Actors and ideas behind CCTs in Chile, Costa Rica and El Salvador

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Abstract
Conditional Cash Transfer programs are currently at a crossroads, between consolidating minimum safety nets and laying the basis for a universal system. In assessing which direction CCTs will take, it is important to analyze their formation. What domestic actors have been influential and how have expert-driven international ideas entered the domestic policy process? Is the impact related to existing welfare regimes? In this article the authors show that in general CCTs are the product of top-down and closed policy formation by elite coalitions, in which international factors play a central role. Nevertheless, domestic factors associated with welfare regimes, in particular the difference between state and non-state, informal regimes, account for important cross-national variations. If CCTs are to become a stepping-stone to universal social policy, closed policy communities have to be opened up.

Keywords
conditional transfers, epistemic community, policy formation, universalism, welfare regimes

CCTs represent an opportunity for countries to address the policy gap where formal social protection has been traditionally absent, and to tackle the policy imbalance where social protection has relied mainly on social insurance policies. Whether such developments will contribute to the establishment of minimal safety nets or of inclusive social policy remain an issue. (Bastagli, 2009: 17)

Introduction
Having reached over 100 million poor Latin Americans (ECLAC, 2010), Conditional Cash Transfers (CCTs) are currently at a crossroads, between consolidating minimum safety nets and laying the basis for universalism (Bastagli, 2009). Which direction they take will depend on their specific design. Although all entail monetary transfers to poor
families on the condition that mothers send their children to school and health checks (Soares et al., 2009, 2010), the devil is indeed in the detail (Bastagli, 2009). Whether CCTs will remain part of fragmented social safety nets or become the basis for broader and more inclusive social policy (Barba, 2009; Bastagli, 2009; Deacon, 2009) will largely depend on the policy processes behind them. Is the policy design determined by influential domestic actors? How have expert-driven international ideas entered the domestic policy process? How do these ideas fit with existing welfare regimes? Responses to these questions should shed light on whether it is possible and likely that CCTs lead to a universal rather than a residual approach to social policy (Barba, 2009; Deacon, 2009).

Thus far, the vast body of literature on CCTs has primarily been evaluative (Fiszbein and Schady, 2009; Skoufias, 2000; Skoufias et al., 2001; World Bank, 2007), while research on the formation of CCTs remains scarce. Despite the initial euphoria, scholarly studies show no evidence that these programs have effectively disrupted the intergenerational cycle of poverty (Villatoro, 2005). Certainly, the evaluations show improvements in school attendance and nutrition (Valencia, 2008; Villatoro, 2005) and recent studies show positive effects in terms of short-term poverty reduction and inequality (López Calva and Lustig, 2010). Nevertheless, there is no agreement on whether these achievements should be attributed to the conditionality or to cash transfers alone (Hanlon et al., 2010). Another debate revolves around the effects of CCTs on gender equity (e.g. Bradshaw, 2008; Martínez Franzoni and Voorend, 2008; Molyneux, 2006; Serrano, 2005a, 2005b).

In this article we explore the relative role of an international community of shared knowledge – or ‘epistemic community’ (Haas, 1992) – in three contrasting national environments. We compare three CCT programs embedded in contrasting welfare regimes: Chile Solidario (Chile), Red Solidaria (El Salvador) and Avancemos (Costa Rica) (Martínez Franzoni, 2008). We ask what determines whether CCTs may become part of a more inclusive, universal approach to social policy: is change likely to come from domestic or international actors; as a result of top-down or of bottom-up pressures?

In what follows, we examine the relatively small set of actors involved in the policy community behind CCTs. Irrespective of their political ideology, when it comes to anti-poverty policy, politicians and experts alike are embedded in one epistemic community. At the same time, welfare regimes matter: they correlate with degrees to which domestic factors reshape and adapt policy, leading to departures from international policy prescriptions. Therefore, adapting, improving, or even removing CCTs will entail different tasks and challenges across welfare regimes.

**Actors and ideas behind policy formation**

Among OECD countries, the debate on social policy formation has been vibrant, in large part due to the puzzling resilience of the welfare state in a context of neoliberal globalization. One of the most intense exchanges involves two different approaches to how structures and actors interrelate: the power resource approach (Huber and Stephens, 2001; Korpi, 1983, 2006) and varieties of capitalism (Hall and Soskice, 2001). The former argues that policy formation was the outcome of bottom-up pressures (Huber and Stephens, 2001; Rueschemeyer et al., 1992). The latter argues that the preferences of firms play a central role behind the formation of the welfare state (Iversen and Soskice, 2006; Mares, 2003).
Some of this debate has spilled over to the study of Latin American social policy. Huber and Stephens (2010), for example, show that sustained democracy, coupled with left-wing parties in the executive power, accounts for larger degrees of redistribution, particularly in education and healthcare.

