

Crafting Policies to End Poverty in Latin America

The Quiet Transformation

This book provides a theory and evidence to explain the initial decision of governments to adopt a conditional cash transfer program (the most prominent type of antipoverty program currently in operation in Latin America) and whether such programs are insulated from political manipulations or not. Ana Lorena De La O shows that whether presidents limit their own discretion or not has consequences for the survival of policies, their manipulation, and how effective they are in improving the lives of the poor. These policy outcomes, in turn, affect the quality of democracy. This book is the first of its kind to present evidence from all Latin American conditional cash transfers.

Ana Lorena De La O is an associate professor of political science at Yale University, where she is affiliated with the MacMillan Center for International and Area Studies, the Institution for Social and Policy Studies, and the Jackson Institute for Global Affairs. Her research relates to the political economy of poverty alleviation, clientelism, and the provision of public goods. Her work has appeared in the *American Journal of Political Science*, the *Journal of Politics*, *Comparative Political Studies*, the *Quarterly Journal of Political Science*, and the *Annals of the American Academy of Political and Social Sciences*. She earned her Ph.D. in Political Science from the Massachusetts Institute of Technology.





Crafting Policies to End Poverty in Latin America

The Quiet Transformation

ANA LORENA DE LA O

Yale University





CAMBRIDGE UNIVERSITY PRESS

32 Avenue of the Americas, New York, NY 10013-2473, USA

Cambridge University Press is part of the University of Cambridge.

It furthers the University's mission by disseminating knowledge in the pursuit of education, learning, and research at the highest international levels of excellence.

www.cambridge.org

Information on this title: www.cambridge.org/9781107089488

© Ana Lorena De La O 2015

This publication is in copyright. Subject to statutory exception and to the provisions of relevant collective licensing agreements, no reproduction of any part may take place without the written permission of Cambridge University Press.

First published 2015

Printed in the United States of America

A catalog record for this publication is available from the British Library.

Library of Congress Cataloging in Publication Data

De La O, Ana L.

Crafting policies to end poverty in Latin America : the quiet transformation / Ana De La O. pages cm

Includes bibliographical references and index.

ISBN 978-1-107-08948-8 (hardback : alk. paper)

Poverty – Latin America.
Public welfare – Latin America.
Latin America – Economic policy.
Latin America – Social policy.
Title.

HCI30.P6.O22 2015

362.5'82098-dc23 2014043959

ISBN 978-1-107-08948-8 Hardback

Cambridge University Press has no responsibility for the persistence or accuracy of URLs for external or third-party Internet Web sites referred to in this publication and does not guarantee that any content on such Web sites is, or will remain, accurate or appropriate.



To my family





Contents

List of Figures		page ix
Li	st of Tables	xi
Acknowledgments		xiii
Ι	Introduction	I
2	The Universe of Cash Transfer Programs	24
3	Politics of Fighting Poverty	44
4	Explaining Policy Adoption and Design	57
5	Explaining Policy Outcomes	96
6	Conditional Cash Transfers and Clientelism	112
7	The Electoral Bonus of Conditional Cash Transfers	134
8	Conclusions	150
Appendix		159
References		161
Index		175

vii





List of Figures

1.1 Average strictness in program design	page 21
2.1 Child labor in Latin America	26
2.2 Average design and implementation of CCTs in	
Latin America	41
2.3 CCTs' design, implementation, and checks to	
presidential power	42
3.1 The political game	49
5.1 Effects of divided government and checks on CCTs'	
duration	106

ix





List of Tables

2.1	Conditional Cash Transfers in Latin America	page 28
4.I	Effects of Divided Government on the Adoption of	
	an Above-Average CCT, a Below-Average CCT,	
	and Design Score	63
4.2	Effects of Checks on the Executive on the Adoption of	-
•	an Above-Average CCT, a Below-Average CCT, and	
	Design Score	66
4.3	Robustness Check: Effects of Divided Government and	
	Checks, Controlling for Diffusion	68
4.4	Regression Discontinuity Design	69
	Effects of President's Party Legislative Majority on the	
, ,	Adoption of an Above-Average CCT, a Below-Average	
	CCT, and Design Score	71
5.1	Effects of Divided Government and Checks on CCTs'	,
	Implementation	100
5.2	Political Determinants of Program Expansion	103
5.3	Program Survival: Descriptive Statistics	105
5.4	What People Value in a Poverty Relief Program	_
-	(by Income Groups)	107
6.1	Survey Participants' Knowledge of Program Sources	116
	Education, Income, and Party Identification of Survey	
	Sample	125
6.3	Oportunidades and Clientelism (Survey Data)	129
_	List Experiment (Comparison of Means)	132
	Descriptive Statistics of Experimental Villages and	,
•	Electoral Precincts	140

xi



xii		List of Tables
7.2	Baseline Characteristics (Means and Standard Deviations)	141
7.3	Impact of <i>Progresa</i> on Turnout and Party Vote Shares	144
7.4	Impact of Assignment to Early and Late Treatment on	
	Number of Party Observers	147



