

CONDITIONAL CASH TRANSFER SCHEMES AND THE POLITICISATION OF POVERTY REDUCTION STRATEGIES

Juan Fernando Bucheli*

SUMMARY

Conditional Cash Transfers (CCTs) in Latin America has been marked by a closed top-down process led by coalitions of politicians and technocrats who have chosen patronage relationships as the most convenient interaction with beneficiaries of social programmes. The existence of this type of relationship forces beneficiaries to take part in long-term political alliances in exchange for economic benefits. What seems to be a symbiotic relationship for the parties ultimately can have negative consequences in terms of democratic values and a financial opportunity cost to implement more efficient social investment. The more the exchange persists, the more permanent welfare dependency will prevail in the region.

Key words: Social policy, conditional cash transfers, voting behaviour.

PROGRAMAS DE TRANSFERENCIAS CONDICIONADAS Y LA POLITIZACION DE LAS ESTRATEGIAS DE REDUCCION DE LA POBREZA

RESUMEN

Los programas de transferencias monetarias condicionadas (CCT en inglés), en América Latina, se han caracterizado por emplear un enfoque cerrado de arriba hacia abajo, en donde las coaliciones entre políticos y tecnócratas han terminado por establecer un sistema de incentivos clientelistas como la interacción más conveniente con los beneficiarios de programas sociales. La existencia de este tipo de relaciones ha obligado a los beneficiarios a formar parte de alianzas políticas a largo plazo, a cambio de beneficios económicos. Lo que pareciera ser relación simbiótica para las partes, finalmente podría ser una relación con consecuencias negativas en términos de valores democráticos y un costo de oportunidad financiero para emprender otro tipo de inversiones sociales más eficientes. Entre más exista este tipo intercambio, mayor será la dependencia de este tipo de recursos en la región.

Palabras clave: Política social, transferencias monetarias condicionadas, comportamiento de votación.

Fecha de recepción: 04/09/2014

Fecha de aprobación: 01/11/2014

*Docente Investigador de la Universidad Externado de Colombia. Becario Cambridge Trust Universidad de Cambridge. MPhil en Development Studies, Universidad de Cambridge. Estudiante de Doctorado en Development Studies, Universidad de Cambridge. Correo electrónico: jfb51@cam.ac.uk

INTRODUCTION

Social policy and redistributive programmes in Latin America have traditionally failed to reach and benefit the poor (Díaz-Cayeros, Esteves, and Magaloni 2012). A generalized mood of disenchantment with the accomplishments of both left and right wing governments in social policy has been extended to almost all the region.

Efforts to build a welfare state have been mainly associated with the idea of transferring social insurance benefits to the poor (Riesco 2007). However traditionally, public transfers have been targeted at those who participated in the formal labour market, excluding a large number of people from benefits and leading to the characterization of Latin America's social assistance as a "truncated policy"¹ (Skoufias, Shapiro, and Lindert 2006) the findings of this report reinforce the recommendations commonly made in the literature on social protection in Latin America and the Caribbean (LAC).

Nevertheless, in recent years social policy in the region has undergone a period of regeneration where new approaches, institutions, objectives and instruments have been put in place (Barrientos, Gideon, and Molyneux 2008). In a post-adjustment era, social policy has been pushed by a renewed "public attitude" (Graham 2002) oriented more towards interventions for tackling high levels of poverty and inequality, as development actors have incorporated a more open approach which considers that economic growth alone is not sufficient to reduce social gaps (ECLAC 2006). This period of change has seen the proliferation of cash or in-kind programmes for poor households as one of the most significant social policy innovations in recent years (Levy and Schady 2013).

[20]

Conditional cash transfers (CCTs)² were established in the mid 1990s as a replacement for less effective social benefits such as social housing programmes and price subsidies or reduced rates (ECLAC 2006). The theory of change proposed by CCTs lies in the idea that in the long term the combination of cash, conditions and complementary social benefits will enable people to escape from poverty. The 'CCT wage' (Fiszbein and Schady 2009), which started at the municipal level in Brazil, has been expanded and embraced enthusiastically by almost all countries in the region, with some variations with respect to scope, design, institutional arrangements and ultimate goals. So far, these programmes are showing positive effects in terms of school attendance and health and nutrition³.

Despite the substantial amount of work devoted to identifying the effects and impacts of CCTs – evaluative research –, little is known about how new social poverty reduction programmes are being co-opted for political and legislative agendas. CCTs' popularity as a 'magic bullet solution' (Birdsall as cited in Dugger 2004) for development has re-launched the importance of social safety nets but at the same time has increased the patronage between incumbent political parties and beneficiaries. According to some it has also "induced a strong dependence on government handouts" (Hall 2008, p. 799). The experience has shown so far that the process of politicization

¹ Indeed, Lindert (2004) has denounced that the existence of a truncated social system in Latin America has created what he calls a 'Reverse Robin Hood' or a negative correlation between social spending, poverty and inequality.

² Conditional Cash Transfers are programmes that transfer cash to targeted poor people and have the aim of "breaking the inter-generational transmission of poverty" (Thomas 2012, p. 1137). This type of programme transfers a stipend to households with the condition that they have to enroll their children in school and invest in health.

³ See (Coady 2001; Skoufias 2005; Lagarde, Haines, and Palmer 2009; Attanasio, Battistin, and Mesnard 2012).

of CCTs often occurs in the selection of beneficiaries; in the selection of institutions and the staff who bring support to the programme; and during parliamentary and presidential elections, when incumbents manipulate voters in order to obtain political rewards (Adato and Hoddinott 2010).

Although the politicization of this kind of programme may seem predictable, it is important to better understand how this process works. What kinds of mechanisms do development actors use to politicize social programmes? Has the clientelist relationship in social policy moved to a new partnership between politicians and citizens based on an entitlement-based social assistance regime (De La O 2013a)? Or rather, have CCTs contributed to the expansion of social systems based on clientelistic practices, excluding those who do not share particular partisan ideologies from benefits?