However, these arguments tend to over-emphasize the role of social actors and down-play the way states shape social policy. If state actors were important in OECD countries, their position was even more central in developing countries, where the process of modernization was to a large extent that of state-building (Sandbrook et al., 2007). As Filgueira argues, the expansion of social policy was ‘more the history of elite accommodation, elite’s state building and elite’s attempts to co-opt and control non-elite sectors than a history of popular achievements and shaping from below’ (2005: 9). Malloy (1978) and Rosenberg (1983) highlight the role of bureaucratic initiative in shaping social insurance programs of Brazil and Costa Rica, respectively.

While important, these approaches inadequately account for programs that have spread across the continent regardless of presidential ideologies, state capacities, domestic needs and even geographical proximity (Sugiyama, this issue). An accurate depiction of the policy process requires consideration of international factors – both actors and ideas. Among the few scholars who address the policy process behind the adoption of CCTs, Teichman (2007) and Jenson (2009) show that following positive evaluations on the acclaimed experiences of Mexico’s Oportunidades, Brazil’s Bolsa Familia and Chile’s Chile Solidario, CCT programs were ‘promoted widely by the development policy community’ (Jenson, 2009: 460). The World Bank (WB) and the Inter-American Development Bank (IADB) enthusiastically embraced and actively helped build this community (Teichman, 2007; Valencia, 2008). Focusing on the entire region, Sugiyama persuasively shows that ‘financial support for CCTs at least reinforced domestic decision-making processes. . . . The IADB and the World Bank have been active supporters of CCTs through their loan agreements. . . . Their support has included technical assistance for program evaluation, funding to promote the exchange of experiences, as well as outright financial resources to sustain CCTs’ (this issue).

This convergence of domestic and international actors around expert ideas very rapidly led to a new set of professional norms around anti-poverty and developmental policy (Jenson, 2009; Sugiyama, this issue). Judging by the annual rate of new program creation across the region, this epistemic community was very successful: 16 years after the first was established in 1996, all 18 Latin American countries have introduced at least one CCT program (ECLAC, 2010; UNDP, 2010).

Today, CCTs reflect the existence of consensus in a policy community that transcends ideological frontiers. Agreement revolves around a powerful idea, namely that poverty can be overcome through the creation of ‘human capital’ early in life (Fiszbein and Schady, 2009; Molyneux, 2008). Among supporters of a residual role of social policy, this idea is consistent with the WB’s approach to ‘sustainable poverty alleviation’, understood as engaging the poor in managing their own risks (Molyneux, 2007). Conditioning transfers upon access to social services for the young is seen as key to actively involving the poor in poverty reduction (Valencia, 2008). Yet the formation of human capital also appeals to supporters of universal social policy because it is seen as a necessary step to the provision of services as a matter of right.
Even though they appeal to ideologically diverse politicians, the policy communities behind CCT are fairly closed (Feitosa de Britto, 2004; Ferraz and Nichter, 2009; Hunter and Power, 2008). The more closed policy communities are, the more prominent high-ranking politicians, technocrats and bureaucrats become in policy formation. By technocrats we mean ‘people who believe that scientific knowledge is essential for the rational organization of society, and who wish to use their own professional expertise in order to stimulate modernization and development’ (Baud, 1998: 33). As Centeno and Silva argue, ‘while politicians, at least initially, derive their power from the support of key segments of the population or from participation in organizations which obtain such support, technocrats derive theirs from success in organizational settings far removed from interactions with the population . . . their careers are in the hands of their hierarchical superior’ (1998: 2).

Meynaud (1968) distinguishes between technocrats and technicians: the former are very influential in decision-making; the latter are closely supervised by elected government officials. In this article, we define technocrats as high-profile experts who enter the policy process because of their expertise and their support from politicians. Bureaucrats are also high-profile experts but enter the policy process because of their location in the state apparatus. In short, while politicians enter the policy process after competitive elections (Centeno and Silva, 1998; Fischer, 1990), technocratic influence depends on how much politicians trust their claimed expertise for effective government (Whitehead, 2000) and bureaucrats for their control of strategic state resources. In her analysis of pro-market reforms in Argentina, Murillo (2002: 468) shows how politicians listen to technocrats when ‘previous ideas do not provide results and . . . jeopardize their political survival’. It is then that technocrats, rather than bureaucrats, become more prominent, as agents of policy innovation.

Following Schneider’s adaptation of Kingstone (1999), policy coalitions ‘are loose aggregations of individuals who participate in policy making’ (2004: 468). In other words, they are elite coalitions who have managed to establish policy communities: ‘Almost all variants of policy coalitions start with top officials . . . membership is usually individual and small, and variable across policies, periods, and countries’ (Schneider, 2004: 468). These coalitions might sometimes include representatives of certain organized social groups, legislators, party leaders, individual businesspeople, independent consultants and academics, and representatives of international financial institutions. When coalitions include non-official actors who claim to represent collective interests, we argue, these are no longer elite coalitions but rather societal coalitions. The nature and composition of such a policy community is not fixed and there is variation in how easily one can join a policy community.

