (equivalent to US\$60), which is less than one-half of the minimum wage in Brazil.¹¹⁹ The program

¹¹⁷ Enrique Valencia Lomelí, "Conditional Cash Transfers as Social Policy in Latin America: An Assessment of Their Contributions and Limitations*," *Annual Review of Sociology* 34, no. 1 (2008): 477, doi:10.1146/annurev.soc.34.040507.134537.

¹¹⁸ "Cria o Programa Bolsa Família e dá outras providências," Presidencia da Republica, January 9, 2004, accessed March 20, 2015, http://www.planalto.gov.br/ccivil_03/_ato2004-2006/2004/lei/110.836.htm

¹¹⁹ Totto et al., "Is Poverty Reduction Enough? Lessons from Bolsa Familia in Brazil," 2.

combines preexisting programs and focuses on rapid expansion to aid as many citizens as quickly as possible as opposed to Mexico's slow rollout to prevent program leakage.¹²⁰ From its inception, Bolsa Família has circumvented the influence of state governors to mitigate the strong-arming that governors do between local and national officials and avoid the corruption common to this post.¹²¹ Bolsa Família targets female heads of household as program recipients because policymakers argue that they spend the money more effectively to meet family needs, and a Brazilian report in 2010 showed that 93% of program recipients were women.¹²² Program funds are given to citizens on a monthly basis via electronic benefits cards (EBCs) provided by the Ministry of Social Development, and these cards have become iconic in the social policy sphere.¹²³

To enroll for Bolsa Família, families complete a form that they can pick up at their local City Hall, and on this form, registrants provide information about their income and family configuration.¹²⁴ In Mexico, program recipients are determined by proxy means testing, a type of testing in which a family's eligibility is determined by governmental information about their income and standing. In Brazil, however, families self report their income to the program and this information is then crosschecked with information from government databases.¹²⁵ This information is only recorded in

¹²⁰ Lindert et al., *The Nuts and Bolts of Brazil's Bolsa Família Program: Implementing Conditional Cash Transfers in a Decentralized Context*, 2.

¹²¹ Fenwick, "Avoiding Governors," 12.

¹²² Totto et al., "Is Poverty Reduction Enough? Lessons from Bolsa Familia in Brazil," 22.

¹²³ Nica, "Bolsa Família's Contribution to Poverty Alleviation," 113.

¹²⁴ Ibid.

¹²⁵ Alan de Brauw et al., "Bolsa Família and Household Labor Supply," *Economic Development and Cultural Change* 63, no. 3 (April 1, 2015): 428, doi:10.1086/680092.

government agencies when people work in the formal sector, so this strategy of means testing encourages only formal-sector income to be reported; this ignores the vibrant informal labor sector that accounts for a large percentage of income in Brazil and overestimates the number of families eligible for Bolsa Família.¹²⁶

Bolsa Família is a largely decentralized program because of its dependence on municipal leaders but there are also national level components of the program focused on maintaining targeting accuracy and efficient management. Every two years, municipalities have to recertify current and potential program beneficiaries to the Cadastro Único database that stores all the program recipients and ensure the information remains accurate.¹²⁷ This practice tries to ensure that people who no longer need benefits are cycled out of the program and that municipalities are not exceeding their quotas. The quota system entails the Federal Ministry of Social Development (MDS) that Lula established to oversee Bolsa Família, similar to SEDESOL in Mexico, assigns municipalities quotas for the maximum number of Bolsa Família recipients based on poverty maps of the area.¹²⁸ If the number of households applying for the program is lower than the quota, all will be accepted, but if there are more applicants than there is space in the program, then there is a priority for selection based on families in extreme poverty and the remaining families are placed on a waitlist.¹²⁹ These decisions about program recipients are all made at the national level, but the municipalities then monitor program recipients and check their eligibility every two years.

¹²⁶ Ibid.

¹²⁷ Lindert et al., *The Nuts and Bolts of Brazil's Bolsa Família Program: Implementing Conditional Cash Transfers in a Decentralized Context*, 41.

¹²⁸ Brauw et al., "Bolsa Família and Household Labor Supply," 427.

¹²⁹ Ibid.

In the event that a family does not comply with the program, there are different actions taken to withhold program benefits. Benefits can be blocked for a variety of reasons including: changes in Cadastro Único registry information, discovery of false information, family income rises above Bolsa Família limits, and non-compliance with program conditionalities.¹³⁰ Based on the severity of the problem, there are three actions to withhold benefits: blockages which last thirty days and family restart receiving benefits after, suspensions that last sixty day and families receive benefits afterwards, and cancellations in which benefits are cancelled indefinitely and families are no longer eligible afterwards.¹³¹ While the federal government defines the policy of the program, municipalities take the lead on verifying compliance with conditionality and municipal social workers target program candidates.¹³² Notably, interviews with teachers in Brazil show that it is a generally accepted practice for absent beneficiary children to be marked as present to ensure their family continues to receive benefits, and these inaccuracies in measurement continue right up through the program.¹³³

PROGRAM DESIGN EXPLANATIONS

In 1995, World Values Survey data showed that Brazilian citizens support poverty alleviation efforts because poverty is unjust, as shown in Table 5.4. Mexico and Brazil

¹³⁰ Lindert et al., *The Nuts and Bolts of Brazil's Bolsa Família Program: Implementing Conditional Cash Transfers in a Decentralized Context*, 54.

¹³¹ Ibid.

¹³² Fábio Veras Soares, Rafael Perez Ribas, and Rafael Guerreiro Osório, "Evaluating the Impact of Brazil's Bolsa Família: Cash Transfer Programs in Comparative Perspective," *Latin American Research Review* 45, no. 2 (2010): 6.

¹³³ Francesca Bastagli, *From Social Safety Net to Social Policy? The Role of Conditional Cash Transfers in Welfare State Development in Latin America* (Working Paper, International Policy Centre for Inclusive Growth, 2009), 15, <http://www.econstor.eu/handle/10419/71826>.

have similar percentages in the survey, though Brazil has a greater cohort of people that think society is unjust and that the poor have a small chance of escaping poverty. This belief system may help explain the reason for the way that the Mexican program is structured and compared to the Brazilian program that provides more trust in poor people and municipalities to provide their information and outcomes.

Table 5.4: World Values Survey Results 1995

	Perceptions: % who believe that		
	The poor are poor because:		
	“Society is Unjust”	“They are lazy”	“The poor have very little chance to escape from poverty”
LAC-Average	65.8	28.3	62.0
Mexico	65.8	24.6	56.9
Argentina	74.0	26.0	74.5
Brazil	75.7	20.5	70.5
Chile	55.6	36.9	58.5
Peru	56.5	34.2	47.1
Venezuela	52.9	47.1	59.6
Continental Europe	63.3	17.1	60.2
United States	38.8	61.2	29.6

Adapted from longer list of countries in: Kathy Lindert, Emmanuel Skoufias, and Joseph Shapiro, “Redistributing Income to the Poor and the Rich: Public Transfers in Latin America and the Caribbean,” *SP Discussion Paper* (2006): 60.

A distinguishing aspect of Bolsa Família is its consolidation of preexisting cash transfer programs into one overarching program, which Lula decided to do for practical reasons while also reaping benefits for himself and his political party. The PT claims that combining the programs allowed for greater efficiency so there were no longer some people benefiting from all four programs and others receiving no benefits at all.

Additionally, the PT does not have the same clientelist reach as other political parties so the universality of the program provides them an opportunity to breakdown existing clientelistic loyalties.

A major difference between Bolsa Família and PROGRESA is Bolsa Família's decentralized structure and reliance on municipalities. Brazil's political structure shapes this policy decision as well as the rise of the PT as relatively new political party. Brazil has historically had a fragmented and weak party system and a federalist system.¹³⁴ According to Tracy Fenwick, a professor at Australian National University, Brazil's 1988 constitution facilitated a newfound strictness to the subnational budget that facilitated central-local collaborations in the health, education, and social assistance spheres.¹³⁵ The commitment to subnational interest in Brazil and the weakness of national political parties led to the power of governors to constrain federal leaders and push their own agendas.¹³⁶ Social policies since the 1988 focused on avoiding governors and centralizing programs at the federal level while using municipal leaders as key local-level allies.¹³⁷ Because Lula won his 2002 election with 61.3% of the votes, he had a mandate to push through his policies, but his party only controlled 13.4% of the governorships and even less of the mayorships.¹³⁸ Because Brazil has a proportional representation system with many political parties, there are often many political parties in the president's coalition, which leads to dilution policy ownership, but a program like Bolsa Família provides many different access points for leaders and local actors to get credit for the program.¹³⁹ Ultimately, for Brazil's leadership to get a program through the three layers of Brazilian's

¹³⁴ Scott Mainwaring, "Brazil Weak Parties, Feckless Democracy," in *Building Democratic Institutions: Party Systems in Latin America*, by Timothy R. Scully (Stanford University Press, 1995), 354.

¹³⁵ Fenwick, "Avoiding Governors," 104.

¹³⁶ *Ibid.*, 106.

¹³⁷ *Ibid.*, 116.

¹³⁸ *Ibid.*, 122.

