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# On a Condition or a Mission?: Examining the Political Histories of Anti-Poverty Policies in Brazil, Venezuela and Colombia

Diego A. Melo
meloascencio@gmail.com

# On a Condition or a Mission?: Examining the Political Histories of Anti-Poverty Policies in Brazil, Venezuela and Colombia

by

Diego Melo

Honors Independent

Advisor: Paul Dosh

Department of Latin American Studies

Macalester College

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**ABSTRACT**

Political culture, fiscal constraints and institutional incentives have shaped the making and implementation of Conditional Cash Transfers (CCT) in Latin America. However, why have CCTs consolidated in Brazil, been secondary in Colombia and remained absent in Venezuela? Brazilian authoritarian legacy and neoliberal rationality combined with strong federalism during economic downturn and provided room for experimentation in social policy, eventually leading to the incorporation and future universalization of CCTs (*Bolsa Família*). In contrast, less rationalized bureaucracies in Colombia and Venezuela have operated under strong presidentialism, allowing economic recessions and executive electoral incentives to shape weak CCT implementation (*Familias en Acción*) and the emergence of community-based alternatives *(Misiones)*. This thesis advances a cultural framework based on these countries' political histories that accounts for variability in type and time of implementation of anti-poverty policies. The project concludes that although political economy structures states' bureaucratic fields and policy ideas, policy choices and their subsequent development are ultimately dependent upon regime contention and the cultural meaning of rights.

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**ACRONYM AND INITIALISM INDEX**

| | |
|---|---|
| AD | Democratic Action (Vz) |
| CCT | Conditional Cash Transfer |
| CEPAL | Economic Comission for Latin América |
| CNE | National Electoral Council (Vz) |
| CONPES | National Council of Economic and Social Policy (Co) |
| COPEI | Political Electoral Independent Organization Committee (Vz) |
| DAPRE | Administrative Department of the President (Co) |
| EAT | Worker's Cooperative Enterprise (Co) |
| ELN | National Liberation Army (Co) |
| FARC | Revolutionary Armed Forces of Colombia (Co) |
| FEDECAMARAS | Venezuelan Federation of Chambers of Commerce |
| FGV | Getúlio Vargas Foundation (Br) |
| FIP | Investment Fund for Peace (Co) |
| FONDEN | National Development Fund (Vz) |
| FONDESPA | Fund for Economic and Social Development (Vz) |
| IDB | Inter-American Development Bank |
| ICBF | Colombian Institute of Family Welfare (Co) |
| IMF | International Monetary Fund |
| ISI | Import Substitution Industrialization |
| NDP | National Development Program in Colombia |
| PASAIC | Presidential Agency for Social Action and International Cooperation (Co) |
| PGRFM | Guaranteed Minimum Family Income Program (Br) |
| PSDB | Brazilian Social Democratic Party |
| PSDV | Oil Company of Venezuela |
| PT | Worker's Party (Br) |
| SISBEN | Beneficiary Identification and Selection System (Co) |
| SNAS | National Secretary of Social Assistance (Br) |
| SSN | Social Solidarity Net (Co) |
| WB | World Bank |

## INTRODUCTION

### Regional Background and Policy Puzzles

Most official policy models that strive to eradicate poverty in Latin America conceptualize poverty as an individual condition that can be fixed through multiple mechanisms of social assistance. In the quest to end the precarious situation of millions of people in rural and urban areas, states have used monetary transfers to ameliorate poverty levels since the 1990s. In fact, the leading social policy in the region is known as Conditional Cash Transfers (CCTs), whereby states design specific strategies to reach target populations (usually those “at risk” who may be living in extreme poverty and remain within “poverty traps”) and provide them with money on the condition that individuals engage in behaviors that can improve their own lives at the same time that they raise national productivity indexes. While some states generally set up these conditions, requiring people to send their children to school, attend health services or purchase certain foods, other states construct anti-poverty policies without such conditionality.

Poverty, however, is not necessarily an individual condition but rather a function of the way states structure their macroeconomic policies, their bureaucratic institutions and their political systems. Similarly, although social policies may at first seem like the result of the political actors that institute them, policymaking is the culmination of a series of events that trigger particular types of policies (i.e. universal, community-based or assistance-oriented). In fact, the objects of analysis in this study are three distinct social policies: *Bolsa Família* (Family Grant) in Brazil, *Misiones* (Missions) in Venezuela and *Famílias en Acción* (Families in Action) in Colombia. While *Bolsa Família* is a universal conditional cash transfer policy, the *Misiones* initiatives are non-conditional community-based strategies targeting poor communities, and

*Familias en Acción* is also a conditional transfer policy but it is not universal (instead, it targets selected populations and is assistance-oriented). Thus, the puzzle is two-folded: (1) why have governments in Brazil and Colombia embraced CCTs as the major anti-poverty strategy while Venezuela deviated from the regional pattern by establishing analogous (yet, non-conditional and community-based) programs? In answering this question this project also aims to develop a theoretical framework that combines the literature in Latin American comparative politics with institutionalist sociological perspectives on social policy ruptures and continuities. Thus, the project also examines (2) why CCTs become universal and based on citizenship rights in certain states (Brazil), while they remain marginal and relief focused in others (Colombia), and yet why they may never fully develop in other states (Venezuela).

Through ideographic accounts for each country case, and historical-tracing methodology of policy development with an emphasis on politics and governmental institutions, this thesis seeks to establish comparative ground with which to understand why nations embrace and expand CCTs while others deviate from the trend. In particular, the project provides three distinct explanations for why CCTs have *consolidated* in Brazil, *been secondary* in Colombia and *remained absent* in Venezuela. Yet, despite differences in narratives, each explanation uses the same analytical variables: political culture, institutional incentives and fiscal constraints. This approach will demonstrate that national political histories have determined poverty definitions and the way states respond to objective poverty measures, sometimes by relying on the cash nexus and other times by setting up alternative community-based initiatives. The remaining of the introduction explains technical definitions for each policy and situates the research question in regional and historical contexts.

*Conditional Cash Transfer Programs*

Conditional Cash Transfer (CCT) programs have shown increasing popularity in Latin America, allegedly due their innovative design as tools to attack long-term poverty. These programs make payments conditional upon school attendance and participation in health care—thereby focusing on children and women—in the belief that immediate relief can also attack the intergenerational transmission of poverty. By providing families directly with cash, governments have sought to improve the synergies between education, health and other sectors. However, these programs have evolved and been implemented differently across Latin American countries.

The 1980s decade demonstrated an almost uniform move towards market deregulation and increased competition in Latin American countries. Through economic stabilization and structural adjustment programs, governments expected to stimulate growth as they engaged in policies that aimed to dismantle the state's machinery, privatize public provisions and cut public spending, especially in the social sectors (Hall 2006). This process helped to destroy much of the social protection infrastructure in the region, which was already regressive and embodied a non-redistributive welfare state (Hall 2006, Bastagli 2009). As such, governments in the 1990s sought to react to the adverse social and economic impacts caused by structural adjustment, such as mass poverty. Nonetheless, the will to alleviate these consequences did not translate into universalistic policies, partially because welfare structures have followed a corporatist and regressive model[i] and because governments, seeing themselves as developing countries, have dismissed universal benefits as too expensive (Hall 2006). Accordingly, "Conditional Cash Transfers have come to represent an opportunity for countries to address the policy gap where formal social protection has been traditionally absent" (Bastagli 2009, 17).

Conditional Cash Transfer programs are increasingly regarded as a major social policy instrument in Mexico (*Progresa*, previously known as *Oportunidades*), Colombia (*Familias en Acción*), Chile (*Subsidio Unitario Familiar*), Nicaragua (*Red de Protección Social*), Argentina (*Jefes de Hogar*), Ecuador (*Bono de Desarrollo Humano*) and Brazil (*Bolsa Família*). The unifying characteristic of these programs is their moral and technical logic:

> The underlying principle is that human capital can be enhanced as a development vehicle by providing money to families to persuade them to invest in themselves through greater participation in education and health services. The technical rationale is that, by focusing on children, long-term human capital accumulation can help break the inter-generational trans-mission of poverty. Through stimulating effective demand for social services, it is also designed to counter the shortcomings of supply-side interventions such as schools and clinics that often do not reach the poor (Hall 2006, 693).

However, specific program characteristics vary in practice in each country, such as transfer amounts and coverage, targeting mechanisms, conditionalities and institutional configurations (Bastagali 2009). Programs' primary motivations are also an important defining characteristic. For instance, Chile launched its CCT programs in order to integrate the very poorest—which were falling under an existing safety net—into a national social protection system. On the other hand, Mexico's main goal was to promote human capital accumulation among the poor so as to reduce their risk of being excluded from access to basic education and health (Bastagali 2009, 5). The Brazilian CCT (*Bolsa Família*) is a distinguished case because it incorporated the underlying principle of universalism, which largely explains its outstanding coverage rate and reduction in moderate and extreme poverty indexes. Finally, Colombia introduced CCTs as compensatory measures that targeted the poor, who had been affected by periods of adjustment, and labeled the policy *Familias en Acción*. Following is an overview of the latter two programs' trajectories and policy technicalities.

*Bolsa Família* is an anti-poverty policy with a relatively new political history, but one that exemplifies how social programs are the culmination of broader institutional inertias. The comparative politics literature usually begins the story when Fernando Henrique Cardoso (FHC, 1995-2002) developed localized initiatives designed to provide for families' needs in the early 1990s. Initially thought of as a Minimum Income Guarantee (PGRM), the program evolved into *Bolsa Escola* (School Grant) in 2001 and provided mothers with a monthly stipend in return for their children attending school at least 85 percent of the time (Hall 2006). However, FHC's *Bolsa Escola* worked through a quota system that limited the amount of families that could receive the grant. Given that mayors had full authority to appoint the members of the local councils that controlled the dispensation of these cash grants, "[f]requent manipulation of these councils and general confusion about the process of beneficiary selection led to a resource 'leakage' rate of up to 36 percent"[ii] (Ansell 2011, 25). In such a context, the Lula administration (2003-2010) universalized, integrated and made the program's distribution more transparent.[iii]

Given the complexities inherited from the FHC legacy, the Lula administration introduced major changes that improved the policy's efficacy and its implementation transparency. First, *Bolsa Família* now targeted extremely poor and moderately poor families, meaning that Lula's cash grant included a broader swath of the working poor than those of his predecessor—by 2006 *Bolsa Família* had already reduced extreme poverty in Brazil by 19 percent and moderate poverty by 12 percent (Ansell 2011, 24). Second, Lula created the Ministry of Food Security and Fight Against Hunger, which tackled the challenge of local political interests in grant distributions. In fact, minister José Graziano created an alternative distribution network in which he substituted food stamps with credit card style food cards so as to reduce the grants' vulnerability to incorrect use (Hall 2006). Third, Lula's administration appealed to supermarket chains that sought to build a new sense of corporate social responsibility and alliance between public and private sectors—over one hundred companies became involved in the scheme (Hall 2006, 695). Finally, most important change to consider for this project, was the unification of preexisting CCTs in 2003:

> Although providing benefits to roughly the same target population, [the fragmented CCT programs] were difficult to administer, each scheme having its own bureaucratic structure, data collection, fiduciary responsibilities and reporting systems. Not only was this fragmentation costly [but it] sacrificed potential benefits in terms of synergies and complementarities at the family level in schooling, health and nutrition. By contrast, integration has helped reduce administrative costs, improve targeting efficiency, standardize procedures and results indicators and coordinate federal with state level safety net programs (Hall 2006, 697).

Yet, although *Bolsa Família's* evolution demonstrates Lula and the Labor Party's (PT) role in the improvement and unification of Brazilian CCTs, the program's universalization did not necessarily follow from unification. In fact, because politics or political contention are insufficient to account for institutionalized policies that become a nation's dominant strategy (Dobbin 1994), *Bolsa Família's* genealogy raises questions about the governmental, legal and cultural structures that allowed its massive expansion in coverage—such matters are addressed in Chapter 2.

The Colombian CCT tells a different story and is usually narrated from a public policy perspective that prioritizes technical definitions over social science causal explanations. The dominant literature starts by describing Colombia's economic crisis between 1996 and 1999, which caused a decline in GDP of 4.3 percent and a 3.5 percent increase in the public sector deficit (IDB and Colombian Government 2000/2007). Accounts also highlight that the unemployment rate doubled between 1994 and 1999, urban poverty increased 7 percentage points between 1995 and1999, and many Colombians experienced forced displacement, internal conflict, violence and insecurity (Ramirez 2002). In terms of policymaking, technical sources also show how the government created the Social Solidarity Net (SSN) in 2000 and put forward a series of subprograms to mitigate the impact of the crisis on "the most vulnerable and poor citizens." This new initiative covered several axes, such as poverty, unemployment, low school attendance rates and nutritional deficiencies. To address all these challenges, the presidency envisioned three subprograms[iv], from which the family support subprogram was the only CCT (*Familias en Acción)*.

Prior to the economic crisis, the World Bank (2002b) reports, many of the efforts to consolidate social solidarity nets in Colombia were narrow, temporary and lacked the resources that could allow their continuity (IDB and Colombian Government 2000/2007). The programs also failed to provide an integrated policy properly articulated with other, previously existing regional programs. As such, the new SSN aimed to address these discontinuities by establishing nationwide programs that tackled the various "exacerbators" of poverty. In addition, the Administrative Department of the Presidency wrote in the SSN's Program decree in 1999 that Colombia was experiencing problems of public security that combined with a marked decline in the pace of economic growth, a sharp decrease in unemployment, and deterioration in the public accounts[v]. Such context, the document argues, motivated governmental action to initiate a set of programs targeting the poorest population in the country—specifically, the lowest two income deciles. In sum, policy reports argue that the presidency originally designed *Familias en Acción* to reduce the recently exacerbated poverty in the country. The program's main objective, as stated in governmental reports and policy memos written in conjunction with the World Bank, the IMF and the IDB, aimed to institutionalize mechanisms to support and encourage investment in human capital. In particular, given Colombia's lack of strategies guaranteeing minimum family incomes during emergencies, the SSN aimed to reverse the economic recession's negative consequences between 2001 and 2004[vi].