Policy communities operate under certain notions of what is appropriate to do, why and how. While there are many actors involved in policy-making, these usually operate under a much smaller number of agendas, which give way to epistemic communities, namely, to powerful agreements concerning the nature of the problem at hand as well as the desirable solutions to take care of these problems. The more successful epistemic communities are, the better they are at socializing actors into their professional norms and the more difficult it is to alter their policy prescriptions. Until now, CCT programs have been embedded in an epistemic community that focuses on targeted poverty alleviating programs themselves, rather than on the CCTs’ potential in constructing universal, coordinated and inclusive social policy. Therefore, the more actors involved in the design and implementation of specific programs depart from international policy prescriptions, the more likely they are
to open up this agenda. However, until now we have little cross-national analysis about the policy process behind CCTs, and the actors and ideas that guided their formation. In what follows, we hope to contribute to this important research agenda.

**CCT programs embedded in three contrasting welfare regimes**

In this section, we place CCT programs in the context of the heterogeneous welfare regimes of Latin America. Overall, a large proportion of Latin Americans are unable to enter the formal labor market, many are self-employed or emigrate to earn resources for remittances; public policies are weak or non-existent; and families and women’s unpaid work play a major role in survival strategies (Gough and Wood, 2004; Martínez Franzoni, 2008). At the same time there are qualitative differences in the region’s welfare ‘mix’ – i.e. constellations of markets, public policies and unpaid work that shape people’s well-being. By comparing CCT programs in different social policy environments, we aim to distinguish between the impact of epistemic communities – which are, by definition, international – and that of national welfare regimes. In addition, at the time of adoption, governments in charge embraced a range of political ideologies: a center-left coalition in Chile, a center-right party in Costa Rica and a right-wing party in El Salvador.

In terms of sources we were able to draw on an important body of independent and critical studies for Chile Solidario, which we supplemented with interviews with policymakers and analysts. We made up for the scarce secondary material on Red Solidaria by carrying out interviews and establishing focus groups of beneficiaries, and searching the main newspapers for articles on the program. Despite initial reluctance to speak publicly about the Avancemos program when top government officials were accused of misusing funds, we managed to supplement the available information with a set of interviews with politicians and experts involved in its creation.

**Contrasting ‘welfare mix’**

Countries differ greatly in terms of three critical dimensions of welfare regimes (Esping-Andersen, 1990; Orloff, 1996). First, Chile, Costa Rica and El Salvador differ in how well they manage to commodify their respective labor forces, that is, how effective domestic labor markets are in absorbing the labor force at an adequate rate of remuneration, without recourse to emigration. In Chile and Costa Rica this capacity is relatively high; in El Salvador it is low. Second, there are notable differences in their ability to decommodify people’s well-being through social policies that untangle purchasing power from risk management. While Chile and Costa Rica invest a considerable amount of resources per capita in social policy (on average US$733 and US$885 respectively between 2006 and 2007, in 2000 dollars), El Salvador spends very little (US$192) (ECLAC, 2009). In addition, the quality of spending is very different (Filgueira, 2005; Martínez Franzoni, 2008).

In Chile, social policy emphasizes labor productivity and the market management of social risks, except for the poorest, for whom the state provides basic goods and services. In Costa Rica, the state provides social services to a much larger sector of the population, including the middle class and the non-salaried population. Finally, in El Salvador, social
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programs are scattered, have low coverage and have a very limited impact on income inequality (ECLAC, 2009). Third, countries differ in their ability to defamilialize, or, in other words, to make welfare less dependent on unpaid female work (Martínez Franzoni, 2008). In Chile and Costa Rica, this reliance on unpaid (female) work is substantially lower than in El Salvador. The CCT programs in Chile and Costa Rica were therefore established in the context of state welfare regimes that exhibit a greater state capacity and autonomy than in El Salvador. Chile Solidario serves as an entry point for poor families to reach an extensive array of mostly targeted social policies, while Avancemos is part of a universal set of social policies within which it has the specific aim of preventing secondary school dropouts. In contrast El Salvador’s Red Solidaria was created in the context of non-state, informal welfare regime.

CCTs: Common and unique features

Latin American CCTs in general, and the programs we address in this article in particular, share enough features to make cross-national analysis relevant. All three have a cash transfer intended to reach children, on the condition that school attendance and/or medical checkup targets are met. They all channel cash transfers through children’s mothers, as sound managers of household resources, and in all three cases the amount of the transfer is estimated as a compensation of the opportunity costs of keeping children out of paid work. Table 1 summarizes their primary features.11

<table>
<thead>
<tr>
<th>General characteristics</th>
<th>Chile: Chile Solidario</th>
<th>El Salvador: Red Solidaria</th>
<th>Costa Rica: Avancemos</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year of initiation</td>
<td>2002</td>
<td>2005</td>
<td>2006</td>
</tr>
<tr>
<td>Objective</td>
<td>Offer integral support to families in extreme poverty</td>
<td>Contribute to mitigate extreme poverty and hunger</td>
<td>Promote access to and permanence in secondary education</td>
</tr>
<tr>
<td>Coverage</td>
<td>National</td>
<td>Rural areas</td>
<td>National</td>
</tr>
<tr>
<td>Investment as % of GDPb</td>
<td>0.1%</td>
<td>0.023%</td>
<td>0.02%</td>
</tr>
<tr>
<td>Coverage as % of tot. pop. c</td>
<td>9.1% (2008)</td>
<td>6.5% (2009)</td>
<td>3% (2008)</td>
</tr>
</tbody>
</table>

11 Monthly transfers increase as students make progress toward completing secondary school.

The data that ECLAC (2007) reports are based on the pilot program Superémonos. While this figure most probably understates the weight of Avancemos as a percentage of GDP, this is the most reliable comparative source.