1. GOVERNMENT WELFARE PROGRAMMES AND POLITICAL PARTICIPATION

a. Social policy formation

CCTs belong to a new era of social policy instruments. They are embedded in strategies that today consider social policy as an essential contributor to growth in productivity (Levy and Schady 2013). At present, most of the literature on CCTs tends to focus on this aspect in an attempt to explain why welfare states should contemplate at least some programs with direct transfers to the poor within their social assistance approach. This trend in the literature contrasts with the few studies regarding how CCTs have become so popular with policy-makers. The arrival of CCTs in the domestic ‘policy space’ of Latin American governments invites us to consider aspects related to who is responsible for the design of these programmes and how welfare allocations are distributed. Consequently, the formation of social policy determines how political interests affect the configuration of the social policy agenda thereby forcing welfare state theory to expand in terms of assumptions, configurations and outcomes.

The development of the concept of the welfare state has been characterized by a surprising absence of a clear definition. Flora and Heidenheimer suggest that “welfare and state are among the most ambiguously employed terms in contemporary English political vocabulary” (1985 as cited in Cousins 2005, p. 4). Despite having this limitation, the relevant literature can be summarised into two different schools of thought. On the one hand, there is the structural approach of the ‘logic of industrialization’ (Kerr et al. 1960) and the conception of the modernization of societies⁴ (Flora and Heidenheimer 1981), which advocated for the need for strong social expenditure and a welfare state in order to create and secure the ‘emergent’ industrial labour force. And on the other hand, the welfare state is understood as a consequence of the alliance between the working classes and left wing parties (Korpi and Shalev 1979; Esping-Andersen 1985). This approach was developed by the Scandinavian school, giving rise to the term ‘Power Resources Theory’, and claims that social expenditure will be higher when well-organised labour movements can influence social-democratic and Labour parties (O’Connor and Olsen 1998).

Both theories emphasize the idea that determining the structure of the welfare state is, to a great extent, a dimension of the capacity of left wing or social democratic parties to mobilize and implement social policy. Indeed, welfare state theory has been shaped under the assumption that left wing political institutions are likely to carry out more social investment and reduce social in-

⁴ This process can be understood as the increasing differentiation between “individuals and household income, of working and living place and the evolution of social rights as a consequence of the institutionalization of political rights” (Flora and Heidenheimer 1981, p. 41).

equality rather than other political parties. Nevertheless, these theories are insufficient to explain for example the rise of anti-poverty strategies in Latin America; particularly in the case of CCTs. Right wing governments have been central in the expansion and support of these programmes in the region, rather than those parties focusing on the welfare of workers.

In Peru the CCT program 'Juntos' was established by the centre-right government of Alejandro Toledo in 2005, and expanded by the right wing government of former president Alan Garcia, (Grompone 2006). In Colombia, the former far-right government of president Alvaro Uribe set up the CCT programme 'Familias en Accion' (FA) as a social strategy for Internally Displaced Persons (IDPs) in 2011 (Croft, Felter, and Johnston 2014)⁵.

Brazil is also a striking example. 'Bolsa Escola' was a school stipend introduced in 2001 in the Federal District (Cassidy et al. 2008), and later federalized by former president Fernando Henrique Cardoso, who was elected with the support of an alliance between the right wing Liberal Front Party, the Social Democracy Party and the Labour Party. Former president Lula inherited the CCT scheme and formed 'Bolsa Familia' as part of his 'Fome Zero' network of federal assistance programmes. These three cases challenge some of the commonly held ideas relating to principles of welfare state and provide alternative explanations for the increasing popularity of CCT schemes among governments in Latin America.

These examples help to underline that CCTs, as a new configuration of social policy in Latin America, have entered the political agenda as a result of different institutional incentives. The 'new social policy', which some scholars (Barrientos, Gideon, and Molyneux 2008) argue is created through a process of bottom-up pressure, seems not to fit well in the case of CCTs, as policy formation in this case is strongly influenced by factors of a top-down dynamic in public policy, where the implementation is managed from political elites to lower units of administration.

[22]

b. Politicians and technocrats as 'elite coalitions'

De la O (2013a) contends that the introduction, and consequently expansion, of CCT schemes in Latin American is in part explained by the progressively active role of technocrats⁶ as the principal state bureaucrats in Latin American governments. The modernization of social sector management, seen in terms of a variety of instruments and capacities in implementation and leadership, has been induced by the existence of independent policy makers, who set technical priorities with certain autonomy from political interest groups. Moreover, the domestic policy agenda has also been affected by the existence of international high-profile experts –often linked with international financial organizations –, who share knowledge within an 'epistemic community'⁷ (Haas 1992) and, ultimately, influence and shape the public policy cycle⁸. Technocrats have traditionally been involved in the process of policy formulation, implementation and evaluation. The phases of public policy of agenda setting, legitimation and policy maintenance have been more in the domain of

⁵ The programme started by targeting 400,000 households in 2001. At the end of Uribe's second government, the programme was targeting around 1.5 million households by 2007 (Fiszbein and Schady 2009).

⁶ This essay interprets technocrats as those "individuals with a high level of specialized academic training which serves as a principal criterion on the basis of which they are selected to occupy key decision making or advisory roles" (Collier 1979, p. 403).

⁷ Haas (1992) introduces the concept of epistemic communities as "networks of knowledge-based experts" (p. 2), which "recognize expertise and competence in a particular domain and an authoritative claim to policy-relevant knowledge within that domain or issue area" (p. 3)

⁸ The policy cycle assumes six main stages: Agenda setting; Policy formulation; Legitimation; Implementation; Evaluation, and Policy maintenance, succession or termination (Cairney 2012).

politicians as they entail power relations and negotiation with interest groups.