Most importantly, *Familias en Acción* differs in content and form from Brazilian *Bolsa Família* or the Venezuelan *Misiones*. In terms of content, the family subprogram is a reactionary form of policy that did not originate with the commitment to eliminate poverty but to compensate for its exacerbation after the crisis. In form, *Familias en Acción* started as a fully foreign-funded program. The World Bank and the IDB, through collaboration and intermediation of the Presidency and the Investment Fund for Peace (FIP), provided $270 million for the whole program and $98.4 million for the CCT in particular. This is why Colombia offers a crucial case study for exploring the multiple conditions that allow CCTs to develop in the region. Furthermore, as will become evident in Chapter 4, these conditions are not only tied to political institutions but are also fundamentally conditioned by legal and cultural processes within the bureaucratic apparatus. In fact, these processes also account for the absence of CCTs in Venezuela, to which this introduction now turns.

The *Misiones* initiatives in Venezuela are analogous strategies to CCTs because they target the same basic needs that are said to exacerbate people's accumulation of disadvantages that lead to poverty (Sen 2000). While CCTs like *Bolsa Família* provide food distribution, access to high school education and health services on a conditional basis, *Misiones* have the same goal but lack the conditional attribute. For example, *Misión Ribas* targets health provision and originally used alliances with Cuban doctors, *Misión Sucre* provides registration and stipends to students to access middle and secondary education and *Misión Mercal* takes care of improving food distribution mechanisms. However, these projects are not conditional because they are distributed on a community-by-community basis and target collectivities rather than individuals. As such, the rigorous distribution mechanisms present in other states are lacking (e.g. *Cadastro Único* in brazil or the mediaiton of the Beneficiary Identification and Selection System (SISBEN) in Colombia). Furthermore, the available literature on the programs (mostly government-produced or -associated) prioritizes ideological justifications over policy impact evaluations.

As reported by D'Elia and Cabezas (2008), the 2004 President of PDVSA stated, "the Misiones are the seed of new institutionalism; against the great obstacle of the bureaucratic state, inefficient and ineffective." As such, in ideological terms, the *Misiones* constitute parallel structures to the state, seeking to prepare the conditions to substitute an inherited "bureaucratic" state for a "revolutionary" one. Moreover, after winning the elections in 2006 and in defense of the 2007 constitutional reform, Chávez explicitly claimed his will to consolidate the *Misiones* and prioritize the collective social self over individualized notions of progress and development. Under this framework Chávez advocated moving beyond capitalist social relations, as "manifested in the imposition of minority interests over the interests of the originary power, the concentration of property in few hands [and] the political difficulty to democratize power;" moreover, the president emphasized the need to overcome "an institutionalism that prioritizes the establishment of a sheltered bureaucratic ideological superstructure that keeps our people chained to misery, alienated and distanced form their own reality" (Cabezas 2008). Indeed, the Venezuelan case exposes an anti-technocratic sentiment at the center of political power that raises questions about the material roots of such an ideological stance. Accordingly, Chapter 4 will reveal the ways in which political upheaval since the 1980s led to the emergence of an anti-poverty policy model that deviates from the conditional transfer norm.

*Understanding Larger National Histories*

The first step to understand variation in policy choices across country cases is to understand each state's background in terms of political economy. In fact, Brazilian, Colombian and Venezuelan politico-economic histories have been discontinuous—i.e. authoritarian and recently democratic, or vice versa, formerly protectionist and currently neoliberal. Yet, the timing, the individual motivations and the structural outcomes of these events diverge. First, in the political realm, Brazil experienced a military dictatorship lasting nineteen years (1964-1985) until the advent of democracy in 1985 slowly began to change national power configurations, while in Colombia and Venezuela elitist two-party systems maintained a mild from of bureaucratic authoritarianism for most of the twentieth century—especially during the National Front period (1958-1974) in Colombia and since 1958 when Rómulo Betancourt became Venezuela's first popularly elected president. Yet, Myers and Dietz (2002) attribute the diverging Venezuelan experience to unprecedented oil revenues enabling democratic political leaders to make progress in modernizing the country and resisting the regional wave of authoritarianism of the time.[vii] These differences point at three kinds of state formation legacies that include: an authoritarian past, a semi-democratic tradition and an oil-funded democratic system. Moreover, understanding political legacies requires close examination of the economic circumstances that conditioned these institutional outcomes.

Economic policy trends followed the same logic in the three countries, but not the same timing. Latin American scholars highlight the fact that despite a general acceptance of Import

Substitution Industrialization (ISI) in the region, timing and country-specific approaches to ISI had different institutional impacts (Mesa-Lago 1994; Gill 2005; Segura-Ubiergo 2007; Haggard and Kaufman 2008). Most importantly, this thesis proposes that considering elements of *economic activity* and *foreign relations* embedded in perspectives of political economy allows social policy scholars to understand the transformations within state bureaucracies, which ultimately design and implement anti-poverty strategies—whether CCTs or not.

In the Brazilian case, federalism had given "institutional expression to an underlying political reality: the prior existence of regional political identities that transcended and checked all earlier attempts at unitary rule"(Myers and Dietz 2002, 300). In particular, "regional political elites have vied for control of the national government through the use of political clienteles and personalist ties" and centered the balance of power in the state and not the federal government. This produced an institutional legacy in which the efficiency of government became dependent on the cooperation of the landed oligarchy (Carvalho 1974 in Evans 1995, 62). This legacy intersected the military regime's era and ISI, creating a system of patronage and personalized relationships between bureaucrats and industrialists (Evans 1995). By the mid 1980s, Brazilian institutions faced more structural challenges than democratization ideology could anticipate, and coincided with the economic consequences of the unsustainable "miracle" resulting from authoritarianism and ISI protectionism. Such trajectory in Brazilian political economy proved detrimental when inflation levels struck the nation. These two elements, regional political elites competing for control over national government after dictatorship and governmental priority over macroeconomic stability, allowed CCTs to emerge in Brazil and unfold the programs' path toward universal social policy. Accordingly, Chapter 2 interrogates the multiple dynamics in governmental administration of both, technocratic rule designing policy, as well as the role of strong federalism in the consolidation and unification of the *Bolsa Família* CCT.

Venezuela, on the other hand, is a petro-state. While other Latin American states faced the challenges of landlord-peasant disputes after the demise of agricultural products in the late 1950s, oil eased Venezuelan elites and masses into urban life (Karl 1997, 101) at the same time that it created long lasting effects in the country's bureaucratic apparatus. Specifically, "[w]hat differentiated [Venezuelan] democracy from its counterparts was its prolonged 'positive sum game,' which was due to its fiscal reliance on petro-dollars—an often plentiful, often erratic, and always vulnerable revenue source"—that placed an especially high premium on gaining access to the state (Karl 1997, 104). As such, the sources of revenue structurally conditioned a patronage-oriented political system and subsequent economic instability (due to the recurring financial bonanzas that cause rampant inflation). Yet, because the causes and processes of political deterioration after 1970s due to this rent seeking cycle have been documented elsewhere (Karl 1997, 138-60), Chapter 3 develops the analysis from the collapse of Venezuela's two-party system (*puntofijismo*), and concentrates on more contemporary political ruptures and contesting ideological discourses. As such, the chapter pays special attention to the constitutional amendments and reconfigurations of executive and parliamentary powers toward the end of the twentieth century. In other words, although Chapter 3 takes into account the structural foundations of petro-states, which condition states' bureaucratic fields, it primarily aims to offer an ideographic account of recent political history. Namely, to explain why CCTs remained absent in Venezuela, but share analogous programs under the *Misiones*, it is necessary to examine recent legal and cultural transformations in politics. Therefore, while Chapter 3 comments on the country's dependency on oil revenues and their historical role in shaping national development, it argues that socio-legal and cultural analyses are necessary to explain contemporary implementation of social policies.

Finally, in Colombia, political decentralization occurred before the demise of ISI and the country experienced a relatively good economy in the 1980s. Never suffering from a debt crisis, Colombia's protectionist policy continued to exist until the 1990s (Myers and Dietz 2002). Hence, Colombia circumvented authoritarianism,[viii] maintained a relatively stable democracy despite late liberalization of the economy and a profoundly elitist and bipartisan political culture (Myers and Dietz 2002). This stability, however, relied on repression of rural voices and cooptation of urban movements (Haggard and Kaufman 2008, 48-49). In other words, although considered semi-democratic, by the 1990s Colombia faced challenges structurally comparable to those of authoritarian repression, such as the resilience of drug gangs, guerillas and paramilitaries threatening the security of electoral politics (Myers and Dietz 2002).[ix] This context shaped a national government oriented toward state consolidation and securitization strategies, simultaneously influencing design in anti-poverty policies. As explained in Chapter 4, when an economic recession challenged the country's stability in 1996, the presidential office responded with a temporary and assistance-oriented anti-poverty policy in part due to the national emphasis on security and recovering the ability to govern nation-wide. Again, cultural analysis will contribute to synthesizing the legacies of political economy with contemporary policymaking—i.e. relief-oriented CCT development.

In summary, each country's historical context reveals how political institutions have interacted with economic policy and the effect that these policies have, in turn, had on state consolidation and democratization processes. The impact of ISI had diverging effects in the three countries primarily because of differences in the way formal political institutions where set up and how they intersected with economic circumstances, which in turn shaped future decision-making. It is clear that Brazil's military dictatorship and individualized ties with the bureaucracy and business actors generated high levels of industrialization at the expense of an economic crisis in the mid-1980s. Similarly, the Venezuelan government used the revenues from petroleum sales to sustain a democratic system but failed to accommodate the population's needs at the end of the century, which led to an on-going transformation that has taken revenues closer to the people but undermined liberal democratic practices. In Colombia, repressing the rural and urban dissidence through political elitism proved effective in maintaining the country economically and politically stable despite generating alternative challenges to democratization, such as rural dissidence and revolutionary movements. In short, political economy perspectives account for country's bureaucratic formations because they highlight the sources of state resources, but such views necessitate socio-legal and cultural explanations to fully account for variation in contemporary policymaking. Skocpol and Amenta (1986) labeled these mechanisms "policy feedbacks," whereby "the causes of policy origins are not necessarily the same as the causes of the subsequent development of policies, in part because *policies themselves transform politics.*"

To understand how larger national histories influenced anti-poverty policymaking in the 1990s, the following chapters analyze each case's 1) institutional incentives, 2) fiscal constraints, and 3) political cultures. First, *institutional incentives* refer to how formal political structures (Federal vs. Unitary) generate structural or electoral motives for innovation, implementation and deployment of anti-poverty policies. Second, *fiscal constraints* are a function of the economic environment and the way funding is locked within the bureaucratic apparatus (Haggard and Kaufman 2008), and *financial considerations* are contrasting preferences over the sources of funding (i.e. reliance on foreign banking institutions because of their expertise or because policies have a temporary design (Colombia)). Lastly, *political culture* refers to the way national legacies have constructed the way 'problems are perceived and solutions conceived' (Dobbin 1994) within bureaucratic fields (Bourdieu 1994) that create cultural meanings about the relationship between the populace and the state. As such, the following chapter summarizes theories and methodological traditions in institutionalist sociology and political science on Latin America in order to understand anti-poverty policies through a socio-legal and cultural framework.

# CHAPTER ONE

## Political Institutions and the Cultural Meaning of Anti-Poverty Policies

Comparative and historical scholars are not often content with explaining a large part of the variation in their cases but they often want to explain it all (Amenta in Janoski 2005:109). This section acknowledges the extensive and intensive character of this kind of research by providing an overview of the major orientations and methodological issues on the study of policy initiatives. This literature review presents the multiple theoretical perspectives on how to answer questions of variability in social policy across multiple country cases. The section begins with a review of state-centered theories and its major contributions, followed by major premises in political institutional theory and debates around national culture and institutional incentives. Next, the section addresses traditional approaches in political science to the "study"[x] of Latin America and their prioritized methods, in order to emphasize their relevance but highlight their ultimate shortcomings. Finally, by foreshadowing this study's analytical variables (political culture, institutional incentives, fiscal constraints), the chapter ends with a cultural model applicable to the three South American cases.

State-centered theory is crucial in understanding the development of social policy in South America because it provides a methodological framework with the tools needed to advance case-specific causal claims. Orloff and Skocpol (1984) first used this approach in answering why Britain adopted social insurance programs much earlier than the United States despite the similarities among the countries. The authors claimed that two specific processes of state formation influenced this outcome: democratization and bureaucratization. In particular, because the United States had democratized before it bureaucratized, it produced a state with low bureaucratic capacities that oriented political parties toward patronage rather than social policy programs. Thus, these patronage-oriented political parties used state positions as sources of employment simultaneously eschewing social programs. As such, Orloff and Skocpol constructed a causal explanation that showed how state and political organizations operated, and how they would, in turn, have an impact on policy proposals directly or indirectly (by influencing what politically active groups proposed). As such, processes of state formation are key in exploring the impact of political legacies on the emergence of anti-poverty policies. Specifically, the way a history of military regimes (Brazil) compares to two-party systems (Colombia and Venezuela) in the creation and evolution of state capabilities.

Although the study of social policy has always been at the heart of political sociology and politics, state-centered theory failed to account for all relevant causal processes. In particular, since the early 1980s state-centered theory advanced the idea that *state building* influenced politics directly and indirectly (eg. by channeling political activities in some ways rather than others) (Skocpol 1985, in Evans et al., 1985). This meant that studying state structures would reveal states' influence on political actors and their identities, as well as their impact on the actions of politically mobilized groups and the resulting outcomes. However, the study of politically organized groups was left undertheorized. Thus, political-institutional theory emerged to fill this void and explain the construction of large-scale political institutions, such as political party systems.