For coverage, we use data for 2008 or beginning 2009, before recent changes in program designs, like in El Salvador, where Red Solidaria was transformed into Comunidades Solidarias, to include urban areas as well. The data sources per country: Chile: Chilean Government (2009); El Salvador: FISDL (2009); Costa Rica: Secretaría Técnica del Programa AVANCEMOS (2008).
The Chilean Sistema de Protección y Promoción Social Chile Solidario (‘Chile Solidario’) was created in 2002 under the administration of Ricardo Lagos (2000–6). It is not simply a CCT program (Barrientos et al., 2008), but combines conditional cash transfers of between US$6 and US$20 a month for poor families with children in primary education, with psychosocial support and preferential access to a broader network of social services (under Programa Puente) and other monetary transfers, like a basic pension and disability insurance. Nevertheless, the CCT is one of the central components of the Chile Solidario program. It is implemented by the municipalities (CCTs) in combination with the ministries of the central government (healthcare and education). According to the Chilean government (2009), Chile Solidario reached 1,467,467 persons, representing 9.1 percent of the total population in 2008.

Costa Rica’s Avancemos was launched in 2006 under the Arias administration (2006–10). It integrated scholarships already in place under the National Scholarship Fund (FONABE) and a cash transfer program run by an anti-poverty agency (IMAS). Costa Rica’s Avancemos differs slightly from the other CCTs in that it provides a cash transfer to youngsters in secondary school (of between US$27 and US$89 depending on the year the student has enrolled [IMAS, 2011]). While primary schools have a high rate of completion, seven out of 10 students drop out of secondary education. The program is centrally managed through the IMAS. In October 2008, Avancemos reached 130,586 students (Secretaría Técnica del Programa AVANCEMOS, 2008), representing approximately 3 percent of the total population.

El Salvador’s Red Solidaria started in 2005 under the Antonio Saca administration (2005–9). The program provides a CCT of between US$15 and US$20 in El Salvador to rural families in extreme poverty with children in primary education. Red Solidaria includes supply-side investments in public services to communities, as well as literacy campaigns and productive capacity building for adults. Furthermore, it involves the contracting out of non-governmental organizations (NGOs) to work hand in hand with local networks. According to the government data, between 2005 and 2008, 83,654 families received the health and education vouchers (FISDL, 2009), representing approximately 6.5 percent of the total population.

These shared traits indicate that all three programs are embedded in a single epistemic community that has come to a consensus around a core set of policy recommendations concerning how to build successful anti-poverty programs. However, differences in each program’s design hint at cross-national differences and the role of domestic factors in adapting policy recommendations to national environments (see Table 2).

First, initially Avancemos made cash transfers to the students rather than to mothers as the epistemic community prescribes, following FONABE’s established practice. The program was called into question because the media claimed the students were using resources unwisely (for instance, purchasing cell phones). In response to these allegations Avancemos started transferring resources to mothers rather than to students. At the same time, with mounting political pressure to increase coverage, Avancemos was removed from FONABE and placed under the IMAS. Second, Costa Rica’s program focuses only on expanding education, whereas the other two also include healthcare. Third, the link between the CCT and the larger set of social policies is strong in Chile, limited in El Salvador and practically non-existent in Costa Rica.
Fourth, the programs differ in the extent to which they target adult women in their own right rather than using them as channels for transfers and services aimed at their children. Adult women’s access to social policy through the CCT is greater in Chile than in El Salvador, and almost non-existent in Costa Rica. Finally, the programs reflect differential emphasis on traditional gender roles (Martínez Franzoni and Voorend, 2008). Chile Solidario explicitly targets working mothers (Henríquez and Reca, 2005). The program recognizes that female participation in the labor force involves delegation of care, but traditional gender roles in the household are not challenged. Incentives in this direction can be introduced by conditioning cash transfers to men’s involvement (for instance, healthcare checkups and school meetings) as the Salvadorian program has somewhat sought to do. Red Solidaria does not quite recognize female participation in the labor force but, at least on paper, does contemplate men as co-responsible for the conditionality.

Can these differences be attributed to differences in the countries’ welfare regimes? In the following section we take a closer look at the policy processes behind these CCT programs in an attempt to evaluate the relative weight of epistemic communities and national, welfare regime related factors, in their final outcome.