CCT programmes are good examples of how technical policy makers have determined the characteristics (beneficiaries, allocation and resources) and the development of policy (scope, objectives and outcomes) as part of antipoverty strategies. The introduction of the approach of evidence-based policy –or “use policies that work” (Cartwright and Hardie 2012, p. ix), has led to increased interest in the process of evaluation as an essential instrument to determine under which conditions CCTs are more likely to bring about positive results. The shift from opinion-based policies towards more rigorous rational approaches based on evidence (Sutcliffe and Court 2005) has enabled governments to access more comprehensive information, allowing them to assess a greater variety of policy alternatives. Indeed, a large portion of current CCTs have been evaluated (Fiszbein and Schady 2009; World Bank 2011), which has meant an increase in their adoption and popularity as social policies for Latin American governments.

The adoption and implementation of CCTs is also associated with the administrative capacity of state technical agencies (Teichman 2007), and the ability to absorb increasing international financial support in these types of programmes. Latin America’s social policy formation experience has shown that the more autonomy is provided to technocrats, the more likely they are to design, implement and adapt a CCT programme. However, this technical autonomy, in turn, has resulted in the development of strong centralized bureaucracies that are characterised by top-down policy processes. In some cases, the formation of CCT programmes in the region has been a “business of poverty experts rather than grassroots organizations or the poor themselves” (Martinez and Voorend 2011).

This can be seen in the process of decentralization that has been implemented systematically in the region for more than two decades (Falleti 2010) through reforms in the institutional, fiscal and political aspects of policy making. The decentralization process was intended to provide greater fiscal resources and political autonomy to local regions and municipalities, however the results have been varied across the region. In the case of antipoverty programmes such as CCTs, the transfer of autonomy has usually come with conditions from central agencies that consider it difficult to delegate to counterparts and have opted for contracting external experts or consultants to implement these programmes.

A similar situation occurs even when local authorities are implementing social programmes. Although the decentralization of competencies has led to the development of certain roles and responsibilities at the micro level, which has contributed to strengthening local ownership to some extent; the proliferation of CCTs has been accompanied by a greater centralization in political and economic decision-making, thereby diminishing and hampering local capacities. From this point of view, CCTs within the context of decentralization pose challenges related to the ‘principal-agent’ dilemma (or information asymmetry between the central agency and the implementation offices), heterogeneous quality in implementation (different capacity and managerial standards between actors), and the possibility of overlapping and producing potential duplication with other decentralized social programmes (Linder et al. 2007).

Additionally, the coalition of technocrats and politicians in the design of CCTs often includes regional ‘*caciques electorales*’ or provincial political bosses, who influence local public policies and mobilize votes (Brun and Diamond 2014). Under these circumstances, incumbent coalitions and local legislators reduce the effectiveness of social programmes through misallocation of resources, in addition to increasing the potential to politicize programmes.

[23]

In this sense CCT programmes can be considered as technical initiatives that fall under the sphere of influence of technocrats rather than politicians. However, the adoption of CCTs as an antipoverty programme has been led by the coexistence of technocrats and politicians within different types of coalitions, which to some extent has limited participation in social policy formation in general, and in CCTs, in particular (p. 288). Regardless of divergent partisan ideologies, technocrats and politicians have established elite coalitions in order to develop social policy in line with their economic and political aspirations, defining “themselves as subjects of privilege” (Filgueira 2005, p. 4). In these circumstances, social programmes such as CCTs have served the aims of coalitions by politicizing social demands and defining the conditions for access to these programmes.

II. THE POLITICIZATION OF ANTIPOVERTY PROGRAMMES

a. Voting behaviour and political manipulation

Models of voting behaviour have stated that political parties design policies “strictly as a means of gaining votes” (Downs 1957, p. 137), where their primary interest is to formulate policies with the aim of remaining in power, rather than “seek to gain office in order to serve any particular interest group or to carry out certain preconceived policies” (p. 137). The sequence of events here is very important, as it determines the success of the incumbent in maximizing the number of votes to maintain in ‘office’.

Social policy is an interesting field within which to analyse possible links between expansions of anti-poverty programmes and incumbents remaining in power. It is necessary to examine whether programmes such as CCTs have been captured under studies of electoral behaviour and consequently if they have become an economic instrument to manipulate individual electoral choices.

[24]

Before embarking on this analysis it is important to define the concept of politicization. Initially, the politicization of antipoverty programmes can be understood as symptomatic of a healthy political system. Decision-makers escalate social problems into the political agenda through a process of political awareness. Issues such as fulfilment of labour standards, access and quality of education or improvement in national health systems would not be part of public contention and debate if a politicization process had not been in place. Furthermore, a proper politicization process contributes to the functioning of a democratic system, ensuring appropriate checks and balances as it introduces “new demands for resources, justice, or recognition” (Calhoun 2002).

However, the concept of politicization should be nuanced. Public choice theory considers that public policy is likely to be governed by individual interests, which makes it prone to politicization (Buchanan, Tollison, and Tullock 1980). In the context of strong clientelistic relations, the alignment between politicians and technocrats increases the likelihood of corruption (Huber 1996) and increases the appearance of “rent-seeking and inefficient targeting by brokers” (S. C. Stokes et al. 2013, p. 21). In this sense, politicization in social assistance ultimately leads to more exclusion and more opportunities to undermine long-term policies.

In the case of Latin America, politicization seems to have some roots in the connection between elections and social safety nets. Social policy has been sensitive to voters who are particularly susceptible to targeted fiscal allocation, which encourages incumbents to use incentives –e.g. CCTs– “before

elections to influence electoral outcomes”⁹ (Drazen and Eslava 2006, p. 1). It could be considered that this kind of phenomenon occurs in all democratic electoral systems, regardless of the type of country which is under analysis. However, the aim of targeting specific voters across specific benefits - commonly labelled also as ‘pork barrel politics’-, in order to acquire political support, seems to be more common in ‘new’ democracies, rather than in ‘established’ democracies (Brender and Drazen 2004). These two remarks suggest a potential politicization of the way social programmes are identified and implemented, as well as the existence of trade-offs between ideological attachment and public targeting policies (Nupia 2011).