Within political institutional theory, some scholars advance structural and systemic arguments, where long-lasting political institutions influence *all* groups and the outcomes of interest within a country or category. This approach is sometimes referred to as a national political culture. Dobbin (1994) posed the question of why railways had been developed under the private sector in Britain, a private-public hybrid in the United States and fully state-controlled in France. Dobbin's main causal premise was that "policy-making begins when nations identify collective problems that demand public solutions" (206). As such, he argued that in the course of railway development, these countries identified entirely different sorts of problems: Britain saw the concentration of the industry as a problem that demanded government action, whereas France saw inadequate concentration and coordination as a problem for the state to address. This perspective is useful for the study of social policy in South America because it places policymaking within a 'problems perceived, solutions conceived' logic. In analyzing anti-poverty social policy in the three countries, this framework helps contextualize why Brazil and Colombia perceived poverty as a problem that could be addressed through conditional cash transfers, whereas Venezuela tackled poverty issues with a model of radical-democratic community-based programs.

Nonetheless, claims to a 'national culture' explaining why countries choose some policy solutions and not others are theoretically and substantively incomplete. Prasad (2005) claims that the 'national culture' explanation is unsatisfactory because it ignores the presence of contradictory cultural trends, conflict and struggle, and often-vital subcultures within each state. Furthermore, Prasad states that the national culture argument also ignores the presence of cultural diffusion across national boundaries and the fact that cultural concepts are malleable and can usually be interpreted in multiple ways (380). Accordingly, this study uses Dobbin's inferences that infrastructural developments (eg. railway, bureaucratic capacity) have a long lasting influence on subsequent political decisions but adds an additional explanatory variable. While national political culture explains *type* of antipoverty policy in South America, institutional incentives providing opportunities for technocrats and politicians to innovate in social policy explain *timing* (Prasad 2006).

Studies on institutional structures and their influence in policymaking provide a very helpful theoretical framework to understanding the development of anti-poverty initiatives in Brazil, Colombia and Venezuela. Prasad (2006) sought to explain the varying degrees of success that Neoliberal economic policies have had in Britain, France, Germany, and the United States. In particular, she studied the processes that led to large neoliberal changes in policy-making in the United States and the UK while none or small change in France and West Germany. Prasad's theoretical framework argues that institutions are central to social and policy change because they structure the incentives of actors in ways that cannot be reduced to the *social origins of the actors* (i.e. Reagan and Thatcher in the Anglophone countries, or Lula, Chávez and Uribe in South America). Institutions also aggregate social preferences and pressures in ways that cannot be predicted from the strength of those preferences and pressures (i.e. strong neoliberal pressures in Germany did not necessarily result in large market-friendly policies). In relation to this study, conditional cash transfers are not reducible to the individuals who first proposed the policy or to the strength of neoliberal discourse within the three governments. Conversely, the emergence of the *Misiones* programs in Venezuela cannot be attributed to the government's socialist ideology, and neither can the leftist party in office account for the expansion of CCTs in Brazil. Thus, rather than national culture or actor-centered explanations, this project uses the institutional framework to claim that institutional incentives are the source of innovation in social policy.

Political institutional analysis also focuses on historical processes that underscore the way actors interact at the interorganizational level of states. In early state-centered conceptualizations of policy choices, Skocpol (1986) argues that 'policies themselves transform politics' but Prasad's (2006) more recent work empirically demonstrated that *previous policies set up a structure of incentives and resources that has an independent causal effect on later* *policies* (i.e. corporatist decision-making structures in Germany conditioned the small effect of neoliberal rhetoric in that country in the 1980s). This set-up established the importance of using historical accounts on institutional structures to fully understand the development of social policies in comparative perspective. Therefore, this study examines how governmental institutions created the incentives to (1) universalize CCTs in Brazil, (2) create an oppositional model in Venezuela and (3) maintain CCTs as secondary initiatives in Colombia.

Amenta (in Janoski 2005, 109) notes that political institutionalists explain the differences in large patterns by showing that some structural and systemic political conditions or circumstances hindered a major development in one place and either aided or allowed the development in another. Accordingly, the political institutionalist framework combined with the comparative historical method of detailed causal argumentation at the organizational level is the best way to approach the following questions: Why did Brazil and Colombia introduce Conditional Cash Transfer programs while Venezuela envisioned a non-conditional, yet analogous model? Furthermore, why did Brazil frame anti-poverty policies as citizenship rights (universal policy) while Colombia kept these initiatives assistance-oriented?

Traditionally, scholars of Latin American nations have focused on the way national strategies in the world economy shape social policy and condition the development of welfare states—particularly the effects of economic growth and the logic of industrialism. As such, scholars using a neo-Marxian approach (e.g. class-struggle, accumulation and legitimation) would frame questions of divergence in social policy by analyzing comparative spending in social programs. This conceptualization, however, obscures the nuanced processes behind policy *adoptions*, which vary among states in timing, type and levels of spending. As shown above, this study's central question necessitates an institutional theoretical framework because it seeks to account for the political conditions that determine the *origins, type, expansion* and *implementation* of anti-poverty policies.

Recent and parsimonious studies have shed some light on case-specific processes of policy-making in Brazil, Colombia and Venezuela. In an extensive comparative study between Latin America, East Asia and Eastern Europe, Haggard and Kaufman (2008) argue that antipoverty policies in democratic countries are means to *building support among new constituencies*. For example, the Brazilian anti-poverty initiative *Bolsa Família,* since its origin in 1985, responded to the ruling party's need to expand electoral support during democratic consolidation. Haggard and Kaufman also argue that antipoverty policies are not simply a reflection of economic growth, but that states' *fiscal circumstances and legacies*, and the various *partisan identities* condition anti-poverty policies. Similarly, in explaining divergence/convergence in anti-poverty policy in South America, this study examines the role of political parties, academic centers, and bureaucratic personnel, as well as the financial constraints present in each state. In doing so, the study avoids treating policy outcomes in each country as merely state-induced or a mere reflection of economic growth; instead, it sees policies as the effect of internal interactions between the various political institutions within diverging macro-systems of cultural meaning and rational action; in other words, *bureaucratic fields.*

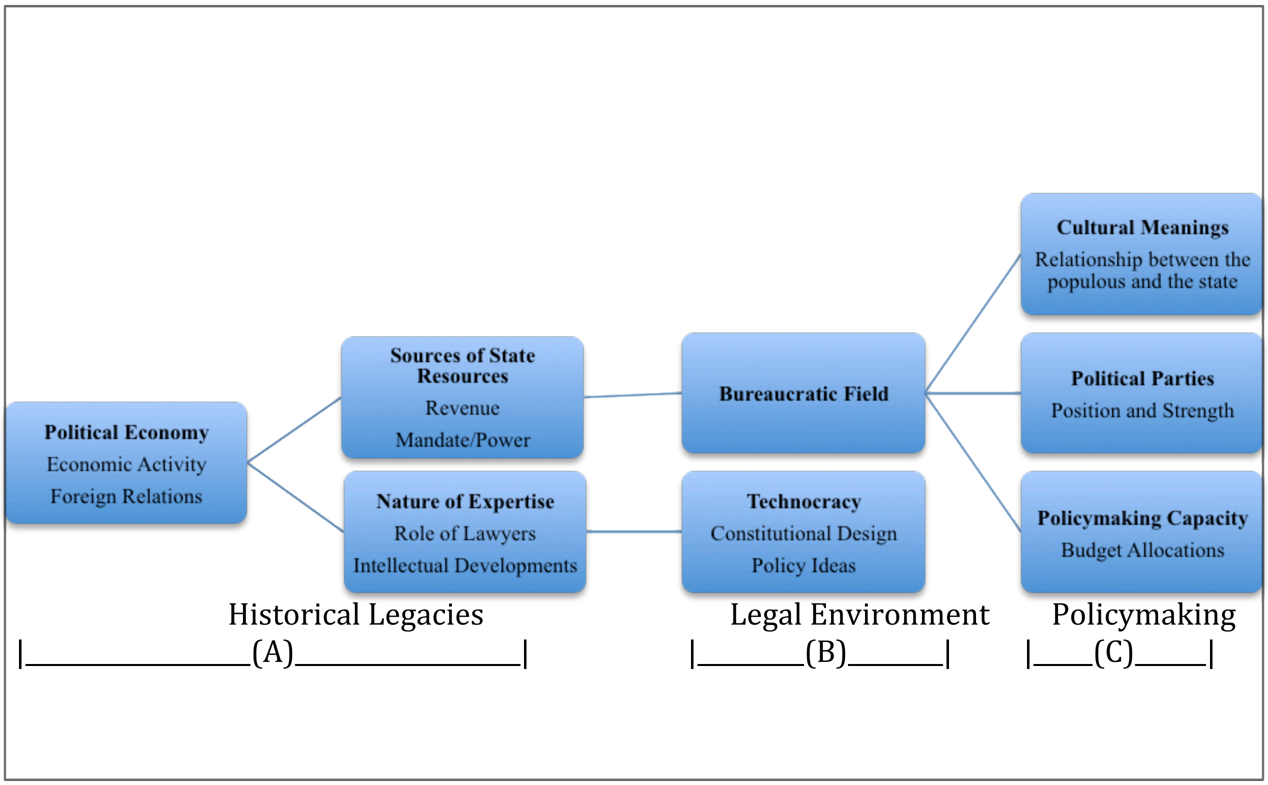
*Doxa, Bureaucratic Fields and Inference Methods*

In explaining the genesis and structures of bureaucratic fields, Bourdieu (1994) argues that "the state does not necessarily have to give orders or to exercise physical coercion in order to produce an ordered social world, as long as it is capable of producing embodied *cognitive structures* that accord with objective structures" (15, my emphasis). Accordingly, the ideographic accounts in the following chapters will demonstrate how states have dominated constituencies' perceptions by establishing cognitive structures that transform social policymaking into symbols that legitimize the authority and 'rational action' of governmental incumbents.

While state-centered and political insititutionalist approaches have advanced and refined important theoretical conceptualizations and methodological orientations for the study of policy choices, these studies have only addressed issues within advanced economies such as the United States, Britain, France and Germany. Conversely, studies on Latin American countries have mostly framed research questions based on political economy (i.e. as outcomes determined by political structures and financial circumstances and legacies—Mesa-Lago 1994; Gill 2005; Segura-Ubiergo 2007; Haggard and Kaufman 2008), thus failing to incorporate cultural sociological insight. Moreover, these studies have ignored the historical processes and institutional backgrounds that make those policies conceivable and the reasons behind convergence/divergence in type and extent of implementation. In light of such a scholarly divide, Diagram 1 presents a synthetizing theoretical framework.

Considerations in political economy, such as economic activity and foreign relations, are the material foundations that shape diverging bureaucratic fields (Historical Legacies, panel A). Each field will construct a different cultural meaning of the relationship between the populace and the state as well as the political party's relationship toward technocracy (Legal environment, panel B). However, the legacies of state formation also shape the role of lawyers and academics in how they influence the content of law and policy ideas, respectively (e.g. Constitutional amendments and CCT innovations). Thus, the convergence of cultural ideas, the dominant party's ideology and the state's socio-legal basis generate an operative matrix that determines anti-poverty policies (Policymaking, panel C). This matrix's output can be explored through the examination of states' (1) political cultures, (2) institutional incentives and (3) fiscal constraints since the 1990s.

**Diagram 1.** Policy Development within Bureaucratic Fields




Methodologically speaking, to avoid immateriality in cultural arguments, the research provides events in national politics and examples of institutional transformations. Specifically, by adhering to Bourdieusian sociological theory, the following chapters trace the social, political and institutional origins and actors that construct national *Doxas:*

> "Doxa is a particular point of view, the point of view of the dominant, when it presents and imposes itself as a universal point of view—the point of view of those

> who dominate by dominating the state and who have constituted their point of view as universal by constituting the state (Bourdieu 1994, 15).

Accordingly, by establishing the various bureaucratic fields in each country case, chapters will demonstrate how presidential, party and congressional configurations established cognitive structures that symbolically legitimized (1) an *increasing role of the state and the law* in Brazilian social policymaking, (2) *triggered disillusionment with technocratic rule* in Venezuela, and (3) *shaped executive unsupervised autonomy* in Colombia.

The sources of evidence are primary documents (journalistic sources, legislation, contracts and public government documents). In particular, these pieces are used to show how public policy administrators and intellectuals first articulated the idea of Conditional Cash Transfers, and how they linked to the background and influences of policymaking institutions explored in secondary socio-legal sources for Brazil and political culture for Venezuela. For the Colombian case, sources are primarily journalistic and legislative, with support from secondary scholarship that contextualizes the moment but does not necessarily address CCT development. The distribution of sources is approximately half for U.S.-based scholars and the other half for academics in each country case. Accordingly, the author translated texts in Portuguese or Spanish and synthesized policy reports with social science texts.

### *Legacies of State Formation and Political Culture*

Legacies of state formation in the twentieth century defined variation in how governments envisioned social policies. As such, looking at infrastructural and intellectual developments is likely to provide insight on the question of how each country's political culture relates to the type and implementation of social policies. In Brazil, this study finds that long-lasting authoritarianism created a strong state with a large infrastructural capacity, and that the permeation of neoliberal economics and political science advanced a form of rationality that influenced the way social policy makers viewed poverty and intelligible ways to fight against it. In Colombia, rationality has meant militarism and programs centered on security, nation building and pacification. In such a context, anti-poverty policy remained marginal and originated as part of a supplementary effort to compensate for poverty exacerbation and not its structural roots. Venezuela's rentier state has conditioned weak infrastructural and institutional capacities. Oil-economy legacies have impacted the subsequent development of political institutions so that by the end of the twentieth century Venezuelan politics had turned upside down, generating new ideological currents within the executive and facilitating innovation in anti-poverty strategies.

In the Brazilian case of *Bolsa Família*, Chapter 2 draws on Dezalay and Garth (2002) to trace the way transformations within the military regime made the ruling class compete to become part of the state—in particular, the way these changes incentivized elites to draw on foreign expertise and made them shift investments to the United States. Among other influences, the chapter shows how the 1969 Ford Foundation grant to the Brazilian Center for Analysis and Planning expanded social science funding but implied a close emulation and legitimation of U.S.-based and Cold War policies. Subsequently, the section uses connects the new orthodoxy in the United States with the ideological productions of the World Bank in the 1980s to frame Brazil's institutional culture as informed by "new economics and political science." In particular, these "new disciplines" aligned with Chicago-style neoliberalism while highlighting the role of institutions and the primacy of technocracies. In other words, the chapter frames Brazilian political culture as influenced by how U.S. knowledge centers reconceived political science, based on monetarist and rational choice theory, as well as celebrated the role of technopols in national administrations.