¹³⁹ "Local Action," *The Economist*, October 13, 2012, <http://www.economist.com/node/21564540>.

federalism, then there has to be credibility in the program—in the case of Bolsa Família, earned by legitimacy in local level CCT programs—and incorporation of leaders at differing levels of government

The ability to change this program comes from its internal credibility from Lula's individualistic commitment. Lula stressed the reshaping of the citizen-government relationship with a new social contract, and his election win represented a mandate to do so. The program strengthened direct relationships with citizens and prevented mediating leaders or organization to prevent the policy.¹⁴⁰ Part of this design of this program is due to the fact that it first came in the form of a presidential mandate and was passed as a constitutional law a few months later. The rapid expansion of the program did not adhere to Mexico's more methodical method but rather set its sights on widespread adoption and quickly earning widespread support. The rapid expansion also is a part of the pressure to adhere to the MDGs and for Brazil to pursue the international goal setting. Ultimately, the program benefited from advice from Mexico policymakers and international that provided insight and aid.

Part of Bolsa Família specific policy decisions were also in direct response to the policy experimentations and preexisting CCT programs in Brazil, especially in rebalancing the municipal and federal relationship when the program increased in scope. Under Bolsa Escola, the municipalities determined program eligibility on their individual poverty estimations.¹⁴¹ Policymakers discovered that in 261 municipalities in the

¹⁴⁰ Hevia, "Direct or Mediated Relationships: Civic Involvement and Social Accountability in the Bolsa Família Programme."

¹⁴¹ Lindert et al., *The Nuts and Bolts of Brazil's Bolsa Família Program: Implementing Conditional Cash Transfers in a Decentralized Context*, 44.

Northeast that there was rampant confusion about who had decision-making authority between local authorities—mayor’s office or the social controls councils—and the Ministry of Education from the federal government.¹⁴² Beneficiary selection was also centralized to make the methodology more consistent and prevent local favoritism.¹⁴³

The effect of the local programs can be seen in the power that remains in the municipalities in the national CCT program as well as the way in which Bolsa Família was rolled out. Unlike Mexico, which had two rollouts of PROGRESA to collect data on the impact of the program, Brazil relied on information gathered from the local level programs to shape the national effort. The way Brazil allows for testing is the heterogeneous context of the program that entails different benefits, conditionalities, or other programmatic elements across different municipalities in Brazil.¹⁴⁴

CONCLUSION

Brazil and Mexico’s CCT programs are the two largest programs of their kind, but the origin and design of these programs differ substantially from one another. Many of the same variables are relevant in these cases, but they have varying degrees of importance. In both countries, an executive leader helps shape the national CCT program, but this is less of an influencing variable in Brazil where Bolsa Família originated from local experiments all around the nation. Additionally, in Mexico, a devastating economic crisis catalyzed a major social policy response while Brazil’s strong economic response

¹⁴² Ibid.

¹⁴³ Ibid.

¹⁴⁴ Daniel Gilligan and Anna Fruttero, “The Impact of Bolsa Família on Education and Health Outcomes in Brazil,” (Powerpoint, Second Generation of CCT Evaluations Conference, The World Bank, October 24, 2011)

mitigated the effects of an economic crisis and did not influence the plan for a CCT that was already forming in the country. Learning from prior programs is also an important in both cases, but in Mexico, leaders disband a failed program and restart, while in Brazil, national leaders build off of success at the local level. The international variable is purposefully suppressed in Mexico in order to gain legitimacy, but Brazil orients its efforts towards gaining international approval and welcomes international financing and expertise. Finally, social variables appear to be negligible in both of these cases. There are parallels between these two cases, but the weight of explanatory variables varies, and the strength of some variables over others in each case shapes the features in each of the programs.

Regarding program design, PROGRESA and Bolsa Família share some similar features but also differ in structure and techniques. Bolsa Família has far less evaluations than Mexico and uses less precise targeting mechanisms in selecting program recipients. Mexico's commitment to a technocratic, evaluative program gains them greater acclaim from international financial institutions, but both countries benefit from the legitimacy of conditional aid that appease citizens and policymakers who would otherwise oppose aid to the poor. Bolsa Família creates a different model than PROGRESA and calls into question the treatment of CCTs as a monolithic program. With differences already arises between foundational cases, CCT programs that take shape in the years after Bolsa Família and PROGRESA continue to learn and adapt. The next chapter examines two cases from the next wave of CCT programs and examines what different combination of variables influence programs beyond the foundation CCT programs.

CHAPTER SIX

GLOBALIZING SOCIAL POLICY: THE NEXT WAVE OF CCTS

This chapter examines two countries, Nicaragua and Colombia, that both face challenges in attaining national support for internationally encouraged CCT programs, though one country's program was ultimately disbanded and the other continues to grow. While there is significant research on PROGRESA and Bolsa Família, the founding CCT programs, there is less scholarship on subsequent CCT programs. Because CCTs are treated as a model, scholarship begins and ends with foundational programs, ignoring updates and changes to subsequent CCT programs. In other words, scholars study foundational programs of CCTs because they assume that all following programs are identical, though this overlooks changes to the program as well as the processes of adoption in each country. Another explanation for the overemphasis on PROGRESA and Bolsa Família is that these programs reach about 25% of the population in each country while other CCTs are much smaller, targeting smaller subsets of the national population or not emphasizing universal coverage as in Brazil; some of these programs reach less than 10% of the population or even just 1% in some cases.¹ As a result, scholars might prioritize study of larger programs because they have a greater impact.

While bearing in mind the importance of studying PROGRESA and Bolsa Família, studying subsequent provides critical information about how countries update CCT programs and what variables account for successful implementation of these programs in different countries. I contend that there is a unique combination of variables

¹ Ariel Fiszbein, Norbert Rüdiger Schady, and Francisco H. G. Ferreira, *Conditional Cash Transfers: Reducing Present and Future Poverty* (World Bank Publications, 2009), 34.

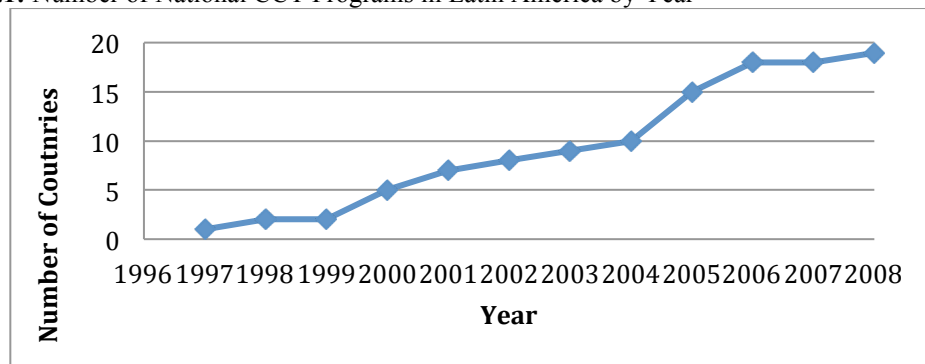
impacting each country deciding to implement a CCT, and these variables are especially different across founding CCT programs and countries that subsequently adopted the program. This is because the decision to implement a new program poses challenges relating to gaining approval and legitimacy while countries looking to adopt programs that other countries have already implemented need to determine if the program is appropriate for them regardless of the popularity of the program and incentives from international financial institutions to implement it. The three variables I examine in the cases of Nicaragua and Colombia are domestic political support, policy learning, and international influence, because these shape the decision to adopt a CCT program and if it is successful. Further examining these variables helps scholars to understand the extent to which CCTs are a model that countries implement or are a program that they adapt to find their needs. This chapter begins with a description of the development of CCT programs after PROGRESA and Bolsa Família to situate the Nicaraguan and Colombian cases and provide a foundation for future research on the spread of CCT programs. Then, I analyze the Nicaraguan case and Colombian case with emphasis on domestic political support, policy learning, and international influence.

AFTER PROGRESA AND BOLSA FAMÍLIA: POLICY LEARNING ACROSS LATIN AMERICA

PROGRESA and Bolsa Família initiated a wave of CCT program adoption and founded a new, dominant social policy strategy for many countries and policymakers. From 1997 to 2008, national CCT programs engulfed Latin America and expanded to

countries around the globe,² and by 2010, there were as many as 129 million CCT beneficiaries worldwide.³ Figure 6.1 shows the spread of CCTs across Latin America in this time period, highlighting the steady rise of the number of CCT programs in the region. These programs vary in scope and program design as a result of differences across countries such as amount of economic growth, level of institutional stability, and capacity of government bodies to oversee these highly technical programs. Despite some countries lacking fully developed administrative infrastructure to comfortably manage these technocratic programs, scholarship, media, and international attention influenced their decision to adopt these programs due to their widespread appeal and popularity.⁴ This created a vicious cycle, because the more countries adopting the program, the more attention they received.⁵ Further, the speed of the adoption appears mean that countries adopt programs wholesale and then make changes depending on what they need.⁶

Figure 6.1: Number of National CCT Programs in Latin America by Year



Source: Natasha Borges Sugiyama, “The Diffusion of Conditional Cash Transfer Programs in the Americas,” *Global Social Policy* 11, no. 2–3 (December 1, 2011): 262, doi:10.1177/1468018111421295.