Table 2. The policy prescription and the actual CCT programs compared

<table>
<thead>
<tr>
<th>Dimension</th>
<th>EC policy prescription</th>
<th>Actual programs</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Chile</td>
</tr>
<tr>
<td>Transfers Conditions</td>
<td>Conditioned Health and education = Human capital</td>
<td>Yes</td>
</tr>
<tr>
<td>Who is accountable for the conditionality?</td>
<td>Mother</td>
<td>Yes</td>
</tr>
<tr>
<td>Assumption</td>
<td>Women are more responsible and effective in handing household resources</td>
<td>Yes</td>
</tr>
<tr>
<td>Investments in ‘human capital’</td>
<td>Through the program, make investments in human capital</td>
<td>Yes</td>
</tr>
<tr>
<td>Microtargeting</td>
<td>Main target children, not adults</td>
<td>Yes, but adapted (adults’ access to targeted programs and family psychosocial support)</td>
</tr>
</tbody>
</table>

Policy formation behind CCTs

Chile

Technocratic inputs were an important force behind Chile Solidario. However, of the three, Chile’s policy community was the most open to inputs from outside the official government body during policy formulation. Under the newly elected President Ricardo Lagos, the Executive ordered the Planning Ministry to design an ‘integrated strategy in favor of families in extreme poverty, led by a task force formed by experts from various State organizations involved’ (Palma and Urzúa, 2005: 17). Palma and Urzúa (2005) and Frenz (2007) describe how Chile Solidario was born out of a fusion of two anti-poverty programs: the so-called ‘integrated strategy’ targeted at families under extreme poverty, led by a task force comprised of experts from various state agencies (Palma and Urzúa, 2005), and a system of social protection for the poorest designed by the Ministry of Finance. Differences between Chile Solidario and previous social policy were twofold: the unit of intervention would be the family rather than individuals, and its value added was to ‘offer services rather than await the demand for them’ (Palma and Urzúa, 2005: 17).

Although the task force that designed the new program primarily involved government officials, it departed from previous social policies in that the process was relatively open to the input of scholars and NGOs, as well as local governments with their own background on anti-poverty measures. The concerted effort of these different actors ‘made it possible to deliver the Integrated Action Strategy for Families in Extreme Poverty to the President’s Office within the first 100 days of the Lagos government’ (Palma and Urzúa, 2005: 18). Another salient fact is that when tensions rose as to the means to achieve the program’s end, it was a well-respected NGO, Asesorías para el Desarrollo, that brought together the different views.

In her comparison of Chile’s and Mexico’s CCTs, Teichman (2007) argues that this openness depended largely on the international financial institution involved in either formation process. Specifically, while the WB and the IADB both ‘tended to bolster the objectives of domestic policymakers and the exclusion of civil society organizations from the policy process, the greater rhetorical commitment of the World Bank to civil society participation did allow civil society organizations to pry open a small space for policy inclusion in the Chilean case’ (Teichman, 2007: 557).

Although this openness is recognized by most analysts, Pribble (2008) suggests it should not be overestimated. She argues that:

> *Chile Solidario* is the prototypical policy output of an elite-electoral party. The direct relationship between party organization and the character of *Chile Solidario* is understandable because the social assistance program was new, and therefore, policy legacies played no role in mediating the strength of the causal link between party structure and policy content. In this way, the creation of *Chile Solidario* provides a clear illustration of how elite-electoral party organization influences policy formation. (Pribble, 2008: 308)

International agencies made valuable inputs (Frenz, 2007; Palma and Urzúa, 2005; Teichman, 2007). In fact, Teichman (2007) argues that while Chile is a country in which international organizations can exercise relatively little leverage, and officials of international
agencies ‘played only a small role in the design of the original Chilean program’ (Teichman, 2007: 568), there did exist a ‘policy dialogue’ that went back to the days of the debt crisis and structural adjustment. Through this dialogue, officials ‘in international organizations can play an important role in bolstering the preferences of certain policy actors over others’ (Teichman, 2007: 569). Under Chile Solidario, the WB was directly involved in a consulting role and it helped ‘bolster Finance officials’ desire for a cash transfer program that would address the extremely poor’ (Teichman, 2007: 568).

Other international agencies’ influence in the policy formation process took shape in the participation in consultancy workshops and, slightly later, inputs through evaluations and studies. For example, Palma and Urzúa (2005) describe how the ECLAC gave advice in one of their reports after evaluating the pilot phase of the program.

Costa Rica

Avancemos was announced by newly elected president Oscar Arias during his first year in office (Zumbado, 2006). The program was placed under a ministry that was intended to become (although it eventually did not) one single social ministry. The policy process involved appointed authorities, technocrats and bureaucrats. The dominant actors were social policy experts with long-term professional and political ties to the party in office. They had been previously involved in the making of social policies in general, and of anti-poverty measures in particular. Although some of these experts had university positions, their participation was based on their positions as high-ranking experts with strong political support from elected authorities. There was little participation by independent scholars and NGOs. According to one of the primary actors in the policy process, Avancemos was established as a short-term policy implemented under a long-term anti-poverty strategy, made up of already existing and stable social assistance measures. Thus, Costa Rica perceived the CCT as merely adding a relevant but specific program to a robust social policy regime. This helps explain why it was not deemed that important to incorporate inputs from NGOs, local government, or academics.