In the Venezuelan case, political culture can be summarized as disillusionment with neoliberal policy-making. Multiple factors combined at the end of the 1980s decade that precipitated a reconfiguration of power and made evident the need for a political and economic transformation. Contreras (2004) succinctly summarized this context in six factors: (1) rising inflation; (2) macroeconomic instability; (3) generalized corruption; (4) declining wages and public services; (5) progressive internal and external indebtedness; and (6) weakening of the development model based on oil revenues (113). Such an environment placed the challenges of political legitimacy in direct conflict with the problems of economic rationality. Accordingly, using process-tracing methods to analyze political events in the last three decades, Chapter 3 explains why Venezuelan institutions have been extremely volatile and prevented the emergence of neoliberal social policy projects—CCTs. Specifically, that Venezuela's petro-state configured a bureaucratic field in which voting constituencies viewed technocracy in contradiction to national prosperity, thereby supporting an emerging radical socialist party.

For the Colombian experience, political culture refers to the government's emphasis on internal defense and the recovery of national sovereignty lost to guerilla and paramilitary groups. Anti-drug trafficking agreements like 'Plan Colombia' in the mid-1990s and the 'Democratic Security' approach of the early 2000s advocating an iron-fist treatment to violence and illegality issues, best exemplify this militaristic culture. In relation to anti-poverty policy, Chapter 4 explains how these defensive stances over governability meant that the president enjoyed avenues for policy implementation due to the crisis. Specifically, that economic recession and presidentialism influenced Colombia's CCT from its foundation, which conditioned the policy as temporary and assistance-oriented.

*Institutional Incentives Create Social Policy*

An important characteristic to explain variation in social policy across countries is the ability to account for the processes leading to their implementation at the meso-organizational level. Whereas political culture is a powerful argument following historical-institutionalist approaches, this study aims to complement such perspectives by ascribing central causal roles to political institutions (Amenta in Janoski et al. 2005). As such, the second variable under examination, institutional incentives, aims to expose the roles and influential degrees of state and party building processes, their impact on constitutional reforms and the way these changes generate electoral incentives for powerful actors. Therefore, the second variable aims to show how structures of government intersect the motives of state personnel and their pursuit of anti-poverty policies.

In the Brazilian case, strong federalism and continued popular support for the ruling party seemed to have been a major contributor to the evolution of CCTs, from isolated programs into a unified national system. On the contrary, in Venezuela the fragmentation of political parties and newly drafted constitutional mandates allowed reforms to take place without checks and balances. These circumstances unfolded in a series of incentives for social policy innovation that rejected the idea of 'conditionality' in cash transfer programs and preferred a form of holistic community development. Finally, the Colombian CCT's original design, over which the president had discretionary power, became a tool for explicit campaigning and neopopulism. Accordingly, because this anti-poverty policy originated as temporary and focalized, the program's expansion occurred without a revision of its structural components, clearly revealing that electoral incentives drove CCT development.

*Fiscal Constraints and Financial Resources*

Social policy is intrinsically bounded to the fiscal circumstances and legacies of the political institutions that make them possible. Beyond the obvious fact that states need financial resources to carry out anti-poverty policies, fiscal constraints also refer to the way national/local budgets are distributed and locked within political and bureaucratic systems. This consideration also engages, on a qualitative level, economic crises and historical fluctuations in financial capabilities to explain divergence in type and extent of anti-poverty policy implementation.

Brazilian anti-inflationary policies in the early 1990s and the government's emphasis on macroeconomic stabilization have stimulated collaboration in *Bolsa Família*, because it was an effective way for municipalities to access fiscal resources. In particular, Beck (2009) suggests that it was the hardening of subnational budget constraints that gave new fiscal incentives for municipalities to collaborate with the federal government. Moreover, budget allocations and legal distribution of resources seemed to have been a major logistical requirement for CCT unification. Hence, this study will show how the evolution of CCTs was possible because budget configurations created room for experimentation at the local level; beyond that, how those conditions led to ultimate universalization.

In Venezuela, fiscal conservatism has lacked due to several years of economic boom from increasing oil revenues. Using historical analysis and inferences from renowned scholars in Venezuelan politics, this study will argue that financial flexibility and cash plenty have not forced the government to engage in neoliberal models of efficiency and rationalized infrastructural development of social programs—CCTs. In contrast, the *Misiones*, which are the comparative alternative to conditional anti-poverty strategies, have been funded by heightened oil prices and increased state control over oil revenues. This study shows how the government has used a series of legal and political reconfigurations to access those revenues and design non-traditional institutional ways to deploy social policy, such as the creation of new ministries and funds, or the use of national planning and budget. Thus, the final variable is intended to shed light on the ways fiscal circumstances and legacies provide territory for innovation in socially committed programs.

Colombia's financial considerations relate to the 1996 economic crisis that exacerbated poverty and increased inequality indicators throughout the country. The financial observations also cover how the CCT *Familias en Acción* originated as fully funded by international banking institutions with a three-year end-goal and transitioned to a national public policy, fully state-funded and with an open-end date. In this case, more than explaining the type of policy (whether CCT or not), financial considerations explain timing (early design in late 1990s and later expansion in 2006) and help support aforementioned arguments of electoral incentives, which gave the Colombian executive a reason to expand anti-poverty policy.

Table 1 is an overview of the specific variables within each state. The conclusion will present these variables in interaction with each other as exposed in Diagram 1. The final section will also engage in broader discussions over path dependency in anti-poverty policy, theoretical implications of rationality in policy-making and the tensions between focalized versus universal social provision. The last paragraphs explore possibilities for further research and comment on the need to understanding national economic policy as directly linked to *design, implementation* and *effectiveness* of social policies.

**Table 1.** Political-Institutionalist Variables on Social Policy Innovation

| | **Political Culture** | **Fiscal Constraints or Financial Considerations** | **Structure of Government and Institutional Incentives** | **Conditional Cash Transfer?** |
|---|---|---|---|---|
| **Brazil** | U.S.-imported rationality and infrastructural capacity for technocratic rule | *Budget Allocation* Anti-inflationary fiscal conservatism. *Sources of Funding* International banking organizations and state funds. | *Incentives* (Structural) Strong federalism Regional elite competition Advent of democracy | Universal CCTs *Bolsa Familia* |
| **Venezuela** | Disillusionment with economic rationality/ Extra-institutional approaches | *Sources of Funding* Oil revenues channeled through newly created ministries and funds. | *Incentives* (Electoral) Presidentialism Reconfiguration of constitutional mandates Referendums | No CCTs *Misiones* |
| **Colombia** | Securitization priorities and "democratic security" platforms | *Sources of Funding* International banking organizations (2001), some state (2006), fully state-funded (2010). | *Incentives* (*Electoral)* Presidentialism Unsupervised policy proposals and implementation | Assistentace-oriented CCT *Familias en Acción* |

## CHAPTER TWO

### Tracing *Bolsa Família's* Genealogy: U.S. Rationality and Technocratic Rule in Brazil

The history of Conditional Cash Transfer programs in Brazil best defies the modern worldview on human and organizational behavior. While mainstream economics advances the idea that behavior is oriented to economic utility maximization, pluralist political science argues that the driving force behind human action are political struggles over collectivized material interests. A common thread in these two perspectives is the use of rational choice theory, in which decision-making is oriented toward the most cost-effective means to achieve a goal. In response, this chapter analyzes anti-poverty social policy in Brazil to contend *that rationality is essentially a system of cultural meaning.* This is because the idea of conditional transfers emerged from a specific socio-political context of institutional incentives and external academic influences and not spontaneously out of rational decision-making. This chapter argues that the emergence and implementation of CCTs in Brazil do not reflect the program's "inherent" economic efficiency or the success of a political party and their left-wing ideology. On the contrary, the creation of *Bolsa Família* resulted from the U.S. exporting a model of rationality that permeated the social sciences in Brazil. Within this institutionalization of rationality, innovation in social policy became possible during the economic downturn of the late 1990s, and strong federalism later allowed the Workers' Party to unify and universalize Conditional Cash Transfer programs.

External influences have overwhelmingly conditioned poverty alleviation policy options in Latin America since the early 1970s. The World Bank has been most relevant in prescribing a three-fold approach to poverty alleviation: (1) macro- and micro-economic policies that support overall economic growth and employment for low-skilled labor; (2) provisions of basic social services in the areas of public health care, family planning, nutrition and primary education; and (3) a program of well-targeted nets and transfers (World Bank, 1990a: 3; 1993a in Pitou van Djick in Centeno and Silva 1998). The prescription of structural adjustment programs has been most effective in Brazil in relation to the development of anti-poverty policies. How did Brazilian intellectuals become so dexterous in rational choice policymaking and imagined a form of social policy like *Bolsa Família*? The first half of this chapter explains how the legacies of a military state and the institutional permeation of the United States created a suitable environment for technocratic rule. Following, the chapter presents original writings from academics and policymakers who first formulated the idea of Conditional Cash Transfers. Because nations almost never choose from the same sets of options, understanding the origins of options is crucial (Dobbin 1994:214) in order to account for their historical evolution and their eventual implementation.

The World Bank also views the subsidization of food and other necessities as potential heavy burdens on the government if the facilitating programs are not targeted effectively (Djick 1998). *Bolsa Família*, however, was able to overcome errors (excessive coverage of people outside target group or failed coverage within group) and epitomized an effective and universal cash transfer program. What structural characteristics or contingent events allowed Brazil to universalize this kind of programs, as opposed to other alternatives and transform it into its social policy flagship? The second part of this essay pays special attention to the circumstances that allowed Fernando Henrique Cardoso to use the insights of CCT thinkers and experiment with their ideas, from the local to the national level. Next, the particularities of Brazil's strong federalism will account for the subsequent universalization of the programs under president Luis Inácio Lula da Silva.

*Institutionalization of Rationality*

Institutionalized ideas about what is rational develop at the societal level in concert with institutionalized ideas of what is fair, what it legal, what is legitimate and what is scientifically or technically possible (Edelman, 2004) in a specific context with its own norms, values, common sense and law (Conti, 2008). As such, to understand the rational use of conditional poverty policies in Brazil one must go back to the mid-century military regime, when the state began to consolidate its technocratic and externally informed base. Dezalay and Garth (2000, 97) argue that U.S. political science and economics developed in Brazil after the hardening of the military positions in the late 1960s, strongly tied to international opportunities made available after WWII. Specifically, that several institutions for teaching and policy-making emerged to bridge U.S.-Brazilian academic and governmental efforts in the early 1950s. Among others, Dezalay and Garth mention (1) the War college and the Instituto Rio Branco, which included prominent veterans that participated in the conspiracy against the elected government in 1964; (2) the Joint Brazil-U.S. Comission for Economic Development which involved the World Bank and played a central role in setting the tone for Brazilian economic policies after the war, through figures like Roberto Campos and José Luis Bulhões Pedreira; (3) the creation of the BNDE (National Bank for Economic Development) and other large public utilities (Petrobras, Electrobras).

The U.S. administrative influence over national and technocratic institutions represented the systemic legitimation of economics as a policymaking tool. For instance, the Comisión Económica para América Latina (Economic Comission for Latin América—CEPAL) was another academic center established by the United Nations to encourage new learning and produce new students of development (Dezalay and Garth 2002, 98). The CEPAL's ideas over development sometimes contrasted or gained dominance over the more orthodox economics of the War College or the Insitituto Rio Branco, but its presence contributed to the fact that "the debates between economic approaches helped to build the legitimacy and autonomy of economics as a discipline" (Dezalay and Garth 2002, 98). Given the rational-choice theory foundations of economics in the 1980s, the reification of rationality emerged from the struggle between competing groups and their "common sense" notions of legitimacy, fairness and other values and norms (Conti 2008,146; Weber 1947,124).

Multiple institutions and grants targeted the most important universities in cities like Rio de Janeiro and São Paulo. Not only was there an explosion of U.S. informed economics, but political science also became an increasingly U.S.-funded and -prescribed discipline. By the end of the 1960s, in the context of Kennedy's Alliance for Progress, grants through the Ford and Rockefeller Foundations to CEBRAP (Centro Brasileiro de Analise e Planejamento) expanded social science funding, which was evidently attached to U.S. and Cold War policies. Whereas grants like those given to the CEBRAP helped institutions promote the ideas behind the transition to democracy, they also gave political prominence to the technocrats like Fernando Henrique Cardoso (Dezalay and Garth 2000, 104). Similarly, the U.S.-informed nature of economics and political science provided the academic and cultural background for policy designs. Specifically, emerging public intellectuals followed Durkheimian epistemology and empirical methodology to re-direct their social science research toward political practice, which involved a shift away from typical sociological themes—race relations, social stratification and cultural dynamics—to a political analysis of relationships between authoritarian regimes, social exclusion and economic models (Abu-El-Haj and Chilcote, 2011, 23).

By the mid-1970s, the CEBRAP had become an intellectual best seller advocating the idea that representative democracy called for a better income distribution, free labor unions and participatory social movements, and economic development (Abu-El-Haj and Chilcote, 2011, 26). In particular, Fernando Henrique Cardoso, among many other public intellectuals, responded to the contemporary idea that political stability and economic growth would alleviate income concentration in the long run.[xi] Their research demonstrated that "while authoritarian economic policies sacrificed income, social well-being and the future of the country, historical data showed the compatibility of economic growth, controllable inflation, and improvements in income periods of democracy (Abu-El-Haj and Chilcote, 2011, 26). This configuration of intellectual debates and institutional elements supporting public scholarship would later make the idea of conditional poverty policy intelligible because they generated challenges against the technocratic rule established by the military dictatorship. In relation to the emergence of CCTs, situating the management of social issues in the hands of state officials, who were in turn informed by U.S.-based academic expertise, seemed to have been a major factor in the formulation of social policy and *Bolsa Família's* subsequent development.