² Ibid., 3.

³ Marco Stampini and Leopoldo Tornarolli, “The Growth of Conditional Cash Transfers in Latin America and the Caribbean: Did They Go Too Far?,” November 30, 2012, 3, <http://publications.iadb.org/handle/11319/1448>.

⁴ Sugiyama, “The Diffusion of Conditional Cash Transfer Programs in the Americas,” 264.

⁵ Ibid., 262.

⁶ Ibid.

Upon studying the success of PROGRESA, the World Bank set up conferences and meetings to analyze these policies and promote opportunities for countries to learn from one another, showing an increasing interest in these programs from international institutions and their increasing power in shaping policymakers' choice. These conferences occurred in Mexico (2000), Brazil (2004), and Turkey (2006) and countries that had implemented CCT programs or were planning to implement them were invited to attend.⁷ At these conferences, representatives from each country presented the successes and challenges of their programs to get advice from World Bank officials and policymakers from other countries.⁸ Further, CCTs were also a topic of discussion at broader UN or World Bank conferences—especially in regarding to meeting the MDGs.⁹ These conferences show the increasing influence of international institutions in the policymaking decisions of developing countries, and I discuss this use of soft power along with funding as an incentive for specific policy decisions later in this chapter. With this broad understanding of the spread of CCTs, I examine the 1997 to 2007 timeline when CCTs spread most rapidly.

The initial start date for CCT programs varies depending on the whether scholars only examine national level programs or local level initiatives. Local governments in Brazil launched CCTs in 1995, while Mexico launched the PROGRESA in 1997.¹⁰ By

⁷ Natasha Borges Sugiyama, "The Diffusion of Conditional Cash Transfer Programs in the Americas," *Global Social Policy* 11, no. 2–3 (December 1, 2011): 263, doi:10.1177/1468018111421295.

⁸ "1st Intl. Conference on Conditional Cash Transfer Programs, Apr. 29-May 1, 2002," The World Bank, *Safety Nets and Transfers*, accessed March 24, 2015, <http://go.worldbank.org/AQYLLX1ZC0>.

⁹ Sugiyama, "The Diffusion of Conditional Cash Transfer Programs in the Americas," December 1, 2011, 263.

¹⁰ Stampini and Tornarolli, "The Growth of Conditional Cash Transfers in Latin America and the Caribbean," 7.

1998, Honduras transitioned from Programa de Asignación Familiar (PRAF-I) phase one to phase two (PRAF-II) in 1998, adding a conditional component upon the conclusion that the program's first phase was not achieving the desired impact.¹¹ Honduras' programmatic transition was influenced by the conditionality of a US\$45 million loan from the Inter-American Development Bank specifying a CCT.¹² Though Mexico chose not to receive international funding at the start of its CCT program, Honduras, Brazil, and other subsequent programs accepted significant amounts of international aid. By 2010, the World Bank spent a total of \$5.4 billion on CCT programs with \$4.6 billion in Latin America.¹³ After these initial programs, scholars divide subsequent CCT adoptions into waves due to the clustered timing of program adoption.

The second wave of CCT programs began in the early 2000s and includes Superémos in Costa Rica (2000), Red de Protección Social in Nicaragua (2000), Familias en Acción in Colombia (2001), Solidario in Chile (2002), Programme of Advancement through Health and Education in Jamaica (2002), and Bono de Desarrollo Humano in Ecuador (2003).¹⁴ Scholars traditionally include Brazil in the first wave of CCTs, despite Bolsa Família beginning in 2001, because its programs began at the local level in 1995. Within this second wave of CCT programs, Costa Rica's program was discontinued in 2002 and Nicaragua's in 2006, making them some of the first countries to disband CCT

¹¹ Charity Moore, *Assessing Honduras? CCT Programme PRAF, Programa de Asignación Familiar: Expected and Unexpected Realities*, Country Study (International Policy Centre for Inclusive Growth, 2008), 7, <https://ideas.repec.org/p/ipc/cstudy/15.html>.

¹² Ibid.

¹³ Ibid.

¹⁴ Stampini and Tornarolli, "The Growth of Conditional Cash Transfers in Latin America and the Caribbean," 8.

initiatives.¹⁵ Many of these programs received conditional Inter-American Development Bank and World Bank loans to fund these programs. Colombia, for example, received US\$150 million from the World Bank to initiate its program.¹⁶ Additionally, countries learned from the expertise of Mexico, Brazil, and other preceding programs as well as policymakers from international organizations to devise their CCT programs. For example, Nicaragua learned from programs in Colombia, Brazil, and Mexico,¹⁷ and asked the International Food Policy Research Institute (IFPRI) to evaluate their program design and results and determine the effectiveness of their design.¹⁸ Also in 2000, the World Bank organized the First International Conference on Conditional Cash Transfers and held it in the country of the star CCT, Mexico.¹⁹ This conference coincided with the conclusion of the three-year evaluation of the PROGRESA program by the IFPRI that deemed the program highly effective.²⁰

The third wave of CCTs began in 2005, a year after the Second International Conference on Conditional Cash Transfers in Brazil. Between 2005 and 2006, the Dominican Republic, El Salvador, Paraguay, Peru, Uruguay, Bolivia, Panama, Trinidad and Tobago, and other Latin American and Caribbean countries joined the CCT

¹⁵ Ibid.

¹⁶ “Colombia: Offering an Escape from Poverty,” The World Bank, *News & Broadcasts*, (2013), <http://go.worldbank.org/ZK15V6OLT0>.

¹⁷ Enrique Valencia Lomelí, “Conditional Cash Transfers as Social Policy in Latin America: An Assessment of Their Contributions and Limitations*,” *Annual Review of Sociology* 34, no. 1 (2008): 478, doi:10.1146/annurev.soc.34.040507.134537.

¹⁸ Nicaragua: Red de Protección Social (RPS) Evaluation Dataset, 2000-2002. 2005. Washington, D.C.: International Food Policy Research Institute (IFPRI)(datasets). <http://www.ifpri.org/dataset/Nicaragua>

¹⁹ Michelle Adato and John Hoddindott, eds., *Conditional Cash Transfers in Latin America* (Baltimore: The Johns Hopkins University Press, 2010), 317.

²⁰ Valencia Lomelí, “Conditional Cash Transfers as Social Policy in Latin America,” 477.

movement.²¹ Countries learned from programs in surrounding countries as well as from international officials providing policy advice and funding packages. El Salvador's program, for example, learned from Nicaragua's program and added new design elements, including a transfer to adults who complete education and training programs.²² This program adaption responds to concerns from scholars and policymakers that CCTs ignore opportunities to aid impoverished adults by only advocating for children's education and health attainment.²³ In the addition to the conference in Brazil in 2004, the World Bank also held a conference in 2005 titled 'Voice and Accountability in Transfer Programs in Latin America,' which was the third and final CCT-focused conference.²⁴

At first glance, there appears to be no key domestic variable that all the countries implementing CCT in Latin America in a 10-year period share. Politically, many Latin American countries experienced a 'turn to the left' in the early 2000s with leaders like Evo Morales, Luiz Inacio Lula da Silva, Rafael Correa, and others coming to power.²⁵ Despite a coincidence in the timing of CCT program implementation and the left turn, there seems to be no correlation between the ideological leaning of the president that adopted a CCT, shown by Table 6.1. Despite an expectation from social policy literature to see a stronger commitment to social policy from left leaning politicians, this chart shows no such pattern.

²¹ Stampini and Tornarolli, "The Growth of Conditional Cash Transfers in Latin America and the Caribbean," 8.

²² Ibid., 478.

²³ Emmanuel Skoufias and Vincenzo Di Maro, "Conditional Cash Transfers, Adult Work Incentives, and Poverty," *The Journal of Development Studies* 44, no. 7 (August 1, 2008): 935, doi:10.1080/00220380802150730.

²⁴ Michelle Adato and John Hoddindott, *Conditional Cash Transfers in Latin America*, 318.

²⁵ Paola Peña Berdugo, "The Politics of the Difusion of Conditional Cash Transfers in Latin America," *VOX LACEA*, August 25, 2014, <http://vox.lacea.org/?q=blog/politics-diffusion-cct>.

Table 6.1 Presidents Adopting CCTs

Country	President Adopting CCT	President's ideological leaning
Mexico	Ernesto Zedillo	Center-right
Honduras	Carlos Roberto Flores	Center
Colombia	Andrés Pastrana	Center-right
Nicaragua	Arnolodo Alemán	Right
Brazil	Fernando Henrique Cardoso	Center
Jamaica	Percival James Patterson	Left
Chile	Ricardo Lagos	Center-left
Ecuador	Lucio Edwin Gutiérrez Borbúa	Center-left
Argentina	Néstor Carlos Kirchner	Center-left
Dominican Republic	Leonel Fernández Reyna	Center
El Salvador	Antonio Saca	Right
Paraguay	Óscar Nicanor Duarte Frutos	Right
Costa Rica	Miguel Ángel Rodríguez Echeverría	Center-right

Adapted from: Natasha Borges Sugiyama, "The Diffusion of Conditional Cash Transfer Programs in the Americas," *Global Social Policy* 11, no. 2–3 (December 1, 2011): 263, doi:10.1177/146801811142129 removed HDI and government effectiveness score columns

In addition, there are no apparent economic indicators that all CCT implementing countries share, though many countries experienced economic turmoil in the years prior to their program implementation. The timing does not indicate that all countries underwent a policy shift in the face of economic crisis to implement CCTs and the countries are of different levels of development, ranging from low income to upper middle-income economies, as classified by The World Bank.²⁶ While many studies concentrate on Mexico and Brazil's famous CCT programs, studying the larger movement provides a greater opportunity to find patterns that show the decision-making process of policymakers and the variables that contribute to the success of a program.