Incumbents normally view electoral politics as a mechanism of ‘tactical redistribution’ of social policy (Dixit and Londregan 1996) between different types of voters in their constituencies. Likewise, voters can also attract antipoverty programmes to their district of influence if there is a predominance of non-partisan voters. Therefore, voting behaviour framework can be very illustrative in understanding how political incentives target voters in an attempt to reduce the trade-off between different ideological interests and increasing voter turnout.

On the one hand, Cox and McCubbins (1986) sort the electorate into three types of voters – support groups, swing voters and opposition voters - and consider that coalitions are more keen to transfer social allocations to those who are more loyal to their political priorities. The existence of a shared bias between voters and candidate, referred to by the authors as the “adherence dimension”, means that the incumbent is more prone to risk-adverse strategies and, consequently, to allocating social benefits to the most loyal supporters in order to maximize electoral support (Díaz-Cayeros, Esteves, and Magaloni 2012). In contrast to this voter model, scholars like Lindbeck and Weibull (1987), and Dixit and Londregan (1996) have added to the debate contending that instead of offering support to core voters, coalitions should focus mainly on swing voters¹⁰ as a transfer of an antipoverty scheme can make the difference in attracting indifferent voters.

Although these models represent distinct strategies to influence individual voting choices, they are similar in the sense that they highlight the fact that political coalitions often co-opt the development of social policy. The manipulation of social spending through clientelistic exchanges is becoming a ‘normal’ practice, which is understood as a legitimate lobbying strategy in order to garner support from poor beneficiaries (S. Stokes 2005). Following this line of the argument, it would be possible to argue that the current configuration of CCTs exists within a non-zero-sum framework as coalitions and beneficiaries, ultimately, will obtain rewards -votes for the incumbent, and access to benefits for the participants of social programmes, respectively.

From the perspective of beneficiaries, incentives offered by antipoverty programmes are a way “to infer the competence of politicians and their preferences for redistribution” (Baez et al. 2012, p. 1). Policy choices in relation to CCTs are directly affecting beneficiaries’ behaviour and encouraging them to stay within programmes. In *Oportunidades*, the cash transfer is “equivalent to over 40 percent of household income in the lowest quintile of the distribution” (Levy and Schady 2013) encouraging beneficiaries to ‘re-apply’ constantly and potentially providing disincentives to move out of the target

⁹ This phenomenon is referred to in political economy literature as the “political business cycle”. This process is based on the idea that incumbents often increase social expenditure before elections in order to secure votes and increase the probability of being re-elected (Brender and Drazen 2004). For further discussion on voting behavior, social expenditure and electoral outcomes see Fair 1976; Lewis-Beck 1990.

¹⁰ Cox and McCubbins define swing voters as “those who have been neither consistently supportive nor consistently hostile” (1986, p. 376).

group.

Likewise, CCTs can contribute to the reproduction of the phenomenon of vote-buying. Although the introduction of secret balloting has reduced opportunities for politicians to buy votes (Schaffer 2007), the existence of promises of social benefits increases voters' tendency to maintain a commitment with the political party that provides the benefit. Finan and Schechter (2011) tested this argument using a dataset on vote-buying in a municipal election in Paraguay finding that "voters who are offered money or material goods in exchange for their votes reciprocate because they experience pleasure in increasing the material payoffs of people who have helped them" (p. 1). This suggests that beneficiaries of CCTs are not only more likely to vote for the politician or party from which they accepted the benefit, but are also more likely to be involved in a vote-buying scenario¹¹.

Thus, the decision of who should receive the transfer seems to be more political than economic. Elite coalitions are governed by political interests that directly influence the allocation of CCTs, affecting the number and nature of the beneficiaries in the programmes.

b. Evidence of CCTs' electoral returns

The points discussed above have provided inputs to understand theoretically how the implementation of CCTs in the region has helped incumbents to obtain political rewards. Evidence from the region also supports this claim. This section will examine the cases of Mexico, Brazil and Colombia to illustrate how CCTs have contributed to politicizing social policy in the region.

In terms of the effect of electoral results on the implementation of CCTs in the region, some empirical research has shown a positive relationship between the probability of casting a ballot in favour of the incumbent and being a beneficiary of a CCT programme. One of the first evaluations of the issue states how in the case of Mexico, beneficiaries from the *Progresa* programme were "26% more likely to vote for the incumbent (PRI¹²) candidate" (Cornelius as cited in De La O, 2013b, p. 4) than other candidates of different parties.

Increased levels of political participation can also be linked with the existence of CCTs in a specific region. Data from Mexico confirm that beneficiaries exhibit feelings of reciprocity towards incumbents who administer CCT programmes as they demand handouts from state agencies, which in some degree are aligned with their social and economic expectations. Cornelius (2004) found a relationship between 'buying votes' and the decision to cast a vote for the incumbent. Using a panel data study, Cornelius' results show how during the presidential election of 2000 in Mexico, 37% of voters, who received a 'gift' (or promise of enrolment into social programmes) from the incumbent party, voted for the party's presidential candidate. It is important to stress here that it is also likely that the reciprocity or obligation that voters have with the incumbents is also related to the fear of losing coverage as a beneficiaries of the programmes (Baez et al. 2012).

In a similar study, Díaz-Cayeros, Esteves and Magaloni (2012) suggest that programmatic initiatives like CCTs have an influence on the way voters change their partisan choices. In the

¹¹ The evidence also suggests that coalitions try to cheat more in the design of social programmes than during pre-electoral periods, as more and stronger verification processes are in place (Camacho and Conover 2011).