The story may be traced as back as 1975, when Antonio Maria de Silveira introduced the idea of a negative income tax—monetary transfers proportional to the difference between the minimum exemption level and the income earned by the poor person, taking a subsistence base line to fix the exemption level (Silva et al., 2004). Silveira was native from Ponte Nova in the state of Minas Gerais but became a student of administration and economics from the Graduate School of Industrial Administration at the Carnegie-Mellon University in the mid-1960s. In particular, Alan Meltzer, one of the major intellectuals of the monetarist school in the U.S., inspired Silveira's work. However, upon his return to Brazil, Silveira focused his academic research toward the "limitations involved in the application of economic theory to the reality and eradication of poverty" having discovered that much of the data used to produce econometric analysis had been falsified in 1973 by the military dictatorship (Lagrota Lopes 2007). Silveira taught Economics and Adsministration in several universities in São Paulo and Rio de Janeiro and always advocated for a critical appraisal of the methodology informing policy choices and its philosophical implications. To illustrate,

> To those who argued that an unconditional minimum income disincentives work, Antonio argued, inspired by Herbert Simon, that human beings possess increasing aspirations. He even stated that using the homo-economicus model—according to which work generates disutility while preferences are given—to argue that a minimum income led to leisure was an example of the Ricardian Vice. In those instances, the philosopher and social reformer joined forces for the same cause. In his vision, the argument was based on a judgment against the poorest, given that other forms of income transfers, disassociated of effort (e.g. inheritance) are accepted by society without contestation (Lagrota Lopes 2007, my translation).

Silveira's work was indeed influential and derived from multiple perspectives emerging from monetarist formation and new insights in the philosophy of economics.

Silva et al. (2004) divide the evolution of CCTs in Brazil in four historical periods after Silveira had exposed the idea as a theoretical possibility. The first period corresponded to the systematization of CCTs in Brazilian public policy and dated back to the early 1990s, in which the program of Minimum Income Guarantees (Programa de Garantia de Renda Minima) was approved unanimously at the national level. Eduardo Suplicy (PT-SP) promoted this legislation (Law no 80/1991) and did so inspired by Silveira's work and philosophical considerations. However, the conditionality concept in cash transfers was first articulated by Critovam Buarque in a paper published in 1987 in Brasília. In this document, Buarque suggested the government to provide scholarships to keep the poorest children in school through guarantees of a minimum income to poor families, which would incidentally creative an incentive for these families to provide education to their children (Beck 2009, 110). Written by Senator Cristovam Buarque and other academics from the National University of Brasilia (UnB), the policy document called for a minimum income scheme linked to education titled "A *Revolução nas Prioridades"* (A Revolution in Priorities) and circulated in the early 1990s (finally published in 1994). As such, the origins of CCTs nurtured from ideas coming from multiple locations and as the result of joint efforts combining academic expertise and political action.

The second moment corresponds to the idea of cash transfers equivalent to a minimum wage for families with dependent children from 5-16 (1991) and 7-14 (1993) and focused on lower strata. This idea emerged from debates among Worker's Party economists in Belo Horizonte in 1991 when José Márcio Camargo, next to Suplicy and Silveira, proposed that the minimum income program be started through families and related to their educational opportunities (Suplicy n.d.). These debates occurred through a series of articles in Folha de São Paulo by Economist José Márcio Camargo (12/26/91 and 03/28/03) which proposed the grant be targeted not to individuals but to poor families with children, conditional on school-age children enrolling in school and maintaining minimum school attendance (academic versions of this proposal were included in working papers by J. Camargo and H. Ferreira in 1994 and by J. Camargo and F. Ferreira in 2001) (Kathy Lindert 2007).

Moreover, although discussions over the intellectual ownership of CCTs are popular in journalistic sources and mass media representations of policymaking, it is crucial to analyze larger social structures and the constellation of incentives generated for these actors. In other words, discussing macro-social processes of state-formation reveal the importance of institutionalized rational action and the formation of the bureaucratic field in relation to anti-poverty commitments. As such, the fact that these debates over cash transfers conditioned on education were introduced in the early 1990s points us to investigate a broader conjuncture in Brazilian political history and nation-state consolidation: the 1988 Federal Constitution.

*Social Policy in the Context of Constitutional Reform*

Nation-states present themselves as legitimate units of action internally (through constitutions) and externally (by seeking admission to the United Nations and other intergovernmental bodies); nation-states also claim to engage in rational actions, such as the use of policy technologies to achieve means-ends goals (Meyer et al. 1997, 154). In particular, national goals have become increasingly uniform, typically emphasizing national and equitable individual development, and stating these purposes through constitutions (Meyer et al. 1997, 154). This is exactly what occurred in Brazil in the late 1980s and early 1990s: the government drafted a new constitution along the lines of rational actorhood and set development goals and welfare prescriptions of egalitarian citizenship within public discourse. For example, the Federal Constitution promulgated in 1988 institutionalized social assistance as a public policy through Title VIII (Articles 203-204). This reform brought a very important innovation: the institution of the "*seguridade social*." This was a new Portuguese word created to express the concept of governmental social intervention, which had been incorporated in Brazil based on international experiences with welfare state models in several European countries. Accordingly, these frameworks aligned with the purposes of liberty and social justice that the Brazilian re-democratization movement sought to embody, and helped to justify state authority by shifting the rhetoric toward a social-democratic model.

On the other hand, lawyers in Brazil had been the key group of actors advancing the 1988 constitution from within legal institutions, but they employed the tools available from US-imported economics and political science (Dezalay and Garth 2002). By the time of the constitutional redrafting, Brazilian institutions had institutionalized a U.S.-formulated understanding of rationality informed by the new orthodoxy in the United States in the 1980s that affected the World Bank but remained supportive of institutions' roles —"new economics" aligned with Chicago-style neoliberalism. This combination made space for the state and the law to use U.S. knowledge centers that reconceived political science and celebrated the role of technopols in national administrations, who could promote a liberal democratic state.

The intellectual and institutional contexts explained above complemented each other in the mid-1990s and demonstrated incentives generated by two new systems: multi-party politics and decentralized democracy, which operated under the context of technocratic rule and permitted eventual CCT development. First, the relative novelty of multi-party politics in Brazil (1985-) incentivized parties to broaden their constituencies, where conditional transfer ideas were suitable mechanisms to do so. As such, the third moment in CCT development followed Silveira, Suplicy and Buarque's ideas and took place in 1995 through experiences in Campinas in São Paulo—Riberão Preto--, and in Brasilia D.F. (two distinct Brazilian municipalities). Launched during the same week in January 1995, these two CCTs represented two different political parties. The *Bolsa Escola* program was launched by then Governor Cristovam Buarque (Workers Party, PT) in the Distrito Federal on January 3, 1995) and the "Guaranteed Minimum Family Income Program (PGRFM) was launched by then Mayor José Roberto Magalhães Teixeira (Brazilian Social Democratic Party, PSDB) in the Campinas Municipality on January 6, 1995 (Kathy Lindert 2007).

Second, democracy meant decentralization post-1988 as the constitution set up an "institutional framework of overlapping policy authority between three autonomous levels of government—federal, states and municipal" (Beck 2009). It also institutionalized social assistance as a public policy in Title VIII (Articles 203-204). However, after 1993 all governmental attention and public opinion focused on fighting an increasing and boundless inflation and on foreign debt issues, emphasizing economic growth and export-oriented policies, which left no space for the implementation of anti-poverty policies or income redistribution (Silva et al. 2004, 89). As such, one of the most interesting puzzles in Brazilian political history as it relates to social policy development is how CCT ideas articulated in the early 1990s transformed into a national comprehensive policy in a decade despite facing the challenges of strong federalism post-1988 decentralization. Specifically, the way the federal government, under FHC's second mandate (1999-2002), took charge of programs and decentralized implementation and began the debates around whether CCTs had to represent a *minimum* income or a *citizenship* income.

*Fiscal Constraints and Bottom-Up Policy Models*

In 1995, the government created the National Secretary of Social Assistance (SNAS), which changed the conceptualization of and experimentation with social protection policy. In particular, social inclusion was now framed as a social right, where social security and social assistance were means to an end and not as an end in itself. In other words, "[e]mbraced as a right, the regulation, production and operation of social protection policies were to be framed as public responsibilities" (Castro 2005, 25 in Beck 2009, 110). However, this institutional framework only had an impact on CCT development after fiscal constraints at the federal level had been tamed.

Although based on the newly created framework of Social Protection under Cardoso, the government enjoyed six years of locally based experimentation (1995-2001) before the first national CCT became implemented. Rigid macroeconomic stabilization pushed Brazil into a period of critical uncertainty from external shocks that led to the currency's eventual devaluation in 1999 and a subsequent decrease in household per capita income (FGV 2006 as cited in Beck 2009:105). The decade long fiscal crisis began to be resolved between 1993 and 1994, following the implementation of a highly successful stabilization package called the "Real Plan." Consequently, more conservative fiscal reforms began to emerge under the social-democratic party (PSDB) and were negotiated predominantly by its leader FHC during his second presidential term (1998-2002).

The programs in Campinas and Brasilia D.F. showed successful results with municipal CCTs to the extent that the federal government co-financed these programs. In 1998, the Government of President Cardoso launched the Program for a Guaranteed Minimum Income (PGRM), which the Ministry of Education managed and provided transfers to municipalities who were implementing CCTs but lacked sufficient resources to sustain such programs (Kathy Lindert 2007). The federal government gradually expanded the programs' support, prioritizing the poorest municipalities and with the aim of covering all municipalities and the Federal District of Brasília. While municipalities had to contribute at least 50 percent of the financing to receive federal support for their cash transfer programs, "the PGRM was not a conditional cash transfer program in and of itself, but rather a mechanism for providing financial support to municipalities to enable them to implement such programs" (Kathy Lindert 2007). As such, Cardoso's six years of locally based experimentation with social policy refer to the fact that the PGRM was integral in promoting and sustaining local level CCT initiatives at the same time that it served as a path toward future CCT federal programs. Specifically, because the Real Plan brought negative effects on the poorer segments of the Brazililan population, the central government would launch the first national noncontributory cash-transfer program in Brazil to address these short term externalities (Beck 2009:111). This new program maintained the name of the program in Brasilia—*Bolsa Escola*—pointing at the oddity that CCT implementation originated from locally based successful experiences and moved toward a comprehensive national project.

*Strong Federalism and the Advent of Democracy*

Institutional factors provided incentives for successful central-local collaboration in the social policy area, in particular in the implementation of *Bolsa Família*. Tracy Beck (2009) argues that "a non-majoritarian political system, the constitutional autonomy of municipalities, and the gradual hardening of post-1995 subnational budget constraints facilitated the ability of the central government to live up to the aspirations and expectations of the Brazilian public by combating hunger, poverty and misery through this program" (Beck 2009, 1). The PT's rise to power interacted with Brazilian federalism so as to universalize *Bolsa Família* in 2006. In particular, the key to understanding this outcome lies on Beck's use of the new political-insititutionalist or electoralist approach that asserts that decentralization (or recentralization) is a product of political incentives at all levels and their resultant political relationships (Montero and Samuels 2004, 20 as cited in Beck 2009).

Given FHC's hardening of budget constraints resulting from his administration's attempt to stabilize macroeconomic performance, municipalities gained a new incentive to collaborate with the central government. Brazil is commonly characterized as a strong federal system in which government functions are distributed among three levels of government, where power is largely given to governors and subnational interests are articulated within the Brazilian National Congress (Beck 2009, 104). Beck highlights that the success of *Bolsa Família* is its ability to avoid powerful state-based governors. In her words, "as a redistributive social program that depends on central-local collaboration, *Bolsa Família* avoids the kind of negotiation between the executive and legislative branches that has come to epitomize Brazilian federal politics"(Beck 2009, 114). In particular, that " a significant part of municipal revenues comes from federal earmarked grants allocated on their participation in centrally designed and financed social programs such as Bolsa Família" (Beck 2009, 117).  Such was the strength of this incentive, that one hundred percent of the municipalities adhered to this federal program by 2006, which facilitated the central government's ability to deliver benefits to roughly 11 million families (Beck 2009, 122).

The uniqueness of *Bolsa Família* lies behind its ability to have unified various CCTs that had been originally implemented by municipalities. It was a remarkable event because it demanded the synchronization and mutual cooperation of these micro-local governances with the larger states and the overall union. As such, a major centerpiece was the articulation of the three levels of government in which political innovations and partnerships could occur (i.e. negotiation possibilities and their structural context). In fact, municipal autonomy was first recognized by the Constituent Assembly of 1987-1988. The new constitution contained unclear policy responsibilities that combined with soft budget constraints and allowed the twenty-seven states to shrink their responsibilities back onto the central government, creating a form of 'predatory federalism' (Beck 2009, 108) Accordingly, the 1988 constitution had generated a system of federalism plagued by opportunism among three competing levels of government at the same time that it lacked a regulating and/or nationalized majority party.

Overall, institutional incentives for CCT expansion in Brazil were structured by strong federalism[xii]. Beck (2009) argues that *Bolsa Família* was successful (i.e. provide more than 11 million families in situations of social vulnerability federation-wide in fewer than three years (2003-2006)) because the policy was able to avoid powerful state-based governors. Beck explains that strong federalism has empowered local actors to hinder the efficacy of democratically elected governments at the center even before the process of democratization (Gibson 2004), and that *política dos governadores* (politics of governors) is a commonly used term to describe how governors used their power to control the election of deputies to the Brazilian National Congress and control the legislative agenda (Mainwaring 2004). As such, the intermediate level of federalism has been dominant in Brazil, allowing for the prioritization of subnational interests in congress. Most importantly, however, is the fact that the highly centralized federal structure (27 states have veto power and 5,564 municipalities have policy opt-out privileges) includes open list electoral rules that motivate politicians to favor local and regional demands. As such, state-based federal deputies and governors have survived politically by being able to claim credit for successful policy outcomes (Ames 2001 as cited in Beck 2009).