All the countries implementing CCTs have differences in their internal situation in regards to political, economic, and social variables, and there is no way to determine one variable as the causation for all of the CCTs through Latin America. This being said,

²⁶ *Country Groups*, Online, Data and Statistics (The World Bank, 2011), <http://econ.worldbank.org/WBSITE/EXTERNAL/DATASTATISTICS/0,,contentMDK:20421402~menuPK:64133156~pagePK:64133150~piPK:64133175~theSitePK:239419,00.html>.

patterns emerge upon examining the countries that are adopting these programs, and there is clearly influence from domestic political support, policy learning, and international institutions. The next section examines these variables to determine their impact in the cases of Red de Protección in Nicaragua and Familias en Acción in Colombia.

TWO CASE STUDIES FROM SECOND WAVE CCT PROGRAMS

This chapter examines two cases in the second wave of CCT programs that both learn from PROGRESA and Bolsa Família and deviate from their practices. This chapter examines variables that have an evolving influence after the initial creation of CCT programs in Mexico and Brazil: domestic political support, policy learning, and international influence. Mexico and Brazil had to address these variables in their own way, but the increasing attention from the success of these programs created new challenges and opportunities for CCT adopters. Additionally, studying the second wave of CCTs shows how countries learn from and change Mexico and Brazil's founding policies and provides a foundation for future research on countries in the third wave of CCTs that continue to reshape CCT programs. By examining the variables influencing the implementation of CCT, we can gain some understanding about what leads to the adoption of these policies and what variables help attain domestic support from programs that were designed elsewhere.

THE NICARAGUAN CASE: PURSUING INTERNATIONAL APPROVAL AND A TECHNOCRATIC DESIGN

To what extent do the goals of domestic buy-in, policy learning, and international institutions shape the spread and success of CCT programs? In Mexico, President Zedillo

rejected initial offers at international financial support because he wanted to garner domestic support for a homegrown program.²⁷ Perhaps this foresight is an indicator of what was to come with international institutions eagerly offering Latin America funds to develop programs they deemed as critical for development. Brazilian CCT scholar, Natasha Borges Sugiyama finds that international financial institutions only offer to fund CCT programs after a program is in place, but this still serves as a major incentive to create a program and use international organizations to subsidize it.²⁸ She explains other means of influence from international community includes media articles in popular publications about CCTs, conferences on CCTs, and influence from powerful individuals at the World Bank or United Nations.²⁹ Nicaragua's CCT program received international acclaim for its measured successes, but it lacked domestic support. In the end, the program was disbanded after six years and replaced by other poverty alleviation efforts. This section provides background for this case and then examines it in terms of the domestic policy decisions and international influence and, seeking an understanding of why a successful incarnation of the popular CCT program did not survive.

²⁷ Michelle L. Dion, *Workers and Welfare : Comparative Institutional Change in Twentieth-Century Mexico*, Pitt Latin American Series (Pittsburgh, Pa: University of Pittsburgh Press, 2010), 205, <http://search.ebscohost.com/login.aspx?direct=true&db=e000xna&AN=835606&site=ehost-live>.

²⁸ Natasha Borges Sugiyama, "The Diffusion of Conditional Cash Transfer Programs in the Americas," *Global Social Policy* 11, no. 2–3 (December 1, 2011): 263, doi:10.1177/1468018111421295.

²⁹ *Ibid.*

History of the Red de Protección Social

Nicaragua's guerrilla war in the 1980s cost the country 50,000 lives, approximately 2% of its population.³⁰ So when the 1990s began with a peace deal with the rebel forces, this was an encouraging sign for a countries grappling with "public exhaustion and economic collapse."³¹ Democratically elected President Violeto Chamorro defined the early 1990s with a revision of the policies of the previous decades, a reinstatement of civilian control of the army, and efforts to stabilize the nation.³² By the second half of the decade, the government focused on economic recovery, looking to the international community for foreign aid, debt forgiveness, and remittances, but presidential corruption charges and the destruction of Hurricane Mitch in 1998 setback the recovery effort.³³

Nicaragua initiated the Red de Protección Social (RPS) as a pilot program in 2000 with a budget of \$11 million.³⁴ The Inter-American Development Bank helped to fund the program and the Nicaraguan government wanted to increase its reach, so by 2002, with a positive evaluation from the International Food Policy Research Institute, the budget expand to \$22 million.³⁵ According to a World Bank report from the same year,

³⁰ "Nicaragua: A Development Overview," NGO, *Foundation for Sustainable Development*, accessed March 24, 2015, <http://www.fsdinternational.org/country/nicaragua/devissues>.

³¹ "Nicaragua Profile," *BBC News*, accessed March 20, 2015, <http://www.bbc.com/news/world-latin-america-19914142>.

³² "Nicaragua | History - Geography :: Nicaragua since 1990," *Encyclopedia Britannica*, accessed March 24, 2015, <http://www.britannica.com/EBchecked/topic/413855/Nicaragua/236921/Nicaragua-since-1990>.

³³ *Ibid.*

³⁴ John A Maluccio and Rafael Flores, *Impact Evlauation of a Conditional Cash Transfer Program The Nicaragua Red de Protección Social*, Research Report (Washington DC: International Food Policy Research Institute, 2005), ix.

³⁵ *Ibid.*

Nicaragua established a CCT for the following reason: “Social Safety Net was created within an integrated inter-institutional framework that builds upon existing institutions and structures, with the objective of providing relief to 20% of the Nicaraguan population.”³⁶ Following Mexico’s lead, the Nicaraguan government implemented the RPS program with a randomized experiment in which they assigned the 42 eligible villages to either treatment or control status in order to thoroughly evaluate the impact of the program.³⁷ Additionally, Nicaraguan policymakers added new features to its program, which were taken up by some later programs such as Red Solidaria in El Salvador;³⁸ these features include supply-side incentives such as giving teachers with students participating in the program a bonus and funding an increase in school supplies and health coverage based on the number of program recipients enrolled in the area.³⁹ Overall, the Nicaraguan program received international acclaim for its impact on national poverty, yet the program was ultimately disbanded in 2006.⁴⁰ Policy researchers explain that there was a lack of domestic understanding regarding the program and the support for the program could not be maintained as power changed hands and citizens remained

³⁶ Ayala Consulting Co., *Workshop on Conditional Cash Transfer Programs (CCTs): Operational Experiences*, Final Report (Quito, Ecuador: World Bank, March 2003), 12.

³⁷ “Barham, Tania; Brenzel, Logan; Maluccio, John A.. 2007. Beyond 80 Percent : Are There New Ways of Increasing Vaccination Coverage? Evaluation of CCT Programs in Mexico and Nicaragua. World Bank, Washington, DC. World Bank. <https://openknowledge.worldbank.org/handle/10986/13743>

³⁸ Valencia Lomelí, “Conditional Cash Transfers as Social Policy in Latin America,” 478.

³⁹ Bénédicte de la Brière and Laura B. Rawlings, “Examining Conditional Cash Transfer Programmes: A Role for Increased Social Inclusion?,” in *Social Protection and Inclusion: Experiences and Policy Issues* (International Labour Organization, 2006), 13.

⁴⁰ *Impact Is Not Enough: Image and CCT Sustainability in Nicaragua*, One Pager (International Policy Centre for Inclusive Growth, March 2009).

skeptical about the program.⁴¹ Why did RPS not become institutionalized into the social policy strategies of Mexico and Brazil? The conditions in the country before the program and the program's foundational design may expose the differences that make a program like Bolsa Família deeply entrenched in society and RPS unable to gain the trust of citizens.

Domestic Political Support

The needs of Nicaraguan citizens were great and particularly immediate in the early 2000s due to a drop in coffee prices that devastated Central American farmers who relied on the product for their livelihood.⁴² Coffee accounts for 30% of Nicaragua's agricultural revenue, and as a result of a crash in coffee prices in 1999-2003, three national banks collapsed due to coffee debt, many farms were foreclosed on, and prices dropped to a quarter of what they had been in 1997.⁴³ Further, international pressure pushed coffee pricing down which put farmers out of work, lowered tax revenues, and led to a scaling back of social services and many layoffs.⁴⁴ Rural Nicaraguans claimed the government was not providing enough support for them in this crisis. According to one citizen, "People in Managua thought we didn't exist anymore... The government has done

⁴¹ Ibid.

⁴² David Gonzalez, "A Coffee Crisis' Devastating Domino Effect in Nicaragua," *The New York Times*, August 29, 2001, sec. World, <http://www.nytimes.com/2001/08/29/world/a-coffee-crisis-devastating-domino-effect-in-nicaragua.html>.