Acknowledgments

I owe an enormous debt of gratitude to family, friends, and colleagues. The help of Chappell Lawson, Jim Snyder, Jonathan Rodden, and Michael Piore was crucial to getting this project off the ground. I profited greatly from conversations with Sue Stokes, whose support and plentiful good advice are noted with appreciation. In Mexico, the Center of Research for Development provided a stimulating environment. Thanks to Edna Jaime and Luis Rubio for their generous hospitality. I am also grateful to Juan E. Pardinas, Jimena Otero, Mónica Miguel, and Rosalva Miguel for leading me to Santa María Citendejé, where this project began. Oliver Azuara, Santiago Levy, Daniel Hernández, Mónica Orozco, Mario García, Cuauhtémoc Cárdenas, Carlos Rojas Gutiérrez, and Rogelio Gómez Hermosillo took time from their incredibly busy schedules to talk with me and help me understand the dynamics of conditional cash transfers, for which I thank them. I owe a great debt to Luis Ruvalcaba Pérez, from what was then called the Federal Electoral Institute, who gave me access to crucial data for Chapter 7. David Nickerson and I pooled resources to collect the survey in Chapter 6. I am sincerely grateful that he allowed me to use his list experiment. Thanks to Kyla Russell, Linette Lecussan, and Carolina Orellana for providing excellent research assistance.

Many people commented helpfully on parts, or the entire book; special thanks to Sue Stokes for reading the manuscript multiple times. Thanks also to Rebecca Weitz-Shapiro, Valerie Frey, Thad Dunning, Ellie Powell, Dan Butler, Paulina Ochoa, John Roemer, Adria Lawrence, Libby Wood, Alex Debs, Sigrun Khal, Tariq Tachil, Robert Kaufman, Evelyn Huber, Gwyneth McClendon, Elizabeth Carlson, Jennifer Bussell, Victoria Murillo, Isabela Mares, Michiko Ueda, Neil Ruiz, Adam Ziegfeld, and Jon Berlin.

This project also benefited from insightful conversations with Alejandro Poiré, Beatriz Magaloni, Alberto Díaz-Cayeros, Jorge Domínguez, Ernesto Zedillo, Abhijit Banerjee, Kanchan Chandra, Richard Locke, Adam Berinsky,

xiii



xiv Acknowledgments

Roger Peterson, Ken Scheve, Ian Shapiro, Don Green, Stathis Kalyvas, Alan Gerber, Greg Huber, Jacob Hacker, Susan Hyde, Ellen Lust, and Steven Wilkinson. Thanks also to Rohini Pande, Sarah Brooks, Karen Jusko, Stuti Khemani, Juan Pablo Luna, Guillermo Rosas, Lorena Becerra, Claudia Maldonado, Leonard Wantchekon, Chris Berry, Richard Snyder, Cesar Zucco, José Antonio Ocampo, Scott Martin, Ernesto Calvo, Mariela Szwarcberg, Jennifer Tobin, James Vreeland, Ken Green, Alejandro Moreno, Alberto Simpser, Rodrigo Canales, and Gabriela Pérez Yarahuán. Over the years, I also benefited from the feedback of numerous participants at conferences and seminars, including Stanford University, University of Manchester, Yale University, Harvard University, University of Chicago, Columbia University, Brown University, Georgetown University, University of Maryland, and conferences organized by the American Political Science Association, the Midwest Political Science Association, and the Latin American Studies Association.

I am grateful for the institutional support of MIT and Yale University. At Yale, I note with appreciation the support from a Junior Faculty Fellowship in the Social Sciences, from the MacMillan Center for International Studies, from the Institute for Social and Policy Studies, and from the Leitner Program in Comparative Political Economy. The Harris School of Public Policy at the University of Chicago and the Government Department at Georgetown kindly hosted me during my academic leaves.

At Cambridge University Press, I would like to thank my editor, Lew Bateman, for his interest in this book and Shaun Vigil, Pooja Bhandari, and Kristin Landon for their help in the production process. Three anonymous reviewers provided very constructive criticism, for which I thank them.

Last but not least, writing this book was possible only because my parents, José Luis and Julieta, and my sister, Paty, made me feel close to my dear Mexico at all times. Thank you. My most heartfelt thanks are to my husband, Oliver Azuara, for the innumerable ways he helped me in this project and for his unconditional support of my academic career. For the love of my family and their support, I am grateful beyond words. This book is dedicated to them.