¹² In English, The Institutional Revolutionary Party.

case of *Oportunidades*¹³ in Mexico, traditional left wing voters voted for the right wing candidate Felipe Calderon (PAN¹⁴) in 2006 in order to obtain benefits from the programme. The study shows that voters enrolled in *Oportunidades* “were 11% more likely to vote for PAN’s Calderon than non-beneficiaries” (p. 223) of the CCT programme. In this sense, political affiliation is a conditional trait that can be manipulated by the kind of social policy implemented (Fiorina 1977). In fact, in the case of Mexico, CCT programmes have been customised to attract specific kinds of voters with the aim of generating particular partisan identifications (Díaz-Cayeros, Esteves, and Magaloni 2012).

CCT programmes in Brazil display similar trends in how incumbents diversify their political constituencies. The second election of former president Lula in 2006 registered a huge difference between the developed regions and poorer areas’ voting behaviour. Hunter and Power (2007) contend that “the cash injection from the poverty-reduction income transfer of the *Bolsa Familia Programme* played a central role in returning Lula to the presidency” (p. 16) through an overwhelming victory at the polls. In fact, Lula’s political vision of grassroots mobilization of workers was re-launched under an expansion of *Bolsa Familia* from 11 to 13 million households in an attempt that could be considered as a political manoeuvre for improving the tarnished image of the government, after the scandals of corruption of 2005¹⁵.

The effect that the expansion of the *Bolsa Familia* programme had was to increase the probability of voting for Lula across several income brackets. According to Zucco (2009), the lowest family income group (of those who were enrolled in the programme) voting in the presidential elections of 2006 were 35% more likely to vote for the incumbent, followed by 45% and 63% for the next two groups of the income scale (p. 23).

In line with this evidence, the CCT programme *Familias en Accion* (FA) in Colombia also illustrates a pattern of the politicization of social policy. This is a large scale CCT programme, which was set up in 2001 with the aim of supporting the poorest households in municipalities with less than 100,000 inhabitants (Attanasio, Battistin, and Mesnard 2012). The programme has been expanded constantly in terms of numbers of beneficiaries, including larger towns in recent years (p. 99). At the present, FA is the largest antipoverty programme being implemented in Colombia. In a quasi-experimental evaluation, Nupia (2011) assesses the political motives behind the allocation of FA across different Colombian municipalities. The evaluation found that the re-election of former president Alvaro Uribe 2006-2010 (62% of total votes in first-round) was in part achieved because of the electoral promise to expand the FA programme in a second term. Nupia concludes that “an increment of 12.5 points in the FA beneficiary rate in a municipality increases the incumbent’s vote share by one percentage point” (p. 5).

Beneficiary manipulation through social policy is also evident in the Colombian experience. In 2004, the Constitutional Court of Colombia enacted the sentence T-025, which demanded the enrolment of Internally Displaced People into the FA programme. According to the interna-

¹³ *Oportunidades* is the current antipoverty programme of the Mexican government established in 2002, based on the previous CCT programme called *Progresa*.

¹⁴ In English, National Action Party.

¹⁵ In 2005, Lula’s government faced allegations of clandestine monthly payments made for the PT (Partido dos Trabalhadores, Worker’s party) to members of the Brazilian congress in return for support for its legislative agenda. (“What Is Brazil’s ‘Mensalão?’” 2013). In this regard, Hunter and Power (2007) point out that the negative consequences of the *mensalão* scandal make Lula’s presidential victory in 2006 even more remarkable (p. 2). This leads one to consider that among the reasons for Lula’s re-election might be the expansion of CCT programmes in Brazil.

tional NGO, Global Exchange (n.d.) the increase in the number of beneficiaries resulted in an improvement in the electoral position of the incumbent coalition parties. In an extensive report, the NGO claims that the coalition government, formed by the Social Party of National Unity and the Colombian Conservative Party obtained 76% and 56% more votes in the parliamentary and presidential elections respectively compared to results obtained in 2006. Opposition parties have raised concerns regarding the legality of giving exclusive managerial control over large amounts of public resources to the government (De La O 2013a; Brun and Diamond 2014) as well as allegedly exercising control over IDPs to form a so-called 'network of informants', whose main goal is to denounce guerrillas and paramilitary locations in order to receive benefits from the programme (Hunt 2006).

These examples demonstrate that the incumbent governing coalition increased its vote share in areas where CCT programmes had been expanded (Baez et al. 2012). Moreover, the use of CCTs as 'pork barrel' initiatives by the incumbent, makes district and municipalities progressively more dependent on the decisions of political coalitions, and "thereby creates opportunities for clientelistic exchange" (Brun and Diamond 2014, p. 107).

CONCLUSION

This essay has provided some insights into the expansion of CCTs' in Latin America arguing that their popularity lies in the political benefits that they bring to elite policymakers. The use of CCTs encourages political participation, which is used strategically by incumbents to mobilize and diversify their political portfolio (Robinson and Verdier 2013).

[28]

CCT programmes in Latin America have taken on the character of discretionary antipoverty strategies that have becoming useful for incumbent parties in winning elections. Irrespective of the ideological nature of political parties, policymakers have increasingly used CCTs as a central modality in social policy. The design and implementation of CCTs have been dominated by elite coalitions, mainly formed by politicians and national and international technocrats, who have been focused on targeting antipoverty programmes with the aim of leveraging swing voter groups and obtaining political rewards, rather than using CCTs as a "universal, coordinated and inclusive social policy" (Martinez and Voorend 2011, p. 282).

Incumbents have used CCTs in a deliberate strategy to increase constituencies as the political electoral competition has increased in intensity. They have opted to implement social policy in locations where there is a high concentration of swing voters who are potentially more likely to turn towards incumbent partisan ideology if there are particular social benefits involved. As a consequence, the co-option of CCTs by elite coalitions has contributed to the use of clientelism in order to obtain important electoral returns for incumbents. No less important, on the other side of the equation beneficiaries respond positively to vote-buying because it secures their place in future phases or the expansion of the programme. Ultimately, a system of handouts and reciprocity is reproduced in each election period.