⁴³ Christopher Bacon, "Confronting the Coffee Crisis: Can Fair Trade, Organic, and Specialty Coffees Reduce Small-Scale Farmer Vulnerability in Northern Nicaragua?," *World Development* 33, no. 3 (March 2005): 501, doi:10.1016/j.worlddev.2004.10.002.

⁴⁴ Gonzalez, "A Coffee Crisis' Devastating Domino Effect in Nicaragua."

nothing.”⁴⁵ In response to the situation, the Nicaraguan government signed an agreement taking away control of health work from RPS and created a different initiative to meet the immediate needs of citizens struggling from the coffee-crisis related difficulties.⁴⁶ By 2002, the Inter-American Development Bank loaned US \$20 million for the second phase of the program to help RPS reach a total of 22,500 beneficiaries. This money joined the US \$2.2 million in local support for the program, but this did not address citizens’ concerns that their government was not providing enough support for their immediate need.⁴⁷ Furthering these issues of accountability, the RSF moved from the auspices of the Emergency Social Investment Fund ESIF to the Ministry of the Family with the intention of making the program more transparent and easier to coordinate with the Ministry of Health and the Ministry Education.⁴⁸ However, the new management proved more unruly in administration and led to a reduction in autonomy in the decision-making process of the program that decreased its effectiveness.⁴⁹ This policy decision attempted to address the program’s key shortcoming in its lack of support, but it ignored the low administrative capacity of the nation and ultimately caused greater programs for the program.

In a newspaper article from the Nicaraguan newspaper, *La Prensa*, in July 2000, the recipients chosen for the pilot version of RPS that began later in that year described

⁴⁵ Ibid.

⁴⁶ “Atención Sanitaria Para Comunidades Más Pobres | La Prensa Noticias,” accessed March 21, 2015, <http://www.laprensa.com.ni/2001/07/14/nacionales/764204-atencin-sanitaria-para-comunidades-ms-pobres>.

⁴⁷ “BID Aprueba Préstamo Para Protección Social | La Prensa Noticias,” accessed March 21, 2015, <http://www.laprensa.com.ni/2002/09/05/nacionales/848543-bid-aprueba-prstamo-para-proteccin-social>.

⁴⁸ Rena Eichler, *Performance Incentives for Global Health: Potential and Pitfalls* (CGD Books, 2009), 233.

⁴⁹ Ibid.

themselves as lucky.⁵⁰ The article explained, however, that mayors disagreed with randomized control trial beginning of the program because they argued some citizens would feel excluded from government support when some neighboring villages were excluded from the first round of the program.⁵¹ The first director general of the RPS, Carlos Lacayo, appealed to lawmakers and the public, explaining that the government did not have the resources to support the 86,000 eligible families all at once.⁵² Local leaders pointed out, however, that 10 of the 21 districts chosen for the program were in one city, El Tuma-La Dalia, and many people felt that this concentration of chosen districts was unfair, though Lacayo explained the IFPRI chose the cities by specific metrics.⁵³ This prioritizing of technocratic strategies was a choice made by policymakers that left citizens and local leaders angry about the program and frustrated that the goals of international institutions were valued over their personal wellbeing.

The lack of domestic understanding was ultimately the program's downfall, and government's disregard for the specific goals and needs of its population led to the erosion of the program's effectiveness.⁵⁴ Many policymakers valued social programs other than RPS, so they diverted funds away from the program and it was unable to be effective.⁵⁵ The international community was surprised about the discontinuation of a program that was succeeding according to their metrics. This reflects the limitations of

⁵⁰ "Combate a La Pobreza Echado a La Suerte | La Prensa Noticias," accessed March 21, 2015, <http://www.laprensa.com.ni/2000/07/28/economia/740579-combate-a-la-pobreza-echado-a-la-suerte>.

⁵¹ Ibid.

⁵² Ibid.

⁵³ Ibid.

⁵⁴ *Impact Is Not Enough: Image and CCT Sustainability in Nicaragua*.

⁵⁵ Ibid.

the international community in imposing policies on countries.⁵⁶ It appears from the Nicaraguan case that if citizens and local politicians do not have a say in the structure and practices of a program, then as leads cycle out of the power, the program gradually loses support. Domestic officials, program recipients, an general citizens need to understand why choices are made in implementing and structuring a program to ensure their buy-in, especially with technocratic programs that may have a slow adoption process or complicated internal mechanisms.

Policy Learning and International Influence

The 1990s initiated Nicaragua's dependence on foreign capital, because foreign capital financed the economic growth of this decade and impeded the development of exports.⁵⁷ Research from The World Bank indicates that social stress from the war Nicaragua experienced in the 1980s lingered into the 1990s, and the quick shift from a socialist state to a private market economy made being poor feel more at risk than ever before.⁵⁸ The government created a process of poverty reduction in the 1990s hoping to induce a demographic transition through family planning, advancing the prominent agricultural sector with technology, and other efforts.⁵⁹ Notably, in the 1990s, over half of public spending came from external aid at this era, and the government needed to work

⁵⁶ Ibid.

⁵⁷ *Nicaragua Poverty Assessment Challenges and Opportunities for Poverty Reduction*, Main Report (Poverty Reuctio and Economic Management Sector Unit Latin America and the Caribbean Region, World Bank, February 21, 2001), i.

⁵⁸ Ibid., iii.

⁵⁹ Ibid., iv.

closely with donors to decide the tactics for poverty assistance.⁶⁰ The sense of poverty in Nicaragua was one that was defined by risk and was perceived to be induced by a disparity in opportunity; notably, despite Nicaragua's gains in combatting poverty in the 1990s, citizens perceived a decline in their well-being.⁶¹ Further, public opinion polls from 2006 showed that only 22% of Nicaraguans had faith in their national government and over 50% said there were times in the last year they had been unable to buy food.⁶² With 2006 being an election year, citizens expressed their disappointment in the current government and elected Daniel Ortega.⁶³ Ortega was the chief of the army in the Sandinista era of the 1980s, and he won the 2006 election after prior losses in the presidential election. During the campaign, he promised economic reforms, mitigating corruption, and increasing stability.⁶⁴ Similar to how Mexican policy leaders responded to the disappointment with PRONASOL, Ortega responded to continued skepticism with the program by enacting new social policies. Despite the RPS's effectiveness, it did not garner widespread confidence and policy learning, in the case of Nicaragua, meant moving away from a CCT program that lacked widespread support.⁶⁵

From the beginning, the RPS had a finite timeline as a condition of the IADB loan Nicaragua received. The funding for the program occurred in two phases, because the

⁶⁰ Ibid.

⁶¹ Ibid., 24.

⁶² Johanna Godoy, "Nicaraguan Election: Extreme Poverty May Bring Ortega Back to Power," *Gallup*, November 3, 2005, sec. World, <http://www.gallup.com/poll/25327/nicaraguan-election-extreme-poverty-may-bring-ortega-back-power.aspx>.

⁶³ "Nicaraguan Election: Ortega's Victory and the Dead-End of Sandinismo - World Socialist Web Site," accessed April 12, 2015, <https://www.wsws.org/en/articles/2006/11/nica-n30.html>.

⁶⁴ "Nicaragua | History - Geography."

⁶⁵ "Nicaraguan Election."

IADB wanted to ensure that the program was worth scaling up before investing the funds to do so in 2002.⁶⁶ The second phase of funding had a timeline for three years as well and ended in 2005, but policymakers expected the program to continue as it had in other countries. When executive power changed hands to Daniel Ortega in 2006, he replaced the RPS with Programa Productivo Alimentario, which was an Unconditional Cash Transfer and lasted for two years.⁶⁷ Social policy programs clearly had a hard time taking hold in Nicaragua, and the institutionalization of RPS was not strong enough to last after a shift to a new administration with new policy goals. Mexico and Brazil provide two examples of programs that gained enough societal support to easily survive changes in presidential authority; however, the perception from citizens that the government was concerned with pleasing international institutions as opposed to implementing the most effective policies, destroyed credibility in the program. In Brazil, leaders committed to rapidly addressing the rampant poverty in the nation and chose a fast scale-up of Bolsa Família over rigid technocratic programs. If Nicaragua had followed this path instead of committing to rigid technocratic policies, the RPS may have received less accolades from international institutions but more support from its own citizens.

Summary

What does the case of the Red de Protección Social in Nicaragua show about the variables influencing the successful enactment of CCT programs? The domestic

⁶⁶ Maluccio and Flores, *Impact Evaluation of a Conditional Cash Transfer Program The Nicaragua Red de Protección Social*, 14.

⁶⁷ Gustavo A. Flores-Macias, *After Neoliberalism?: The Left and Economic Reforms in Latin America* (Oxford University Press, 2012), 46.

environment was not prepared for a CCT program brought about largely international influence. Still reeling from the major structural transitions in the country in the 1990s, poor citizens did not feel enfranchised by the government and policymakers did not feel tied to CCTs programs because the government had great pressure to meet the conditionality of its international loans rather than meet the needs of its citizens. The RPS's strategy was one of the most comprehensive programs in Latin America; it had a team of consultants and a commitment to the evaluation design that prioritized the international goals over the immediate concerns and needs of the people.⁶⁸ If Nicaragua did not suffer from the downturn in coffee production at the same time as the RPS was implemented, perhaps citizens would not have thought the government was completely overlooking their immediate needs as they chose to roll out the RPS in waves. In the government situated its poverty alleviation efforts in the conditions and context of the country, then citizens probably would have appreciated the program more. In Mexico, the government responded to an economic crisis with strong verbal and policy commitments to poverty while the Nicaraguan government did not prove to citizens they had the same commitment. While international influence leads countries to adopt certain programs, the case of Nicaragua shows the importance of domestic buy-in to ensure the survival of even the most effective programs.