Beyond structural considerations, however, law and rational systems of social policymaking, such as prescriptions in the 1988 Brazilian Constitution, contributed to CCT universalization. Constitution prescriptions were consolidated in the Organic Law of Social

Assistance (Lei No. 8.742, December 7, 1993) (Article 15 attributed the execution of all programs confronting poverty to the municipal level). In particular, Article 1 stated that social assistance and public transfers must guarantee self-realization to citizens. After 2000, this responsibility was legally enforceable through fiscal regulation imposed by the federal government (Article 15) (Beck 2009, 117). Beck writes: "the intended political effect of this conceptualization of social protection was to generate a direct relationship between the federation and the citizens in situations of vulnerability with as little intermediation as possible" (Beck 2009, 110).

Anti-poverty policies at a national level are bound to face several organizational challenges, particularly in federal states where municipal execution must combine with administrative cost sharing and program monitoring to institutionalize initiatives along the multiple levels of government (Beck 2009, 113). As such, the constitutional autonomy of municipalities incentivized collaboration because the provision of basic health services and primary education falls primarily under their jurisdiction. *Bolsa Família* requires municipalities to be responsible for providing and coordinating these public services, for registering the targeted low-income families in their territory, and for establishing agreements between non-governmental organizations and various local bodies in order to provide social control for the program (Beck 2009).

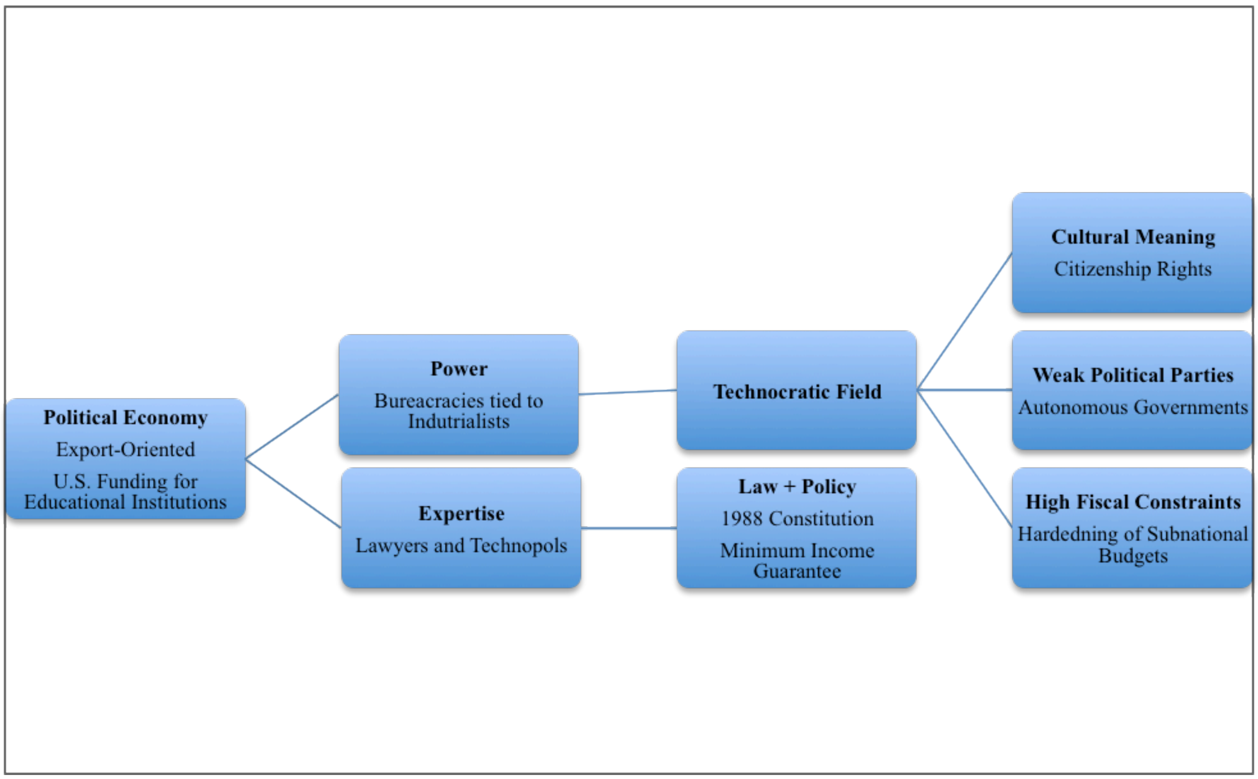
Universalization, however, only occurred when these structural incentives intersected the hardening of subnational budget constraints, beginning in 1995 and culminating in the Fiscal Responsibility Law in 2000. The new law locked financial resources and created fiscal incentives for municipalities to collaborate with the federal government. In particular, "increasingly earmarked federal grants financed by federal revenue became necessary to finance provision of subnational social services" (Rezende 2007 as cited in Beck 2009, 112). Thus, the hardening of budget constraints and the increasingly centralized regulation of subnational budgets provided an initial political incentive for municipalities to collaborate directly with the central government (Beck 2009).

*Continuity and Universalization of Anti-Poverty Strategies*

Dobbin (1994) argues that it is the socially constructed logics of state action, more than the organizational resources of states that persist to produce policy continuity. Moreover, that states regularly create new policy instruments that require *organizational resources they do not hold*, but they model those policies on the principles embodied by existing policies. This line of reasoning explains why the Brazilian Worker's Party decided to invest political capital in universalizing a policy that had worked to decrease poverty in the past. In this regard, the legacies of a decidedly neoliberal approach to poverty alleviation in Brazil proved stronger than an alternative policy, even if the new party's left-wing ideology could have envisioned a different approach to poverty eradication.

The universalization of *Bolsa Família* depended upon several decades prior to the advent of democracy that instituted rational action under the guidance of U.S. economics and political science and a constitutional reform that generated autonomous governments. Through the increased role of lawyers and educational centers, the technocratic context provided a large influence over the democratization movement as well as prepared intellectuals to become political figures innovating in social policy by advocating minimum income for the poorest sectors (Diagram 2). When municipalities in Brasilia and São Paulo reported success in CCT implementation, Cardoso gradually increased support for the policies, eventually making them the benchmark of his mandate; yet, his decisions attempted to remedy the Real Plan's externalities on the poorest sectors. Later on, CCTs became unified under the Lula administration because the structural incentives of strong federalism produced governmental incentives for nation-wide cooperation. In other words, post-1988 constitutional reform and in the context of locally based experimentation from Cardoso's era of hardening budget constraints, CCT became unified, from local projects to *Bolsa Escola* to *Bolsa Família.*

**Diagram 2.** CCT Development within a Technocratic Field




CCTs in Brazil have been a major example of social policy heading in the direction of citizenship rights more than mere assistance-oriented programs. More than political will, however, the Brazilian example shows that configurations in political culture, fiscal constraints and institutional incentives drove innovation and expansion of anti-poverty policy strategies, only because the legal environment had constructed a bureaucratic field of rational action favorable to CCTs.

## CHAPTER THREE

## Emerging *Misiones*: Anti-Technocratic and Oil-Funded Policies in Venezuela

Poverty is always politically defined. Defining poverty implies a normative conceptualization about the present social order, where the interpretations and consequences of poverty predetermine public policy and the emphasis that governments place on social programs (D'Elia, 2003; Grynspan, 2003 as cited in Maingon 2006, 62). As such, poverty policy in Venezuela has been strongly tied to the political realignments that started in the mid 1980s. Starting with the collapse of the traditional two party system, through the structural adjustment programs of Rafael Caldera up to the creation of *Misiones* by Hugo Chávez, this chapter traces the multiple transformations in poverty definitions and the historical contingencies responsible for the shifts. Venezuela's example is most appropriate to underscore the political aspects of anti-poverty policies because it followed the path of neoliberal social policymaking until the rise of Hugo Chávez Frias in the late 1990s. My discussion incorporates an analysis of the country's institutional legacies, the effects of economic crises and the government's loss of political legitimacy. It then moves on to an exploration of the factors behind the creation of CCTs in 1994 and ends with a discussion of the political incentives behind the creation of the *Misiones* several years after Chavez's election. Finally, the chapter offers a set of comparative remarks about policy development within Venezuela and a reflection on the tensions between ideologies, historical antecedents and democratic sustainability.

If Brazil's story of social policy narrates the influence of neoliberal rationality in the creation of programs using cash transfers as behavioral incentives, Venezuela's social policy history has been the opposite experience. Whereas U.S.-exported policy principles permeated and consolidated in Brazil after the 1980s, large portions of the Venezuelan population were politically disillusioned, causing governmental institutions to reconfigure and shift away from neoliberal principles. Within the implosion of a party-dominated electoral system, the legacies of state consolidation that proved influential in Brazil lacked in Venezuela. Thus, the country faced multiple oil crises and subsequent political instability culminating in constitutional reform and in new ways of doing politics. As such, to understand social policy it is vital to analyze the country's transformations through the lens of institutional legacies and political incentives. On the one hand, the study of the country's institutional background, its structural weaknesses and broader economic contingencies prior to Hugo Chavez's rise to power will reveal why CCTs became a viable option in 1994 but had no lasting impact decades later.

Studying contemporary Venezuelan politics will also underscore how competing interests for state power have motivated social programs and initiatives such as the *Misiones*. Chávez's first years in office showed indifference toward anti-poverty initiatives, whereas social policy innovation became the president's signature after the government's opposition represented a legitimate threat to holding power. Institutional legacies allowed Chavez to gain majority power in the 2004 constitutional assembly, and eventually reform the Constitution at his coalition's will. Moreover, the emerging political polarization, combined with the newly adopted law on referenda, provided electoral incentives for the government to innovate in social policy.

The implosion of the party system and the rise to power of Hugo Chávez brought two consequences to contemporary Venezuelan politics, one ideological and the other institutional. On the one hand, the government's rhetoric shifted away from austerity and neoliberal state management to a socialist and radical democratic nation-building project. On the other hand, the collapse of "partyarchy"—rule by dominant parties (Acción Democratica –AD—and Comité de

Organización Política y Electoral Independiente–COPEI--)—opened spaces in the political apparatus allowing Chávez to reform presidential powers and redraft Venezuela's constitution. Larger institutional legacies, especially those modeled by Chavez's predecessors like Carlos Andrés Pérez and Rafael Caldera conditioned these ideological and institutional transitions. In this context, this chapter documents how weak institutions contributed to the collapse of party politics and provided fertile territory for a massive reconfiguration of national governmental structures. Studying these transformations reveals that, in the search for broader constituencies, the Chávez regime identified social policy as a primary means to hold power and innovated in anti-poverty strategies.

*Political Legitimacy versus Economic Rationality*

The construction of the Venezuelan bureaucratic field, which rejected neoliberal policies and embraced alternative strategies such as the *Misiones,* had material roots in the economic environment and the political contention of the late twentieth century. The unambiguous national purpose to achieve modernity seen in Brazil lacked in Venezuela primarily due to the demise of the dominant development model and the debt crisis shaking the country after the 1980s (Contreras 2004, 112). In particular, the Mexican Peso Crisis forced the Luis Herrera Campins government (1979-1984) to devalue the currency and establish a controlled exchange system to restrict the massive outflow of private capital (Levine 2001). These economic measures made visible the fact that the dominant economic model systematically excluded citizens from material and symbolic benefits (Contreras 2004, 112). As such, poverty gained visibility and became a central issue in the national political agenda, given that the majority of the Venezuelan population felt the impact of the economic crisis close to home (Lander 1995, 75). This was the initial stage of a series of events leading to a cognitive field in which constituencies and the emerging political actors rejected technocratic rule.

Indeed, multiple factors combined at the end of the 1980s decade that precipitated a reconfiguration of power and made evident the need for a political and economic transformation; Contreras (2004) succinctly summarizes this context in six factors: (1) rising inflation: (2) macroeconomic instability: (3) generalized corruption: (4) declining wages and public services: (5) progressive internal and external indebtedness: and (6) weakening of the development model based on oil revenues (p. 113). By 1988, however, the Pérez administration had instituted austerity measures that followed the neoliberal discourse of the state's disengagement in the national economy. In particular, economic policies focused on the reduction of imports and greater commercial openness to foreign markets and reduction of the fiscal deficit (Contreras 2004:114). Overall, in the context of economic and political realignments and an emerging fiscal orthodoxy in the national government,[xiii] the state was viewed as only having promoted passivity amongst the poor and created a culture of dependency (Contreras 2004, 116). Nonetheless, the general inference from the 1980s, with such an unstable and austere environment, was that *political legitimacy directly conflicted with the problems of economic rationality* (Lander 1995, 75). This oppositional perspective would mark subsequent demonstrations and emerging nationalist-populist political alternatives.

Protests erupting simultaneously and extensively in several Venezuelan citiesin February 1989, known as the *Caracazo* riots. These demonstrations helped to delegitimize the state and the dominant political parties in the eyes of most social sectors experiencing economic hardship. As such, they embodied the popular response to the tensions between a delegitimized government and its economic policy. Moreover, in this context of institutional fragility, political disillusionment and social frustration, multiple sectors saw their rights threatened and began to demand a definition of democracy that would go beyond a representative model toward a more participatory framework (Contreras 2004,122). In other words, given that the field failed to symbolically legitimize the bureaucratic state through economic policy, a cognitive structure began to develop in which Venezuelan constituencies overwhelmingly chose actors who challenged neoliberal agendas.

In 1992, lieutenant colonel Hugo Chávez led a failed coup that put more pressure on Venezuelan representative democracy as well as the legitimacy of the structural adjustment programs (Contreras 2004, 122). Later that year (November 27, 1992), a second failed coup contributed to Pérez's subsequent ouster in the face of corruption charges, event from which Rafael Caldera emerged as a third "alternative" to the political and economic crisis. Accordingly, the 1980s not only demonstrated a deep disillusionment with the development model by the popular sectors, but it led to the implosion of the two-party system. At this moment, specifically Rafael Caldera's rise to power on a platform of heterodox policies provides a critical period for the discussion of Conditional Cash Transfers (CCTs) in Venezuela. Furthermore, it demonstrates the resilience of the bureaucratic field, in which the creation of anti-technocratic cognitive structures at the national level led to the rejection and sustainability of CCTs.