The evidence found in the implementations of CCTs in the region suggests that incumbents often make use of antipoverty programmes in order to gain political affiliates (voters) and retain political power for future elections. The absence of random design in the implementation of CCTs has enabled coalitions to use social programmes for political purposes (Nupia 2011). In the cases of Brazil, Colombia and Mexico, CCTs have produced significant electoral payoffs for the incumbent parties that have decided to implement them. Thus, the administration of CCTs can lead to a decrease in political competition as the incumbent has advantages over other parties (e.g. opposition) during

election periods because it is able to affect the voting behaviour of beneficiaries directly. Likewise, the excessive use of CCTs as political instruments can encourage policy makers to limit the use of other strategies for poverty alleviation, which can be equally effective and that today are neglected by incumbents as instruments of social policy because they have limited rewards in political terms.

Despite the criticisms that can be raised regarding how governments have used CCTs as instruments of politicization of social policy, it is important to recognise some positive outcomes. CCTs have contributed to making citizens more aware of the relative efficacy of antipoverty programmes in relation to their economic and social conditions. The evidence gathered so far shows that the establishment of CCT programmes has effects on electoral results, and consequently on the politicization of social programmes as incumbents can use them as strategies to remain in power. However, in the context of new social policy, it seems that incumbents can only remain in power through the implementation of *successful* social policy; otherwise voters will allocate their preferences to other more promising social policy offers (Finan and Schechter 2011). Ultimately this may ensure that the technical politicization of social policy can lead not only to better antipoverty programmes but also to limiting the advance of populist governments in Latin America (Díaz-Cayeros and Magaloni 2009) who use CCTs as political rewards.

REFERENCES

- Adato, Michelle, and John Hoddinott. 2010. *Conditional Cash Transfers in Latin America*. Baltimore: Johns Hopkins University Press.
- Attanasio, Orazio, Erich Battistin, and Alice Mesnard. 2012. "Food and Cash Transfers: Evidence from Colombia." *The Economic Journal* 122 (559): 92–124. doi:10.1111/j.1468-0297.2011.02473.x.
- Baez, Javier E., Adriana Camacho, Emily Conover, and Roman A. Zarate. 2012. "Conditional Cash Transfers, Political Participation, and Voting Behavior". Policy Research Working Paper Series 6215. Washington, D.C.: The World Bank. <http://ideas.repec.org/p/wbk/wbrwps/6215.html>.
- Barrientos, Armando, Jasmine Gideon, and Maxine Molyneux. 2008. "New Developments in Latin America's Social Policy." *Development and Change* 39 (5): 759–74. doi:10.1111/j.1467-7660.2008.00504.x.
- Brender, Adi, and Allan Drazen. 2004. "Political Budget Cycles in New versus Established Democracies". Working Paper 10539. National Bureau of Economic Research. <http://www.nber.org/papers/w10539>.
- Brun, Diego Abente, and Larry Diamond. 2014. *Clientelism, Social Policy, and the Quality of Democracy*. JHU Press.
- Buchanan, James M, Robert D Tollison, and Robert Tullock. 1980. *Towards a Theory of the Rent-Seeking Society*. College Station, Tex.: Texas A&M University Press.
- Cairney, Paul. 2012. *Understanding Public Policy: Theories and Issues*. Houndmills, Basingstoke, Hampshire; New York: Palgrave Macmillan.
- Calhoun, Craig. 2002. *Dictionary of the Social Sciences*. Oxford University Press.
- Camacho, Adriana, and Emily Conover. 2011. "Manipulation of Social Program Eligibility." *American Economic Journal: Economic Policy* 3 (2): 41–65. doi:10.1257/pol.3.2.41.
- Cartwright, Nancy, and Jeremy Hardie. 2012. *Evidence-Based Policy: A Practical Guide to Doing It Better*. Oxford; New York: Oxford University Press.
- Cassidy, Rachel, Dominic Rowland, Valeria Ballettini, and Helen Coskeran. 2008. "The Brazilian Bolsa Escola. Lessons for conditional cash transfers schemes around the world." *Revista Ágora* 8 (2): 389–416.
- Coady, David. 2001. "An Evaluation of the Distributional Power of Progresa's Cash Transfers in Mexico". Discussion paper 117. Washington, D.C.: International Food Policy Research Institute. <http://www.ifpri.org/sites/default/files/publications/fcndp117.pdf>.
- Collier, David. 1979. *The New Authoritarianism in Latin America*. Princeton, N.J.: Princeton University Press.
- Cornelius, Wayne. 2004. "Mobilized Voting in the 2000 Elections: The Changing Efficacy of Vote Buying and Coercion in Mexican Electoral Politics." In *Mexico's Pivotal Democratic Election: Candidates, Voters, and the Presidential Campaign of 2000*, edited by Jorge I. Domínguez and Chappell H. Lawson, 47–65. Stanford University Press.
- Cousins, Mel. 2005. *European Welfare States: Comparative Perspectives*. London: SAGE Publications Ltd. <http://knowledge.sagepub.com/view/european-welfare-states/SAGE.xml>.
- Cox, Gary W., and Mathew D. McCubbins. 1986. "Electoral Politics as a Redistributive Game." *The Journal of Politics* 48 (02): 370–89. doi:10.2307/2131098.
- Crost, Benjamin, Joseph Felner, and Patrick Johnston. 2014. "Conditional Cash Transfers, Civil Conflict and Insurgent In Uence: Experimental Evidence from the Philippines." <http://patrickjohnston.info/materials/4Ps.pdf>.