THE COLOMBIAN CASE: INCORPORATING CITIZENS AND LEADERS

Nicaragua and Colombia both experienced a rocky end to the 20th century characterized by civil conflict, and both countries soon after implemented a CCT

⁶⁸ Eichler, *Performance Incentives for Global Health*, 228.

program. Leaders and citizens in both countries did not immediately approve of these programs despite their popularity internationally. Despite skepticism leading to the cessation of RPS in Nicaragua, Colombia's CCT program continues to expand today. Circumstances in the country and policy design choices are critical for understanding the different levels of acceptance and success CCTs programs attain not just in Nicaragua and Colombia but countries around the world.

Recent History of Colombia and Familias en Acción

Students in Colombia launched a petition in March 1990 in the context of the parliamentary calling for an official referendum to enact a new constitution.⁶⁹ With support from the President and Supreme Court, the constitutional assembly was called for December 9, 1990 and given absolute control under the condition that democracy remained intact.⁷⁰ A major commitment to human rights came from article 366 of this new Constitution, which states,

The general welfare and improvement of the population quality of life are social purposes of the state. A basic objective of the state's activity will be to address unsatisfied public health, educational, environmental, and potable water needs. For this purpose, public social expenditures will have priority over any other allocations in the plans and budget of the territorial entities.⁷¹

Though not to the same extent as Brazil's 1998 Constitution, the new Constitution in Colombia seeks to rectify the violence of the previous decades with a stronger

⁶⁹ Juan E. Méndez and Human Rights Watch (Organization), *Political Murder and Reform in Colombia: The Violence Continues* (Human Rights Watch, 1992), 89.

⁷⁰ *Ibid.*

⁷¹ "Constitution of Colombia (1991)" (University of Richmond, n.d.), http://confinder.richmond.edu/admin/docs/colombia_const2.pdf.

commitment to welfare programming and funding. The violence in the 1980s consisted of paramilitary groups, namely the Revolutionary Armed Forces of Colombia (FARC), and powerful drug cartels, including the Medellin and Cali Cartels, ripped Colombia apart with violence and sent Colombia spiraling.⁷² After the ratification of the constitution in 1991, the police arrested key cartel leaders in 1995, and by 1999, the government forged a peace plan with the FARC. As the national stabilized, the government also passed the \$7.5 billion Plan Colombia, partially funded by the United States, to help Colombia recover from the economic hardship caused by the violence of the past decade.⁷³ The election of Alvaro Uribe in 2002 provided further strength and legitimacy to Colombia, that preceding President Pastrana had begun to provide, and this set the stage for cooperation with international organization to aid a wounded nation out of a challenging era.⁷⁴

To aid in a national effort of economic and social recuperation, the Colombian government initiated the Network of Social Support consisting of three programs: Empleo en Acción, Familias en Acción, and Jóvenes en Acción.⁷⁵ Before the initiation of this program, Colombians suffered from 20% unemployment, the worst recession since the 1930s, violence, and high incidence of poverty, and this was a sharp contrast to the

⁷² Peter DeShazo, Tanya Primiani, and Phillip McLean, *Back from the Brink: Evaluating Progress in Colombia, 1999-2007* (CSIS, 2007), 4.

⁷³ *Ibid.*, 9.

⁷⁴ *Ibid.*, 12.

⁷⁵ “Fondo de Inversion Para La Paz Red de Apoyo Social Programa Familias En Accion” (1st Intl. Conference on Conditional Cash Transfer Programs, Puebla, Mexico, April 2002), 2, http://siteresources.worldbank.org/SAFETYNETSANDTRANSFERS/Resources/281945-1131468287118/1876750-1140107387177/ColombiaCCT_PPT.pdf.

30% economy growth from 1990 to 1994.⁷⁶ The largest of these three programs, Familias en Acción, learned a great deal from the Mexican program,⁷⁷ copying practices such as having mothers serve as local representatives to CCT officials.⁷⁸ Policymakers from Colombia traveled to Mexico to get advice on how to build and expand the program, and this helped shape the program in Mexico's technocratic image.⁷⁹ Upon its inception, Familias en Acción covered 340,000 families across 631 municipalities.⁸⁰ Both the Nicaraguan and Colombian program began around a similar time, experiencing similar economic hardship, and implementing the highly technocratic program elements from Mexico.

Domestic Political Support

According to a national Colombian newspaper, *El Tiempo*, from the onset of Familias en Acción, there was widespread public apathy and a lack of support from mayors and local officials.⁸¹ The article explains that after registering in 1999, the program finally begins in 2002 but only covers half of the eligible registrants.⁸² In

⁷⁶ International Monetary Fund, *Colombia: Selected Issues and Statistical Appendix* (International Monetary Fund, 2001), 16.

⁷⁷ de la Brière and Rawlings, "Examining Conditional Cash Transfer Programmes: A Role for Increased Social Inclusion?," 24.

⁷⁸ Francesca Bastagli, "Conditional Cash Transfers as a Tool of Social Policy," *Economic & Political Weekly*, May 21, 2011, 61, <http://www.lexisnexis.com.revproxy.brown.edu/lnacui2api/api/version1/getDocCui?lni=52Y8-F291-DXJ6-R10H&csi=365197&hl=t&hv=t&hnsd=f&hns=t&hgn=t&oc=00240&perma=true>.

⁷⁹ "Fondo de Inversion Para La Paz Red de Apoyo Social Programa Familias En Accion."

⁸⁰ *Poverty Reduction and Growth: Virtuous and Vicious Circles* (World Bank Publications, 2006), 98.

⁸¹ "LLEGÓ EL DINERO PARA FAMILIAS EN ACCIÓN - Archivo - Archivo Digital de Noticias de Colombia Y El Mundo Desde 1.990," *Eltiempo.com*, accessed March 21, 2015, <http://www.eltiempo.com/archivo/documento/MAM-1315469>.

⁸² *Ibid.*

response to the program, many mayors and officials resigned, and Colombian leaders warned families that because of the widespread resignations, families might not get their subsidies on the day they were expecting.⁸³ Mayors have not been collaborating with program coordinator Alejandro Vargas Cuéllar, but leaders pushed on anyway and policymakers intended to keep expanding the program.⁸⁴ Additionally, the program struggled to address the almost 1500 families in 2005 who were unable to collect their benefits as a result of criminal groups preventing them from going to cities to receive their benefits as well as the 120 identified families who fraudulently entered the program.⁸⁵ By 2015, the director for the Department for Social Prosperity said that, despite rumors, the program would not be ending because of its ability to steadily reduce poverty to 10.3%,⁸⁶ and the program was expanded to include 47,000 more families in Bogota.⁸⁷ This is despite a consistent concern from Colombians that the program could foster dependency or a new type of clientelism.⁸⁸ One way policy-makers addressed this

⁸³ Ibid.

⁸⁴ “ALCALDES NO APOYARON FAMILIAS EN ACCIÓN - Archivo - Archivo Digital de Noticias de Colombia Y El Mundo Desde 1.990,” *Eltiempo.com*, accessed March 21, 2015, <http://www.eltiempo.com/archivo/documento/MAM-1028889>.

⁸⁵ Ibid.

⁸⁶ “En 2015, Familias En Acción Abrirá 50 Mil Nuevos Cupos En Antioquia,” accessed March 21, 2015, <http://www.caracol.com.co/noticias/regionales/8203en-2015-familias-en-accion-abrira-50-mil-nuevos-cupos-en-antioquia/20141222/nota/2560918.aspx>.

⁸⁷ “Más Familias En Acción Abrirá 47 Mil Nuevos Cupos En Bogotá En 2015,” Government, *Departamento Para La Prosperidad Social*, (2015), <http://www.dps.gov.co/contenido/contenido.aspx?conID=10769&catID=127>.

⁸⁸ Jorge Llano, “Familias En Acción: La Historia a La Luz de Sus Impactos,” June 2014, 81, <http://www.repository.fedesarrollo.org.co/handle/11445/711>.

shortcoming was with a significant effort for cognitive development for citizens to understand the intended strategies and impacts of the program.⁸⁹

By 2009, scholars claimed that Familias en Acción was a highly successful program and had become an important part of Colombian society, despite some targeting shortcomings and entrenchment of gender roles.⁹⁰ The program uses a six-level welfare indicator, SISBEN, and this was the method used to target households that registered for the program in 1999. A shortcoming of the program is the SISBEN targeting strategy that is not allowing for all level 1 targets, those in extreme poverty, for attaining benefits due to geographic isolation, and many of these citizens are indigenous or of ethnic minorities.⁹¹

International Influence

Part of the Plan Colombia included the Network of Social Support, funded by loans from the Inter-American Development Bank and the World Bank.⁹² This program changed the Colombian framework of social policy by introducing conditional programs run outside of the traditional ministries funded by international loans.⁹³ In 2000, the

⁸⁹ Ibid., 83.