The influence of international actors was also minimal. Although cross-national experience played a role in making a case for the creation of the program and key experts were familiar with the Chilean and Mexican programs, lesson drawing was not prominent either for design or implementation and international financial institutions were not involved in funding the program. This is not to say that the international community was totally absent. Key actors in the design stage of Avancemos noted that international actors were interested in getting involved, and that they even offered to create a ‘star program’ with external funding. ‘All the cooperation world jumps onto you, offering all their models. Everybody said that they were the ones that had done everything in the other countries.’ The response, however, was ‘very well, but no thanks. The idea was to work with already existing institutions, and not create something new.’ Interestingly, the experts involved with Mexico’s Oportunidades were invited to discuss a draft, but only once its design was almost completed.

In short, the policy process took place in a rather closed policy community, embedded in pro-CCT professional norms, but with degrees of freedom to shape and implement the CCT program. Following Teichman’s (2007) logic on the ‘policy dialogue’, while in Chile this policy dialogue was very important, during the 1990s Costa Rica was a reluctant
adjuster, its social policy community did not have a strong relationship with international agencies and was more insulated from outside influence.

**El Salvador**

El Salvador’s CCT program also resulted from a presidential initiative. From the outset it was publicized as Antonio Saca’s ‘star’ anti-poverty program (Feitosa de Britto, 2008). Program design and decision-making were centralized by a social secretary whose office was next to the president’s. She was a very capable policy expert and policy-maker, who reported directly to the president. The key people under her leadership were mostly bureaucrats led by a technocratic cadre as program director. Several of them remained as staff and helped expand coverage under the left-wing government that took office in June 2009.

During the policy design stage, input from academics and NGOs was limited, although not as much as in Costa Rica. For example, the Salvadorian headquarters of the Facultad Latinoamericano de Ciencias Sociales (FLACSO), a prestigious non-partisan academic institution, mapped out the country according to poverty levels. The poverty map became a refined tool to deal with a very sensitive matter: how to establish priorities among rural communities and make decisions regarding where to start. During the implementation phase, however, the program relied heavily on input from NGOs and government officials at the local level. An extensive use of social scientific tools to depict the targeted population and to channel resources regardless of the partisan affiliation of local authorities successfully shielded the program from accusation of partisan and clientelist use of resources (Góchez, 2008). Not only were transfers allocated on the basis of technical criteria, but so too was resource allocation across local governments run by all parties. Deliberate measures were taken to avoid links between NGOs and their personnel, on the one hand, and partisan politics, on the other.\(^{17}\) Thus, these people were prevented from political participation and the use of any partisan signs (Feitosa de Britto, 2008). Despite these measures, at the end of the day, public opinion saw the program as one of President Saca’s most successful initiatives.

Red Solidaria drew extensively from inputs by the WB and the IADB (Feitosa de Britto, 2008; Veras Soares and Britto, 2007). As the funding institution, the WB made support for the program conditional on investments on the supply side. This was an innovative measure in the CCT (Official Ministry of Health, San Salvador, Interview #2, 6 March 2008; World Bank, 2005a). The WB and the IADB supported the Salvadorian government in the implementation of the procedural and operational norms of the program and the inter-institutional coordination, supervision and control (World Bank, 2005b). The role of the WB, however, went well beyond funding and consultation. The institution promoted a learning community through monthly virtual conferences with participation of key actors of the highest level of government and technocrats. Under the supervision of the WB, as primarily a ‘lesson borrower’, El Salvador benefitted from the experience of the ‘lesson lenders’. The Chile Solidario program was indeed mentioned several times as having been the focus of exchange and lesson drawing.\(^{18}\)

According to the program’s director, this learning community helped the Salvadorian government implement Red Solidaria rapidly and cost-effectively, unlike similar programs such as Nicaragua’s Red de Protección Social. In other words, building on the experiences
of Chile, Mexico and Brazil allowed El Salvador to ‘flatten the learning curve’, evading many of the problems already resolved in other CCT programs. Also, from the learning community stemmed the need to formally pay attention to both the demand side (cash transfers) and the supply side (investment in public infrastructure), which at the time was a first in CCT program design.

**Domestic adaptation of international policy prescriptions**

All in all, Red Solidaria, Chile Solidario and Avancemos share a top-down policy process, dominated by elite, highly technocratic political coalitions. Our analysis endorses previous regional research that has shown that domestic factors have only limited impact on policy adoption decisions and international factors play a central role (Sugiyama, this issue). More specifically, ‘foreign influences, such as the diffuse impact of socialization into new professional norms in the development community as well as financing for CCT projects appear to influence adoption decisions’ (Sugiyama, this issue). At the same time, a more nuanced depiction of the policy process behind CCTs requires that we consider three additional matters.