- De La O, Ana L. 2013a. *Crafting Pro-Poor Policies: The Politics of Conditional Cash Transfers in Latin America*. Cambridge University Press. http://www.gvpt.umd.edu/cpworkshop/DeLaO_CCT_3chapters2014.pdf.
- . 2013b. “Do Conditional Cash Transfers Affect Electoral Behavior? Evidence from a Randomized Experiment in Mexico.” *American Journal of Political Science* 57 (1): 1–14. doi:10.1111/j.1540-5907.2012.00617.x.
- Díaz-Cayeros, Alberto, Federico Esteves, and Beatriz Magaloni. 2012. *Strategies of Vote Buying: Democracy, Clientelism and Poverty Relief in Mexico*. <http://www.stanford.edu/~magaloni/dox/2012strategiesvotebuying.pdf>.
- Díaz-Cayeros, Alberto, and Beatriz Magaloni. 2009. “Aiding Latin America’s Poor.” *Journal of Democracy* 20 (4): 36–49. doi:10.1353/jod.0.0115.
- Dixit, Avinash, and John Londregan. 1996. “The Determinants of Success of Special Interests in Redistributive Politics.” *The Journal of Politics* 58 (4): 1132–55. doi:10.2307/2960152.
- Downs, Anthony. 1957. “An Economic Theory of Political Action in a Democracy.” *Journal of Political Economy* 65 (2): 135–50.
- Drazen, Allan, and Marcela Eslava. 2006. “Pork Barrel Cycles”. Working Paper 12190. National Bureau of Economic Research. <http://www.nber.org/papers/w12190>.
- Dugger, Celia W. 2004. “To Help Poor Be Pupils, Not Wage Earners, Brazil Pays Parents.” *The New York Times*, January 3, sec. World. <http://www.nytimes.com/2004/01/03/world/to-help-poor-be-pupils-not-wage-earners-brazil-pays-parents.html>.
- ECLAC. 2006. *Shaping the Future of Social Protection: Access, Financing and Solidarity*. Santiago: Economic Commission for Latin America and the Caribbean (ECLAC). <http://www.eclac.org/cgi-bin/getProd.asp?xml=/publicaciones/xml/0/24080/P24080.xml&xsl=/tpl-i/p9f.xsl&base=/tpl/top-bottom.xsl>.
- Esping-Andersen, Gøsta. 1985. *Politics against Markets: The Social Democratic Road to Power*. Princeton, N.J.: Princeton University Press.
- Fair, Ray C. 1976. “The Effects of Economic Events on Votes for President”. Cowles Foundation Discussion Paper 418. Cowles Foundation for Research in Economics, Yale University. <http://ideas.repec.org/p/cwl/cwldpp/418.html>.
- Falleti, Tulia G. 2010. *Decentralization and Subnational Politics in Latin America*. 1 edition. New York: Cambridge University Press.
- Filgueira, Fernando. 2005. “Welfare and Democracy in Latin America: The Development, Crises and Aftermath of Universal, Dual and Exclusionary Social States”. United Nations Research Institute for social development. [http://www.unrisd.org/unrisd/website/document.nsf/d2a23ad2d50cb2a280256eb300385855/d1f612f7b7d71534c1256fff005447f7/\\$FILE/dfilguei2.pdf](http://www.unrisd.org/unrisd/website/document.nsf/d2a23ad2d50cb2a280256eb300385855/d1f612f7b7d71534c1256fff005447f7/$FILE/dfilguei2.pdf).
- Finan, Frederico, and Laura A. Schechter. 2011. “Vote-Buying and Reciprocity”. Working Paper 17411. National Bureau of Economic Research. <http://www.nber.org/papers/w17411>.
- Fiorina, Morris P. 1977. “An Outline for a Model of Party Choice.” *American Journal of Political Science* 21 (3): 601–25. doi:10.2307/2110583.
- Fiszbein, Ariel, and Norbert Rüdiger Schady. 2009. *Conditional Cash Transfers: Reducing Present and Future Poverty*. World Bank Publications.
- Flora, Peter, and Arnold Joseph Heidenheimer. 1981. *The Development of Welfare States in Europe and America*. New Jersey: Transaction Publishers.
- Global Exchange. n.d. “Análisis del Programa Familias en Acción en el marco de los Procesos Electorales en Colombia Informe Final.pdf”. Global Exchange. <http://www.globalexchange.org/sites/default/files/Informe%20Final.pdf>.
- Graham, Carol. 2002. “Public attitudes matter : a conceptual frame for accounting for political economy in safety nets and social assistance policies”. 25537. The World Bank. <http://documents.worldbank.org/curated/en/2002/01/6693325/public-attitudes-matter-conceptual-frame-accounting-political-economy-safety-nets-social-assistance-policies>.
- Grompone, Romeo. 2006. “Los cien primeros días del gobierno de Alan García [The first hundred days of the government of Alan García].” *Coyuntura: Análisis Económico y Social de Actualidad* 0 (9): 4–8.
- Haas, Peter M. 1992. “Introduction: Epistemic Communities and International Policy Coordination.” *International Organization* 46 (01): 1–35. doi:10.1017/S0020818300001442.
- Hall, Anthony. 2008. “Brazil’s Bolsa Familia: A Double-Edged Sword?” *Development and Change* 39 (5): 799–822.
- Huber, John. 1996. “The Vote of Confidence in Parliamentary Democracies.” *The American Political Science Review* 90 (2): 269–82. doi:10.2307/2082884.
- Hunt, Stacey. 2006. “Languages of Stateness: A Study of Space and El Pueblo in the Colombian State.” *Latin American Research Review* 41 (3): 88–121. doi:10.1353/lar.2006.0041.
- Hunter, Wendy, and Timothy J. Power. 2007. “Rewarding Lula: Executive Power, Social Policy, and the Brazilian Elections of 2006.” *Latin American Politics and Society* 49 (1): 1–30. doi:10.1111/j.1548-2456.2007.tb00372.x.
- Kerr, Clark, John T. Dunlop, Charles A. Myers, and Frederick Harbison. 1960. *Industrialism And Industrial Man The Problems Of Labor And Management In Economic Growth*. Cambridge: Harvard University Press.
- Korpi, Walter, and Michael Shalev. 1979. “Strikes, Industrial Relations and Class Conflict in Capitalist Societies.” *The British Journal of Sociology* 30 (2): 164–87. doi:10.2307/589523.
- Lagarde, Mylene, Andy Haines, and Natasha Palmer. 2009. “The Impact of Conditional Cash Transfers on Health Outcomes and Use of Health Services in Low and Middle Income Countries.” In *Cochrane Database of Systematic Reviews*. John Wiley & Sons, Ltd. <http://onlinelibrary.wiley.com/doi/10.1002/14651858.CD008137/abstract>.
- Levy, Santiago, and Norbert Schady. 2013. “Latin America’s Social Policy Challenge: Education, Social Insurance, Redistribution.” *Journal of Economic Perspectives* 27 (2): 193–218. doi:10.1257/jep.27.2.193.