*Preliminary Attempts of CCT Implementation*

After the social protests of 1989, the coup attempts of 1992, and corruption charges against Perez in 1993, Rafael Caldera presented himself as an actor capable of building consensus and transforming national crisis into order. With an empathetic attitude toward the sector that had sought change through extra-institutional means, like then-Colonel Chávez, Caldera's discourse framed itself in opposition to neoliberal economic schemes. Although Caldera campaigned under the banner of anti-neoliberal reform, he ultimately returned to austerity and IMF-style policies, which included CCTs. Rafael Caldera deviated from traditional party affiliations, while campaigning under anti-corruption rhetoric and statist economic policies. In particular, Caldera attempted to direct the economy through subsidies and price exchange controls (Trinkunas 2002:63-4).

Anti-neoliberal actions did not last long. Contreras (2004) suggests that the organizational inertia deriving from the Perez regime had a national and international institutional support that was not going to decrease over time (p. 123). In fact, the financial crisis of the early 1990s forced the Caldera government to deploy a structural adjustment program called *Agenda Venezuela*, which deepened openness and allowed the influx of transnational capital into the oil industry (Coronil 2002:426). In short, within a year of being elected, Caldera would turn back to the policies he had questioned from his predecessor, pushing against the field's anti-neoliberal sentiment.

In *Agenda Venezuela*, signed in cooperation with the IMF in 1996, Caldera expressed the need to continue economic adjustment measures and state reforms that guaranteed conditions for a new economic model. Overall, the new development program prioritized macroeconomic objectives, such as reducing inflation, sustaining economic growth, and strengthening international reserves; and assigned the state the role to insert Venezuela in the world economy (López Maya 2000). Gómez and Alarcón (2003) explain that Caldera used this new legislation to build political consensus and construct a feeling of national stability. In particular, the anti-poverty policies included in the *Agenda* model had a pacified the tensions between the crisis and the increasing social disparities previous governments had generated (Gómez 2003). Yet, the new social policy determined 'priority areas,' such as school nutrition, public services, primary health care and economic solidarity. Similarly, policy strategies aimed to cut public spending, begin social security reform, privatize, and *focalize on the poorest* (Gomez 2003, 15). As such, the state was responding to international pressures and norms to develop a neoliberal kind of social policy, but the bureaucratic field had already been set up in opposition to these precepts.

The Caldera administration created several programs that distributed cash transfers to poor mothers, in both the cities and the rural areas and were linked to performance and children school attendance (Penfold-Becerra 2007:67). These programs emphasized the distribution of food via the school system at the state and municipal levels, in which the Ministry of the Family created under Caldera facilitated the logistics (Penfold-Becerra 2007:67). This was Venezuela's first Conditional Cash Transfer, originating as one of Caldera's operational tool to incorporate structural adjustment in response to a banking crash that had affected the country by 1994. In September 17, 1994, *The Economist* introduced Caldera's new two-year plan, described by the finance minister as a "pragmatic dose of dogma-free, economic common sense." In the same article, however, the newspaper acknowledged: "the heart of the new plan is an IMF-style attack on the budget deficit and inflation, better tax collection, and *lower subsidies for public services (made more palatable by subsidies aimed specifically at the poor)*" (The Economist 1994, my emphasis). The article exposed that the economic policies in Caldera's administration motivated manipulation of social policy with the intent to better allocate resources, where using conditional transfers seemingly helped to legitimize this goal. CCTs in Venezuela, however, failed to symbolically legitimize these goals because the policies appeared within a politically disillusioned nation –the field. Yet, this field was a function of the country's broader structural and institutional weaknesses.

*Institutional Weaknesses against Neoliberalism*

In *The Magical State,* Fernando Coronil (2002) argues that the Venezuelan political culture had been for decades involved in a discourse of plenty crafted by the very same politicians that benefited from continuously incoming oil revenues. As such, Coronil suggests that for most of the twentieth century, the *telos* of the Venezuelan government (interlocked within the two-party system) had been a gradual but sustained effort toward modernity. Having oil as a resource of 'national wealth,' Venezuelan constructions of government have juxtaposed citizens from transnational corporations, oil technocracies and capitalist empires. This phenomenon, describers Coronil through an anthropological perspective, occurs because the state has used oil revenues as its main financial basis. This implies that operational funds are extracted from international markets as cash as opposed to emanating from taxes on citizens' productive activities (Maya Website). Similarly, overwhelming dependence on income from oil exports is said to have "froze" early political institutions and focused political parties, labor, capital, civil society, and the armed forces exclusively on gaining access to the state's burgeoning wealth (Trinkunas 2002:43). As such, the oil crisis in the 1980s and 1990s reduced the state's funding and its ability to satisfy competing political interests (Trinkunas 2002:43) eventually leading to the deterioration of the party-archal regime. This structural location within the global economy produced cognitive structures of popular discontent. Specifically, the traditional *rentier state* produced institutional weaknesses that conditioned the subsequent development of Venezuelan politics, making neoliberal anti-poverty policies like CCTs unviable following Chavez's regime.

The strength of these cognitive structures is evident in the disillusionment with party politics exposed by changing voter preferences that made Chavez's political campaign successful in 1998. Trinkunas (2002) explains, "after capturing over 90 percent of the votes only a decade earlier, the dominant traditional parties, COPEI and AD, polled in the single digits in this presidential election" (p. 64). The reason, he argues, is that Chávez promised radical change, aiming to convene a constitutional assembly and rewrite the Constitution of 1961. In general, in the context of a seemingly fragmented social and political imaginary, Chávez was able to capture the impending anti-oligarchic and anti-imperialist feelings of the subordinate classes with his popular-democratic discourse, thereby winning the 1998 elections (Contreras 2004:125). With the new president, Venezuela began a period of institutional transformations starting at the Constituent Assembly and unfolding debates concerning democracy and technocratic rule. In sum, political legitimacy versus economic rationality structured policy alternatives that stepped over CCTs.

In 1998, voters elected Chávez with more than 56 percent of the votes. A year later, the president had won enough popular support for the referendum (81 percent of the votes) and elected a new constituent assembly. In this new body, new rules allowed Chavez to win 96 percent of the seats despite capturing only 53 percent of the votes. Clearly, his government enjoyed unprecedented majority and thus larger freedom to carry out legal reform. Venezuela approved the new Constitution in 2000 and voters elected a new legislature, giving Chávez a majority of the seats in the National Assembly. Thus, continuous victories allowed Chávez to concentrate strong legislative and non-legislative powers in the presidency and keep a close grasp on the National Assembly (Penfold-Becerra 2007:68). Among the most optimistic viewers of this era, Contreras (2004:126) states that Chavez's work in reconfiguring institutions "has meant a social and political learning process and a revaluing of the very notion of citizenship rights." However, the most progressive initiatives in social policy and the expansion of social provision in Venezuela do not necessarily correspond to the inherent value of Chavez's rise to power. On the contrary, political motivators beginning in 2004 precipitated the emergence of *Misiones* and not the regime's ideological stances.

The reconfiguration of power after Chavez's ascendance to explains policy innovation. In fact, the newly drafted constitution under Chavez's coalition created a stipulation that influenced much of the government's future innovation in social policy: the power to call for popular referenda on issues including approval and elimination of laws and approval of constitutional reforms, and the power to unilaterally convoke another constituent assembly without checks on the process (Penfold-Becerra 2009, 69-70). Accordingly, as the political majority reformed the constitution and instituted referenda as a direct avenue for reform, electoral politics became a decisive mechanism to challenge Chávez's government, or remain in power.

With the new legislature in place, political incentives clearly demarcated a contested way to bring about reform and challenge the government. During early 2001, the opposition forces mobilized significant sectors of the population against Chávez and gained the support of business associations and labor unions, demanding changes in key economic and social legislation. Specifically, these groups reproached statutes that Chávez had passed under an enabling law approved by the National Assembly in 2000 (Penfold-Becerra 2009:70). A general strike of FEDECAMARAS (Venezuelan Federation of Chambers of Commerce) in April 2002 was one examples of the way the opposition responded against Chávez's new law (Penfold-Becerra 2009: 71). However, the coup d'état that removed Chávez from office for three days that same month demonstrated the discontent with- and vulnerability of- the regime. Moreover, in December of the same year, another strike included top managers of the Venezuelan state-owned petroleum company (PSDV) (Penfold-Becerra 2009: 73). These manifestations, although unsuccessful given Chávez's military support, demonstrated the degree of discontent and the opposition's commitment to bring down the regime.

Given the extreme environment of hostility toward Chávez and the short and ultimately failed coup, the opposition moved to the formal political channels in place. Penfold-Becerra writes:

> After the strike, the opposition finally accepted the suggestion made by the international community to start gathering signatures to activate a recall referendum, as permitted under the 1999 Constitution. To revoke the presidential mandate, the opposition had to win the referendum and obtain the same number of votes plus one (3,747,774) as the president had received in his previous election. (2007, 73)

In relation to social policy, Penfold-Becerra argues that the *Misiones* social program emerged as a resource to gather popular support in the fear that the referendum could bring Chávez down from power. In particular, that the slow nature of the process, due to the legal and administrative obstacles created by the National Electoral Council (CNE)[xiv], and the prevalence of officials loyal to the government and appointed by the Supreme Court, Chávez had enough time to use social policy as a form of clientelism and gain the opposition-led referendum.

Penfold-Becerra writes from a Business Administration Institute (*Instituto de Estudios Superiores en Administración)*, a technocratic perspective that has historically advocated for free-market policy frameworks and strongly opposed the Chávez government. This background is evident in the argument that the lack of institutional constraints and the electoral pressures to overcome the 2004 recall referendum *probably* gave the government incentives to manipulate politically the allocation of resources for the *Misiones* (Penfold-Becerra 2007, 68). While possibly true, this study's focus on not in the clientelistic nature of social policy in South America but in the emergence and manufacturing of these policies and their relative importance within larger legal development projects. As such, Penfold-Becerra's critical insight is his description of institutional and political incentives leading the Chávez's government to reform social policy:

> By the time the opposition could overcome all the obstacles created by the CNE and formally activate the recall referendum, most of the *Misiones* were consolidated. (…) Chavez's ability to link the social benefits of the programs with his need to assure the political mobilization of his popular base through the *Misión Identidad* (Identity Mission) became the cornerstone of his political strategy. Although a large portion of the population supported the opposition, Chávez was able to target low-income voters by using the *Misiones* to redistribute resources and regain political allegiance (Penfold-Becerra 2007, 75).

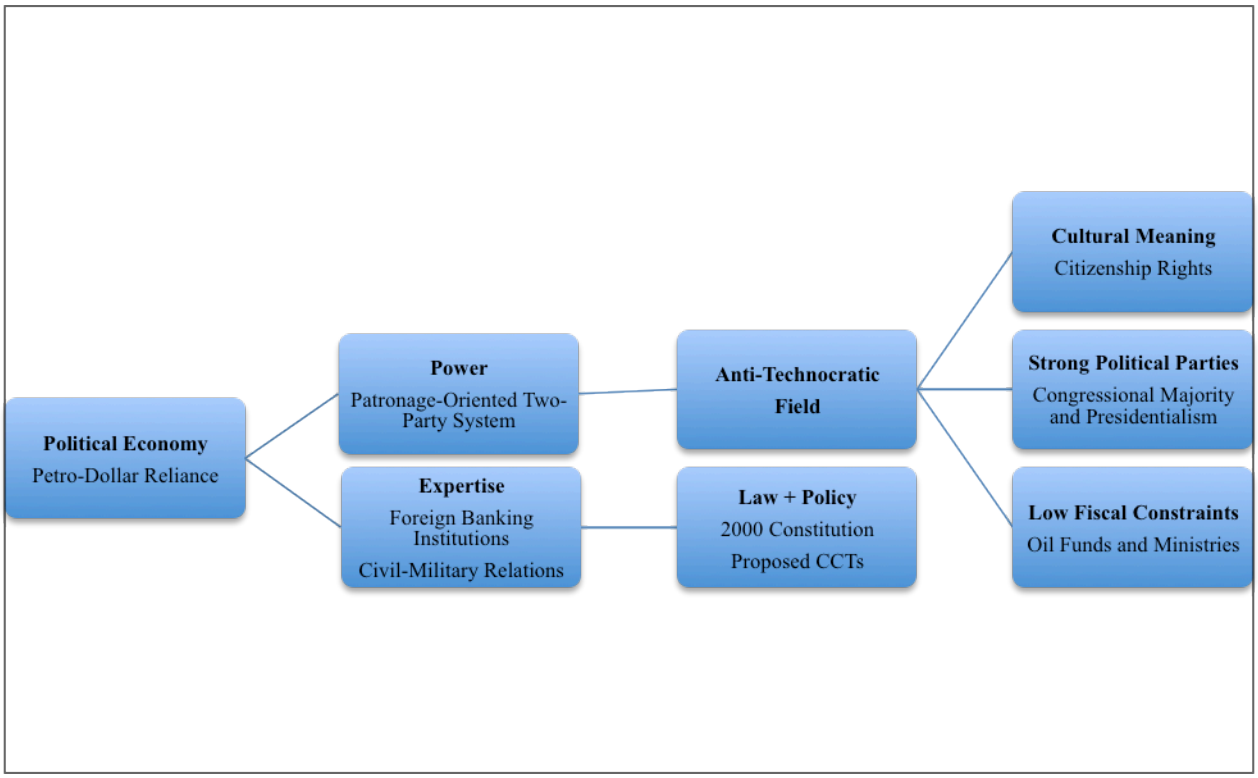
To what extent "a large portion of the population" would have made a difference had the missions not been in place prior to the referendum is inconclusive and beyond the scope of this paper. However, the main point remains: the contested nature of institutions in Venezuela has given rise to social policy innovation. Within a cognitive framework, the decidedly anti-neoliberal field overrode Caldera's economic restructuring plans, those that involved public service cuts and originally incentivized him to implement CCTs. Instead, Chávez's ideological basis of *Misiones* aligned better with the field, or national sentiment. Yet, it was the competition environment over state power –electoral incentives—what triggered the deployment of *Misiones*.