First, there is a difference in the direct influence of international actors in the policy process. This was minimal in Costa Rica, slightly more substantial in Chile and decisive in El Salvador where international actors played a central role throughout the policy process. All in all, the transnational epistemic community seems to have had a more direct influence in El Salvador, while in Chile and Costa Rica it was ‘filtered’ more by domestic actors.

Second, there are some important differences regarding the openness of these coalitions to inputs from domestic non-official actors. Chile’s policy community is open as compared to El Salvador’s and Costa Rica’s. It is noteworthy, however, that ‘open’ means open to policy experts rather than to collective actors. Societal coalitions have, until now, not figured in the picture. The formation of CCTs was pretty much the business of poverty experts rather than grassroots organizations or the poor themselves. It is also telling that managing to let non-official actors participate in the policy process was the outcome of WB rather than bottom-up pressures.

Third, domestic factors still played an important role, which must be considered when looking at how to promote changes in policy prescriptions. While the Mexican and Brazilian programs were already in place, the Chilean program clearly reflects the different views of domestic actors on the roots of poverty and how to tackle its causes. The most obvious difference is the psychosocial support component for poor families, as well as the entry point to other targeted social policies (Palma and Urzúa, 2005). Costa Rica’s program is an even clearer example of a program more insulated from international actors and ideas. By the time the CCT came into being, professional norms within the epistemic community had long established it was better to give transfers to mothers. Yet, under Avancemos the transfer initially did not go to the mothers, but directly to the teenagers that were being targeted. Similarly, the program chose a rather different definition of the targeted population (i.e. secondary rather than primary school students).

**Concluding remarks**

Do welfare regimes have an impact on the shape of national CCTs? Or are they overridden by ideas imposed by an international epistemic community of experts? Our analysis shows
that only a small group of actors – top-ranking officials and mostly experts, both home-based and those affiliated with international financial institutions – have played a key role in the context of relatively closed policy communities. Cross-national and cross-welfare regime variations have limited impact on the openness or closure, or on the elite- or society-centeredness of the policy process, but they do influence the relative role played by international experts and financial institutions.

Welfare regimes seem correlated with a larger or smaller role of technocracies in adapting international policy prescriptions. El Salvador relied on the WB more broadly in the policy process as the formation of its policy shows the direct influence of the WB, whether in providing direct advice or in acting as a broker by encouraging lesson drawing from other national experiences. In addition, the more informal the country’s welfare regime, the more reliant it is on either international technocracies or lesson drawing from countries with different welfare regimes. Under both state welfare regimes considered, domestic factors played a larger role in filtering international policy prescriptions. Coming from a long-term policy partnership with the WB, Chile seemed more open to dialogue than Costa Rica. In other words, while both did much domestic filtering, Costa Ricans seemed more reluctant to receive the international influence. Provided a history of rivalry regarding social models with Chile and regarding every other aspect (including the national sport, soccer!) with Mexico, the fact that international financial institutions were heavily drawing from experiences in these two countries may have added to this reluctance.

The cross-national differences addressed above are significant: both Costa Rica and Chile have managed to fit CCTs under a coordinated and more inclusive, if not universal, social policy. For El Salvador, however, CCTs could pave the way toward building coordinated and more inclusive social policy. To link CCTs to universal social policies, two possible roads lie ahead: the first and most tenuous would involve turning closed policy communities into open policy networks; the second would be to influence epistemic communities to adopt the idea of approaching CCTs as a stepping stone to universal policy. The latter would require reaching key experts involved with specific programs, whether or not affiliated with prominent financial institutions behind CCTs, particularly the WB.

How different would programs look if policy communities were opened and other actors were more influential? This is a question that is both critical and hard to respond to. Yet if cross-class distributional coalitions between the middle-class and the poor population were so badly fragmented during the Washington Consensus years, elite coalitions may play an important role in opening up the political space for organizations of the poor to emerge and establish alliances with political leaders (who get a political payoff out of CCTs) and public servants (who are in charge of monetary transfers and, moreover, of delivering healthcare and education services to people who are part of the programs). Seen this way, this relatively closed, top-down policy formation may nonetheless create an opportunity for further collective action, capable of reshaping and expanding the programs. In so doing, the way middle-class professionals involved perceive the targeted programs may be critical to help expand universalism. Further cross-national research is needed to understand who these professionals are and what their views on social policy look like. This includes their ideological preferences but also their actual reliance on public services, both in terms of ‘human capital’ and social protection.
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Notes