[30]

- Lewis-Beck, Michael S. 1990. *Economics and Elections: The Major Western Democracies*. University of Michigan Press.
- Lindbeck, Assar, and Jörgen W. Weibull. 1987. "Balanced-Budget Redistribution as the Outcome of Political Competition." *Public Choice* 52 (3): 273–97. doi:10.1007/BF00116710.
- Linder, Anja, Kathy Lindert, Jason Hobbs, and Benedicte de la Briere. 2007. "The Nuts and Bolts of Brazil's Bolsa Familia Program : Implementing Conditional Cash Transfers in a Decentralized Context". 39853. The World Bank. <http://documentos.bancomundial.org/curated/es/2007/05/7645487/nuts-bolts-brazils-bolsa-familia-program-implementing-conditional-cash-transfers-decentralized-context>.
- Lindert, Peter H. 2004. *Growing Public Social Spending and Economic Growth since the Eighteenth Century. Volume 1, Volume 1*. Cambridge, UK; New York: Cambridge.
- Martinez, Juliana, and Koen Voorend. 2011. "Actors and Ideas behind CCTs in Chile, Costa Rica and El Salvador." *Global Social Policy* 11 (2-3): 279–98. doi:10.1177/1468018111421296.
- Nupia, Oskar. 2011. "Anti-Poverty Programs and Presidential Election Outcomes: Familias En Acción in Colombia". DOCUMENTOS CEDE 008743. UNIVERSIDAD DE LOS ANDES-CEDE. <http://ideas.repec.org/p/col/000089/008743.html>.
- O'Connor, Julia Síle, and Gregg M Olsen. 1998. *Power Resources Theory and the Welfare State a Critical Approach: Essays Collected in Honour of Walter Korpi*. Toronto, Ont.: University of Toronto Press.
- Riesco, Manuel. 2007. *Latin America: A New Developmental Welfare State Model in the Making?* Basingstoke [England]; New York: Palgrave Macmillan/UNRISD.
- Robinson, James, and Thierry Verdier. 2013. "The Political Economy of Clientelism." *Scandinavian Journal of Economics* 115 (2): 260–91. doi:10.1111/j.1467-9442.2013.12010.x.
- Schaffer, Frederic Charles. 2007. *Elections for Sale: The Causes and Consequences of Vote Buying*. Ateneo University Press.
- Skoufias, Emmanuel. 2005. *PROGRESA and Its Impacts on the Welfare of Rural Households in Mexico*. Washington, DC: International Food Policy Research Institute.
- Skoufias, Emmanuel, Joseph Shapiro, and Kathy Lindert. 2006. "Redistributing Income to the Poor and the Rich : Public Transfers in Latin America and the Caribbean". 37048. The World Bank. <http://documents.worldbank.org/curated/en/2006/06/7034062/redistributing-income-poor-rich-public-transfers-latin-america-caribbean>.
- Stokes, Susan. 2005. "Perverse Accountability: A Formal Model of Machine Politics with Evidence from Argentina." *American Political Science Review*, no. 03 (September): 315–25. doi:<http://dx.doi.org/10.1017/S0003055405051683>.
- Stokes, Susan C., Thad Dunning, Marcelo Nazareno, and Valeria Brusco. 2013. *Brokers, Voters, and Clientelism: The Puzzle of Distributive Politics*. Cambridge University Press.
- Sutcliffe, Sophie, and Julius Court. 2005. "Evidence-Based Policymaking: What Is It? How Does It Work? What Relevance for Developing Countries?" Overseas Development Institute -ODI-. <http://www.odi.org.uk/publications/2804-evidence-based-policymaking-work-relevance-developing-countries>.
- Teichman, Judith. 2007. "Multilateral Lending Institutions and Transnational Policy Networks in Mexico and Chile." *Global Governance* 13 (4): 557–73.
- Thomas, Ranjeeta. 2012. "Conditional Cash Transfers to Improve Education and Health: An Ex Ante Evaluation of Red De Protección Social, Nicaragua." *Health Economics* 21 (10): 1136–54. doi:10.1002/hec.2854.
- "What Is Brazil's 'Mensalão'?" 2013. *The Economist*, November 18. <http://www.economist.com/blogs/economist-explains/2013/11/economist-explains-14>.
- World Bank. 2011. "Social Safety Nets An Evaluation of World Bank Support, 2000–2010". Washington, D.C.: Independent Evaluation Group The World Bank Group. <http://ieg.worldbank.org/evaluations/social-safety-nets>.
- Zucco, Cesar. 2009. "Cash-Transfers and Voting Behavior: An Empirical Assessment of the Political Impacts of the Bolsa Familia Program". SSRN Scholarly Paper ID 1450176. Rochester, NY: Social Science Research Network. <http://papers.ssrn.com/abstract=1450176>.