⁹⁰ María A. Farah Quijano, "Social Policy for Poor Rural People in Colombia: Reinforcing Traditional Gender Roles and Identities?," *Social Policy & Administration* 43, no. 4 (August 1, 2009): 400, doi:10.1111/j.1467-9515.2009.00670.x.

⁹¹ *Colombia: Social Safety Net Project-June 30, 2005: Social Assessment and Indigenous Peoples Development Plan (IPDP)*, n.d., 6.

⁹² Bertha Briceño, Laura Cuesta, and Orazio Attanasio, "Behind the Scenes: Experience Managing and Conducting Large Impact Evaluations in Colombia," *Journal of Development Effectiveness* 3, no. 4 (December 1, 2011): 9.

⁹³ Ibid.

Colombian government lacked the expertise to run the evaluative programs, and they sought help from multilateral banks to gain the personnel and information needed to run the programs.⁹⁴ While Nicaragua could easily dismantle one social policy program, it appears that the creation of a new network of social policies in Colombia helped solidify its place in society, though it took time to overcome skepticism.

Despite a growing trust and reliance on technocratic programs in the international community, citizens in Colombia were hesitant to accept the new nature of the policy.⁹⁵ In a presentation to the World Bank in 2002, Colombian policymakers explained that their initial program design was fiduciary because they had problems with public order, problems with ensuring the transfers went to mothers, and a lack of national experience in using vouchers.⁹⁶ Unlike in Nicaragua, however, there was a growing familiarity with technocratic programs and working in conjunction with international organizations that helped increase support from Colombian citizens. In 2000, Colombia introduced the National System for evaluation of Public Sector Performance (SINERGIA).⁹⁷ Like the Mexican program, Familias en Acción was implemented outside of the traditional institutions and the interventions were initially entirely funded by international loans, which made conditionality a prerequisite for the loans.⁹⁸ Familias en Acción was the biggest of the programs that began at this time and marked an ‘all hands on deck’ effort for Colombian policymakers. While there are competing testimonies on the status of

⁹⁴ Ibid.

⁹⁵ Llano, “Familias En Acción,” 3.

⁹⁶ “Fondo de Inversion Para La Paz Red de Apoyo Social Programa Familias En Accion.”

⁹⁷ Briceño, Cuesta, and Attanasio, “Behind the Scenes: Experience Managing and Conducting Large Impact Evaluations in Colombia,” 4.

⁹⁸ Ibid., 9.

CCTs, and evaluative programs more broadly in Colombia, the programs clearly remain and are continuing to shape Colombia's efforts to aid its population. Working in the favor of these programs are the commitments of leaders to making them happen, even in the face of diminished support or at the municipal level and a concerted effort to keep citizens engaged and excited about the programs.

Table 6.2: Comparison of the Background and Influencing Variables in the Red de Protección Social and Familias en Acción

Variable	Red de Protección Social	Familias en Acción
Recent History	The 1980s were a period of civil war in Nicaragua with severe loss of life. The 1990s began with a peace deal, and President Chamorro worked to undo the policies of the previous decade. The late 1990s entailed a commitment to economic growth, but political instability and a hurricane were setbacks	After violence in the 19980s from the FARC, the 1990s began with a student movement calling for a constitutional assembly. The new constitution brought about a renewed commitment to human rights. The second half of the 1990s entailed arresting FARC leaders and receiving US aid to help the economy recover
Domestic Policy Support	The Nicaraguan government focused on designing a strong technocratic program and did not include local policymakers or citizens in the policy formation process. As a result, the government never fully earned the trust of citizens, and the transition to President Ortega led to the end of the program in 2006	The government included many policymakers in the design and implementation of Familias en Acción. This program was a part of a set of programs designed to combat poverty, and the government had a public relations campaign to educate citizens about the programs
International Influence	The Nicaraguan government received two phases of loans from the Inter-American Development Bank and reached out to other institutions to help design and evaluate their program. The RPS received international acclaim for its effective policies.	Colombian policymakers continued to receive financial support for poverty programs as it had through the 1990s. They used the Mexican program design as their foundation but also committed to wide inclusion of citizens
Policy Learning	The RPS learned from the Mexican program but added a few supply-side components to the program to address criticism of other CCTs. This program followed the Mexican model and committed to a rigid, technocratic design.	This program learned from prior CCTs and received support from international institutions to adapt similar policies. There were not many new elements to Familias en Acción, but the program was accompanied by a public relations campaign to drum up support for it

Summary

The Colombian CCT program *Familias en Acción* shows how tailoring a CCT program to fit the needs of the population help to ensure the program's longevity. Enacting *Familias en Acción* incorporated policymakers at all levels of government and included a public relations campaign to include citizens in this process. While Colombia and Nicaragua both struggle with economic turmoil and challenging domestic situations prior to the adoption of a CCT program, Colombian policymakers combine a commitment to technocratic poverty alleviation with inclusion of the population. Together, the Nicaraguan and Colombian CCT programs stress the importance of tailoring a CCT to fit where it is implemented and ensuring that domestic citizens think the program is in their best interest as opposed to that of international officials.

CONCLUSION

These two cases show the importance of domestic political support and a program design that incorporates citizens and gains their trust. While Nicaragua's CCT program had an effective design, it lacked an effective marketing technique. The lack of governmental support eroded the program allowed for an easy transition to a new effort. In Colombia, policymakers and citizens were included in the program from the beginning. Both of these are from the second wave of CCTs and implemented programs very quickly after the foundational cases. Considering this quick turnaround, these countries likely implemented the program models wholesale and added different pieces as they went along.⁹⁹ Though Nicaraguan policymakers added new elements to the RPS,

⁹⁹ Sugiyama, "The Diffusion of Conditional Cash Transfer Programs in the Americas," December 1, 2011, 265.

they did not gain widespread support and attention. Studying programs from this second wave of CCTs show how countries begin to respond to the origin CCT programs and shows the contrast between these programs and the foundational cases. While newer cases need to balance gaining international and domestic support, these cases show that domestic support remains critical. The next step in analysis is to study programs from the third wave of CCTs to examine how the programs evolve and how countries address some of the shortcomings of the second wave.

CONCLUSION
THE IMPORTANCE OF DOMESTIC BUY-IN FOR POVERTY ALLEVIATION PROGRAMS

This thesis began with the following question: what influences a country's decision to implement a poverty alleviation program? This question is important because poverty is a pressing global problem causing 20% of the world population to live on less than \$1.25 a day.¹ This reality diminishes the lifetime opportunities for over a billion people worldwide and prevents the advancement for developing countries, where poverty is most prevalent.² Policymakers around the world seek solutions to this problem, and they have united around the fastest growing poverty alleviation model, Conditional Cash Transfer (CCT) programs. CCTs have been implemented in countries around the world; however, a global commitment to achieving measurable outcomes in poverty alleviation has blinded scholars and policymakers from fully comprehending and effectively analyzing them.

Though Conditional Cash Transfer (CCT) programs have been implemented in many countries around the world, there is no systematic analysis of the origins of these programs. The majority of scholarship examines program outcomes, and the limited program origins scholarship provides mono-causal arguments that oversimplify the reality. Further, scholars tend to view CCTs as a monolithic model, assuming countries adopt programs identical to the ones created in foundational countries. My research reveals the shortcomings of the current scholarship and creates a framework for comprehensively analyzing social policy program implementation, design, and outcomes.

¹ Jim Yong Kim, "Building a Movement to End Poverty," *Foreign Policy*, June 26, 2013, <http://foreignpolicy.com/2013/06/26/building-a-movement-to-end-poverty/>.

² Martin Ravallion, "Can high-inequality developing countries escape absolute poverty?" *Economic Letter* 56 (1997): 51-57.