1. On why the effectiveness of CCTs relies on how strong social policy at large is, see Valencia (2009).
2. These are evaluations conducted by international financial institutions or by affiliated organizations, like the International Food Policy Research Institute (IFPRI). Examples of overview papers and of more critical assessment include Villatoro (2005) and Valencia (2008).
3. We refer to the formation rather than to the formulation of CCTs as a more general notion that involves agenda setting but also adoption and implementation (Birkland, 2005).
4. Haas (1989) defines an epistemic community as a specific community of experts sharing a belief in a common set of cause-and-effect relationships as well as common values to which policies governing these relationships will be applied.
5. In one insightful analysis to which we refer to later, Sugiyama (this issue) argues that this community provides developmental norms and therefore addresses it as ‘development community’. We think this community stands on anti-poverty rather than still contested developmental policy prescriptions.
6. This literature review draws heavily on work in progress on the formation of welfare states in the periphery, elaborated with Diego Sánchez-Ancochea.
7. In Latin America, what Molyneux (2007) refers to as the ‘new social policy’ was launched under the neoliberal prescriptions of privatization, decentralization and targeted measures. Even though CCTs are consistent with these prescriptions, they have been later adopted and adapted by a large number of progressive governments critical and eager to undermine neoliberal reforms.
8. The World Bank defines ‘human capital’ as the ‘knowledge, skills, and experience of people that make them economically productive. Human capital can be increased by investing in education, health care, and job training.’ Available at: www.worldbank.org/depweb/beyond/global/glossary.html.
9. When policy communities are open, they become policy networks. While actors comprising policy communities are highly homogeneous, actors involved in policy networks need not be (Teichman, 2001).
10. This occurred during the last months of 2007 and the first half of 2008.
11. The figures for the amount of the cash transfer correspond to the first year people are eligible for the transfer. In the case of Costa Rica, the amount grows with each year students complete.
12. With the recent change of government, the program was extended to urban areas, and renamed Comunidades Solidarias. Our focus is, however, on Red Solidaria alone.
13. The implementation of the latter component has been very limited.
14. The government expected that having IMAS regional offices would help expand coverage more rapidly. This information draws from an interview with a top consultant hired for a study on Avancemos by the Vice-Ministry of Social Development and Poverty Reduction, on 9 April 2010 in San José, by Héctor Solano and Koen Voorend.
15. The information in this paragraph draws on an interview with the former vice-minister of Social Development and Poverty Reduction, 26 March 2010 in San José, by Héctor Solano.
16. This section is based on and the quote comes from an interview with the former vice-minister of Social Development and Poverty Reduction, 26 March 2010 in San José, by Héctor Solano.
17. The information in this paragraph draws on interviews with the technical director of Red Solidaria and the social secretary to the president, on 4 March and 6 March 2008, respectively, in San Salvador, by Juliana Martínez Franzoni.

18. The information in this paragraph draws on an interview with the technical director of Red Solidaria, 4 March 2008 in San Salvador, by Juliana Martínez Franzoni.

19. The information in this paragraph draws on an interview with the technical director of Red Solidaria, 4 March 2008 in San Salvador, by Juliana Martínez Franzoni.

20. The information in this paragraph draws on an interview with the technical director of Red Solidaria and one with an official of the Ministry of Health, on 4 March 2008 and 6 March 2008, respectively, in San Salvador, by Juliana Martínez Franzoni.

References


Résumé

Acteurs et idées derrière les CCT au Chili, Costa Rica et El Salvador

Programmes de transferts conditionnels de fonds sont actuellement à un carrefour, entre de réseau minimum de consolidation de sécurité et le fait de jeter les bases d’un système universel. En évaluant qui quelle direction prendra le CCT, il est important d’analyser leur formation. Quels acteurs internes ont été influents et comment ont conduit des idées expertes internationales en les insérant dans les processus de la politique nationale? Est-ce l’impact lié aux régimes de bien-être sociaux existants? Dans cet article, nous montrons que, en général les CCT sont le produit de la formation politique de haut en bas et fermés par des coalitions d’élite, dans laquelle les facteurs internationaux jouent un rôle central. Néanmoins, les facteurs internes liés aux régimes de bien-être tiennent en compte des importantes variations transnationales. Si les CCT vont devenir un tremplin vers la politique sociale universelle, les communautés de politique fermées doivent être ouvertes.

Mots-clés

communauté épistémique, formation politique, régimes de bien-être sociale, transferts conditionnels, universalisme

Resumen

Actores e ideas detrás de las TCE en Chile, Costa Rica y El Salvador

Los programas de Transferencias Condicionadas en Efectivo se encuentran actualmente en una encrucijada entre consolidar redes de seguridad mínimas y establecer la base para un sistema universal. Al evaluar qué dirección tomarán las TCE, es importante analizar su información. ¿Qué actores domésticos han tenido influencia y cómo han entrado en el proceso de política doméstica ideas internacionales conducidas por expertos? ¿Está el impacto relacionado con regímenes de bienestar existentes? En este artículo mostramos que, en general, las TCE son el producto de información de política descendente y cerrada por coaliciones de élite, en las que los factores internacionales juegan un papel central. Sin embargo, los factores domésticos asociados a regímenes de bienestar justifican importantes variaciones transnacionales. Si las TCE van a convertirse en un escalón para una política social universal, entonces las comunidades de política cerrada se verán obligadas a abrirse.

Palabras clave

comunidad epistémica, formación de política, regímenes de bienestar, transferencias condicionales, universalismo
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