There are four main findings of my research on PROGRESA in Mexico, Bolsa Família in Brazil, Red de Protección Social in Nicaragua, and Familias en Acción in Colombia:

1. **The origins and design of CCTs are multidimensional.** While scholars often identify a single variable, such as an economic crisis or an influential political leader, as the catalyst for implementing a CCT, evidence shows there is a combination of political, economic, policy learning, social, and international variables at work in countries adopting CCT. These variables influence the decision to implement a CCT as well as specific policy design choices. In Mexico, for example, the personal background of President Zedillo and the corruption rampant in PRONASOL led to a highly technocratic program design with efforts toward transparency and empowerment of local citizens. Policy formation literature emphasizes the multidimensionality of the policy process, and the case of CCTs uphold this theory.
2. **Combinations and weighting of variables differ over time and space.** Not only are the variables that influence a country's decision to implement a CCT multidimensional, they differ across states and depend on time of program implementation. In the cases of Nicaragua and Colombia, both countries received international support to adopt CCTs, but they struggled to attain buy-in from local leaders and citizens for a program designed elsewhere. These two countries are in the second wave of CCT implementation in Latin America and reconcile attaining international approval with fostering domestic buy-in. The founding cases of Mexico and Brazil, however, respond to an economic crisis

and political transition, respectively, in deciding to implement their CCT program. As founding cases, Mexico and Brazil share some similarities in their influencing variables but they also have some significant deviations and varying manifestations of similar variables as well. For example, both learn from prior programs, but Mexico from a failure and Brazil from a success, and while Mexico responded to a massive economic crisis with a new commitment to poverty alleviation, Brazil's social policies are not changed by an economic crisis that impacted the nation

3. **CCTs are a malleable antipoverty program.** Countries adapt CCT program design to meet their specific needs as opposed to a simply implementing a rigid CCT model. For one, the foundational CCT cases provide different techniques, such as Bolsa Família relying on means testing to determine eligibility as opposed to proxy testing in PROGRESA. Additionally, in second wave of CCTs, new programs such as the RPS add adult workforce programs and supply-side initiatives to address the critiques of CCTs and pilot new strategies. Due to international momentum behind CCTs, there have been cases when countries implement CCTs wholesale to save time, but then countries adapt these programs to address their most pressing needs.³ Though the RPS in Nicaragua encompassed new initiatives, policymakers did not take into account the specific needs and opinions of the citizens; further, methods such the start of RPS in waves to allow for randomized controlled testing did not make sense to citizens who desperately wanted government support. As a result, the citizens

³ Natasha Borges Sugiyama, "The Diffusion of Conditional Cash Transfer Programs in the Americas," *Global Social Policy* 11, no. 2-3 (December 1, 2011): 265, doi:10.1177/1468018111421295.

argued that the program was more intended to appease international institutions rather than support the population. The ultimate cessation of the RPS in Nicaragua shows that a CCT cannot simply be implemented in a country but it needs to be adapted to fit the reality of the country.

4. **Domestic Buy-in is key.** International influence in the form of funding from financial institutions and policy diffusion impact the decision to enact a CCT, but domestic buy-in from political leaders and citizens is paramount in determining the success of the program. Nicaragua and Colombia show two different experiences in which Nicaragua's domestic leaders do not embrace their program fully, and it disbands upon political transition. On the other hand, Colombian leaders strived to gain widespread support via public relations campaigns and committed to the program, ensuring its continuation through political transitions and economic crises. Overall, the process of adopting CCT programs is ultimately political, depending on effective program design and incorporation of citizens and leaders.

These findings are largely in line with policy formation literature that emphasizes the complexity of the policy formation process, though this adds information about the extent of international influence. While scholars in this field debate the importance of the public, media, and formal agenda, these cases emphasize the importance of the formal agenda and the priorities of politicians in determining major policy initiatives. Also, while some scholars discuss the difficulty in adopting major policies that deviate from past efforts, the case of CCTs show that international influence helps countries to try new

strategies but domestic support remains essential in creating a successful program. Additionally, this research reveals the shortcomings of poverty alleviation program origins literature, because the examination of these cases emphasize the influence of many variables and the creation of varying programs.

BROADER IMPLICATIONS

THEORETICAL IMPLICATIONS

My findings can be applied across different social welfare programs and helps to refocus scholars their efforts despite widespread popularity in exclusively evaluating program outcomes. While my study examines CCTs, it provides the framework for analyzing the variables present in any country when they decide to adopt a new social policy. Considering the global commitment to poverty alleviation, providing a more solid foundation to understand why countries adopt programs important for analyzing policy decisions and providing new techniques of evaluation.

Technocratic program designs provide new opportunities for scholars to rigorously analyze programs, but this opportunity has brought about the neglect of debates on program effectiveness and efforts to first understand and then improve programs. While technocratic programs provide measurable quantitative results, my research shows that this information does not provide the complete picture regarding how citizens perceive a poverty program and support government efforts. Without this support, elections bring about calls for new programs, preventing the institutionalization of programs and costing countries valuable time and resources in initiating a new program. Further, these policy changes occur regardless of the effectiveness of a

program, as shown in Nicaragua, so domestic buy-in is an utmost priority in assuring the success of programs. This being said, I agree with current scholars that discussion and understand about technocratic programs must incorporate programs analysis; however, it is a detriment to this understand to ignore programs' approval ratings, testimonies from citizens, and results of programs beyond proximate causes. Additionally, alleviating poverty is an overarching goal of CCTs, but each program has efforts to improve educational outcomes, decrease child labor, low child mortality rates, and other important goals. Evaluation metrics for these programs need to account for what each country targets in their programs and evaluate along a wide range of measures. This allows the continuation of comparing across programs via some metrics but also provides a broader understanding of each program.

More fieldwork on CCT programs and comparisons across other poverty alleviation programs will determine the direction of future scholarship. Programs cannot be regarded as a monolithic model, and scholars need more information to understand the extent to which programs deviate from one another and require individualized analysis. Scholars need to incorporate the study of programs origins to their efforts, because they are critical in determining the design, success, and outcomes of programs. More studies in this area will improve the conversation and debate around CCT programs, pushing scholars and policymakers to analyze more deeply when it is appropriate to adopt a CCT and what program design elements leads to societal acceptance and success.

POLICY ANALYSIS

Based on the results of my study, policymakers need to more fully assess why programs are successful in other countries and gauge their ability to attain domestic support before implementing a popular poverty alleviation program. CCTs are not a one-size-fits-all model, and regardless of international acclaim surrounding these programs, policymakers need to understand this reality before implementing a program and expecting positive results. Policymakers looking to implement a CCT need to analyze the process leading to the implementation of CCTs in other countries far before evaluating the results. They need to see what shaped policymakers decisions, what strategies leaders employed to attain buy-in from citizens, and assess the political, economic, social, and policy climate that shaped a country's decisions. Understanding this information rather than simply looking at changes in poverty data provides the foundation for a successful program. Regardless of the widespread success of CCTs, my research shows that they need domestic support to thrive, so the program outcomes only provide a fraction of this information

For countries that have already implemented CCTs, they need to design new metrics to examine program outcomes in addition to universal metrics. It is important to have a sense across countries of how programs are progressing along universal outcomes, but program evaluation must not stop there. There needs to be focus groups to hear from local citizens, constant evaluation of what parts of the program are effective, and outcomes metrics need to match with program design. In regards to this final point, if a program commits a majority of funding to health outcomes and a smaller percentage to education, for example, the weighting of the outcomes in these categories needs to take

this into account. Further, if a program has been more comprehensively established in either urban or rural areas, the results need to be broken down by these different categories. Appropriate studies of metrics will provide better understanding of where a program is succeeding and where this is room for improvement. Further, evaluations carry significant weight in gaining domestic and international support for a program, so the quality and specificity of these reports is very important in helping a program to survive.

FUTURE RESEARCH

My research intends to change the framework of analysis for poverty alleviation programs and lays the foundation for new case studies and deeper variable examination. I contend that a different combination of variables influences the creation of CCT programs in Mexico, Brazil, Nicaragua, and Colombia and influences the differences in programs in these countries. Further research could be conducted to more deeply analyze the Nicaraguan and Colombian cases in the way I analyzed the Mexican and Brazilian cases as opposed to examining a few variables in depth as I did. Further, examination of more CCT case studies in general and from the third wave in Latin America will fill in the timeline of CCT adoption and show the patterns of how the foundational programs in Mexico and Brazil evolved through subsequent programs. Additionally, many CCT programs are in Latin America but analyzing the adoption of programs in countries around the world introduces more variables and is an important angle to incorporate as policy learning becomes a global endeavor. This learning helps to understand these

specific programs but also provides a model for analyzing other social policy programs both past and future trends.

This thesis has demonstrated the need for a new framework for analyzing the origins of social policy programs, and in doing so has raised new research questions. Future research should build on this new foundation and analyze programs with greater depth. My analysis has largely been qualitative but quantitative analysis studying the spending of political parties or trends in visits from representatives from international institutions and other countries can reveal new patterns. Additionally, interviews with program recipients and political leaders can test my hypothesis that buy-in from political leaders and citizens is necessary for the success of social policy programs. Not everyone can agree with a social policy, but interviews and surveys may reveal a threshold that a policy needs to achieve to assure success.

Aside from building on my framework of analysis, scholars can go deeper and analyze why the variables I have identified are important. Asking what variables shape policy decisions is important for preparing for future policy decisions, but this is only the first step of analysis. It may seem intuitive that the background of an executive influences their policy choices but why exactly does it and in what cases could this be a particularly important variable? Politics are fluid and there are few theories that hold true across all cases, but trying to understand the reasoning behind these variables is the future of where this research can go.

CONCLUSION

This thesis opened by questioning the assertion that CCT programs are a silver-bullet in development, and my research found that they are not. These programs are an important tool in poverty alleviation efforts, but they are not a replacement for domestically designed programs that address a country's specific needs. Poverty alleviation is a commendable international goal, but the policy solution is not a monolithic model, because countries have varying combinations of variables that shape their policy process. The way to increase understanding of social policy programs and improve their efforts is with further origins analysis of these programs. This information reveals the rationale behind a country's policy decisions, the variables that contribute to a program's success, and improve the outcomes analysis of the program. The prolific spread of CCTs provides many case studies for in-depth study and systematic comparative analysis and can serve as the framework for better understanding social policy around the world. The power is in the process and origins literature is the key to attaining domestic political support and devising the most effective poverty programs in the world.

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