*Changes in Social Policy Institutions*

The Chávez administration dismantled the Ministry for the Family that had been in charge of managing social funds under the Caldera presidency. Social programs designed under Caldera were re-dimensioned or eliminated, particularly those managed by NGOs or regional and local governments (Penfold-Becerra 2007:70), showing the weakness of these institutions and the restructuring power that Chávez had gained. This maneuver was a critical transition away from neoliberal institutions and the basis for the future structural modification of social policy. Yet, the nature of the Misiones programs, as a categorical alternative to Conditional Cash Transfer programs, gained shape and identity through two main mechanisms: a contested field and an ideological symbol. First, political incentives—i.e. given the centralized power that the Chávez government had construed since 1998, the *Misiones* represented a political utility associated with expanding the electoral constituencies needed to remain in office and win the 2004 referendum. Second, radical-socialist ideology operated as the symbol to legitimize such bureaucratic decisions.

The emergence of the *Misiones* matched an ideological turn in the Chávez administration. Specifically, the expansion of social services and wealth redistribution associated with *Misiones* is said to have been the first step in the construction of the Bolivarian Revolution. The explicit socialist turn in Chávez's rhetoric occurred in 2004-5 (Gott 2005) and strengthened with his reelection in 2006. In particular, this political realignment brought about more radical policy initiatives, like the expanded role for the State, the re-nationalizing of key industries like telecommunications and electricity, and the promotion of a *participatory and protagonistic democracy in public governance and in the workplace* (Griffiths 2010:611 my emphasis). As such, although political incentives may explain the *timing* of social policy innovation, they do not necessarily explain the *type* of programs that are implemented. The institutional consolidation of US-imported rationality (i.e. the dominant cognitive perspective or doxa—Bourdieu 1994) explained both the timing (1996) and the conditional emphasis in Brazilian CCTs (i.e. centralized in registration while decentralized in resource administration). Similarly, the way the institutional background structured the bureaucratic field to be anti-technocratic, and necessarily the way it defines poverty, explains why *Misiones* in Venezuela follow a citizenship rights to poverty eradication strategies rather than as an individual's circumstance needed to be fixed through conditionalities (Diagram 3).

**Diagram 3.** CCT Absence within an Anti-Technocratic Field




The *Misiones* program has been funded by heightened oil prices and an increase in state control over oil production, refining and other subsidiary industries. In 2005, the government introduced a change in the Central Bank of Venezuela Law, which authorized the partial use of the country's international reserves to finance the new social programs, by creating two funds: FONDEN (Fondo de Desarrollo Nacional) and FONDESPA (Fondo para el Desarrollo Económico y Social). The government strategically reformed this law to access the exceeding oil revenues (when the price of petroleum were higher than the estimated by the national budget each year), which it would later deposit in FONDEN to finance development plans (basic industry, infrastructure, transportation and housing) and another portion to the FONDESPA which is controlled by PDVSA (Chacín 2009:96).

> *Misiones* began by bringing Cuban employees to Venezuela to carry out projects similar to those massive literacy campaigns that took place soon after the Cuban Revolution in 1959. In addition, the country's political polarization has led to the creation of ad hoc or institutionally parallels channels for the deployment of Misiones (Maingon 2006).

These moves have been condemned because they are based on the president's close ties with leaders and groups in charge and may inspire loyalty to the presidential movement and its leaders rather than the state. As such, *Misiones* would not be a policy allowing the exercise of citizenship rights but an extra-institutional mechanism for political alliances and clientelism. Similarly, *Misiones* operate under a suitable cognitive field of national animosity against technocracy, but the lack of financial constraints, and the overspending that comes attached with the absence of a technocratic bureaucracy, undermine the programs sustainability.

According to D'Elia and Cabezas (2008) this ideological foundation of the *Misiones* is vulnerable to the system by putting its sustainability at risk. They argue that if services and programs are not institutionalized, specifically under state management, their social legitimacy will be lost and their structure and development will weaken: "[i]f services network does not function according to a model of public management overseeing personnel that follow working rules over local and national authority, the services' users will not be able to claim rights or obligations to benefits, neither will providers feel obliged to comply"(15). Similarly, that if the *Misiones* continue to be separate form other programs that already enjoy infrastructure, personnel and proved methods, it is likely that the programs will weaken and because of failing to satisfy their own needs.

As presented early in this chapter, popular disillusionment with oil technocracies and governmental elites has shaped major transformation in Venezuelan politics in recent years. Yet, structural considerations shaping the efficacy and vices of governmental incumbents remain latent and continue to shape a lot of the behavior described in Coronil's *Magical State.* On the one hand, the model of democracy of the 1970s (*Pacto Punto Fijo*) collapsed because it was incapable of making the country more productive and inclusive; it also failed at making the necessary investments to provide a welfare system that aligned with the country's material wealth (Maingon 2006). Furthermore, the two-party system also linked oil revenues to short-term development plans simultaneously failing at democratizing society and building a stable and responsible state (Maignon 2006). On the other hand, however, a similar struggle continued to happen with *Misiones* and the Chavista government. In the words of Margarita Lopez Maya[1]

> While progressives of the world admire the state's capacity to invent almost every week new participatory policies and/or new ways of making oil revenues flow toward popular sectors, where is the non-rentier economic model, incentives to the autonomy of the *consejos communales* (local councils) and unions, forms of pacific coexistence [or] regulatory institutions who could invoke the magical state? Like the shadow that the Swiss psychologist Jung spoke of, the magical state seems to have occupied once again the nation's body, thanks to elites that stubbornly deny sharing a resemblance or relation to the past. [The magical state] lives a new debut. (Maya 2007).

In other words, the bureaucratic field that places political legitimacy against technocracy and economic rationality has been a function of the tension between responsible and accountable government and the country's institutional foundations on oil revenues (whether neoliberal, like in the 1980s or socialist, present since the early 2000s).

*Comparative Considerations for an Alternative Model*

The political environment in Venezuela in the 1980s and 1990s offers two comparative cases within a single country that expose how historical contingencies affect the formulation of poverty policy. Venezuela experienced the emergence of CCTs at the same time that these policies started to take off in Brazil and Mexico, and began to be considered in Colombia. This shall come as no surprise given the ubiquitous presence of World Bank and IMF-rationality and structural adjustment programs across Latin America, and their particular proximity with Caldera's government. Yet, several economic pressures accompanied this process: on the one hand, the 1994 economic crisis certainly triggered Caldera's acceptance of adjustment programs, including conditional transfers; on the other hand, larger instability and Chávez's uprising blocked the subsequent development of these policies. Only five years after Chavez's election in 1999 did the *Misiones* appear, and represented a last minute effort to consolidate a supportive electoral constituency.

Returning to this chapter's opening statement, poverty is a politically defined and the fluctuations in ideological commitments in Venezuela's government demonstrate the shifts in the way programs address this social phenomenon. Whereas conditional transfers fight poverty by tackling the protection of human capital and provide financial support for a minimum standard of living, they also avoid addressing the deeper causes of poverty such as income redistribution or the spatial dimensions that perpetuate poverty.[xv] In contrast, *Misiones* frames the development of poor sectors as a holistic process that must be radically redistributive and uses no conditionalities in the provision of funds while targeting communities as wholes.

My discussion suggests that fiscal constraints have affected the creation of poverty policies, initially under president Rafael Caldera in 1994 and ten years later under Hugo Chávez.

Although important, these fiscal constraints explain the non-conditional characteristic, but do so only in the context of a broader cognitive environment and a bureaucratic field rejecting technocratic rule and embraced symbolic socialism. Indeed, the symbolic nature of Chávez's socialism becomes evident when considering his social policies to be a translocation of the same operative state that structures its institutions and activities solely on oil-funds and revenues. Whereas economic pressures under Caldera pointed incumbents to rely on the Washington Consensus, economic boom in the early 2000s permitted Chavez to fund *Misiones* through non-institutional means. That is, using the exceeding revenues from oil sales, the Chavez government consolidated two important social policy funds and created new institutional structures[xvi] to implement redistributive policies.  The history of Venezuelan politics and institutions presented in this essay show the ways the government *reproduced* CCTs or *innovated* with *Misiones*.

# CHAPTER FOUR

## Developing *Familias en Acción:* Militarism and Neopopulism in Colombia

*Familias en Acción* is the Colombian conditional cash transfer that followed the example of the Brazilian *Bolsa Escola* program in the late 1990s. However, *Familias en Acción* is a subprogram, meaning that it is only a component of a larger plan seeking to reverse the effects of poverty on the very poor. As such, although FA seeks to incentivize the formation of human capital through conditioned monetary incentives, like the Brazilian *Bolsa Família,* this program has an assistance-only nature and origin (See appendix A for comparison). This chapter explains the program's technical characteristics and outlines its goal of providing temporary relief. By addressing the Colombian political history in the 1990s the chapter later accounts for the program's secondary role in anti-poverty social policy. In particular, the President played a central role the program's original design and implementation and proposed the funding be drawn from foreign banking institutions that supporting focalized policies. As Colombia moved away from traditional bi-partisan politics, these structural characteristics allowed the new regime to appropriate the conditional transfer as a tool to broaden electoral constituencies. Thus, the appearance of a CCT in Colombia emerged from the intersection of pacification and state strengthening strategies, in which the executive copied popular regional models to combat the recession's effect on poverty levels but later used it as an electoral tool. As such, the last section will offer an assessment of the political incentives that have shaped the transformation of *Familias en Acción,* from a temporary subprogram to national public policy that continues to expand.

To make sociological sense of *Familias in Acción* and understand its political implications, the project must be placed in historical perspective. Specifically, why did the recession in the late 1990s result in a CCT subprogram and not a larger initiative? What can Colombia's history tell us about the tendencies in social policymaking and the use of institutional avenues to fight poverty, and how they shape use and reach of CCTs? Similarly, what roles have larger international organizations and the United States played in the formulation of these policies? And how does foreign funding condition the capabilities, design and philosophy of anti-poverty policy? Using the Colombian example, this chapter unravels the complexities within CCTs: when imported as a concept from a different state but mixed with the host country's structural capabilities and political contingencies, CCT programs only develop as assistance-oriented and may not become substantively influential in national social policy. Furthermore, just like previous inferences from Brazilian and Venezuelan CCTs, they may become a tool for modern forms of clientelism and populist rhetoric. Thus, like in previous chapters, the historical trajectory of national political strategies and the institutional incentives that trigger them reveal the construction of bureaucratic fields. These fields have had different impacts across cases, but in the Colombian case it has generated a cognitive understanding of social policy along the lines of security and militaristic nation-building projects.

*Governability Crises and Economic Recession*

Colombia's 1991 national constitution set the structural foundations for social policy initiatives in the 1990s. During the drafting process, the Constituent National Assembly and President Cesar Gaviria Trujillo stood in opposition to each other. The former represented a large plurality of interests, such as those of demobilized guerilla groups, trade unions, indigenous groups and new social and religious movements, and generally sought parallel political, economic and social reform. In contrast, Gaviria sought to prioritize economic reform, which encouraged a developmental model focusing on economic growth through market liberalization that aimed to provide stability. After achieving macroeconomic stability, Gaviria argued, the state could focus on more substantive debates over social policy. From the 1991 Constitution emerged structural reforms at the macro level, including the creation of a fully independent Central Bank and decentralization of most government spending. These broad-based package reforms aimed at enhancing competition, allowing the operation of foreign banks in the country, increasing reliance on market instruments, and reducing government and monetary authorities' intervention in the financial system (Echavarría 2005). Such prepared the institutional bridges for future involvement by the World Bank, International Development Bank and the International Monetary Fund toward the end of the decade.

Constitutional debates also occurred at a time of internal armed conflict, which combined with the late 1990s economic recession to intensify existing governability challenges. In particular, the presence of guerilla groups and illegal self-defense organizations—Fuerzas Armadas Revolucionarias de Colombia (FARC) and Ejército de Liberación Nacional (ELN), whose sources of revenue derived largely from drug trafficking and coca-leaf and marijuana farming—swayed the dispute toward an emphasis on security and peace-building rather than comprehensive social reform. In fact, the Ernesto Samper government (1994-1998) further complicated the adversarial context, as the president had been accused of having received funds from drug trafficking groups for his presidential campaign in 1994. These events had domestic repercussions, such as a decline in the government's operational legitimacy (Ramirez 2002), as well as international consequences, particularly on Colombian-U.S. relations. For instance, reported *The Economist* in 1998:

> The United States for two years "decertified" Colombia as an anti-drugs ally, and still denies Mr. Samper a visa. By any norms, let alone those of diplomacy, this

> was a weird attempt to destabilise a foreign government. And it worked. But it also did not work, maintains a resentful Mr. Samper: "This attitude of confrontation, the international 'satanisation' of my government and of the president personally, undoubtedly weakened us in the war on drugs." (The Economist 1998)

This deterioration in U.S-Colombia foreign relations served as the background for a newly and invigorated anti-drug trafficking campaign by Samper's opposition party. In fact, the new president –Andrés Pastrana Arango, from the rival conservative party—concentrated his government in reestablishing and strengthening diplomatic ties with U.S. President Bill Clinton. Accordingly, by shaping Colombian domestic policies targeted to fight guerilla warfare and support state repression, the U.S. contributed to the consolidation of a bureaucratic field centered on issues of national security.

The origins of this field's militaristic orientation, like in the Brazilian and Venezuelan cases, originated from the economic context in which norms of policymaking become institutionalized. Pastrana inherited an economy at 3-4 percent growth, rising unemployment, a governability crisis and deteriorating foreign relations with the U.S. The peso was volatile, reported *The Economist*, and interest rates had to be jacked up to support it, meaning that pacification strategies had no financial backing [1998]. Accordingly, Pastrana ran on a campaign promising to end the war by means of dialogue.  This promise implied his commitment to strengthen state power in remote areas and improving diplomatic ties. During his first year in office, Pastrana constantly traveled to the White House, eventually persuading Clinton to commit resources to the "war on drugs" by October 1998. The United States increased its military assistance up to 289 million dollars in 1999, which turning Colombia into the third largest receptor of U.S.-aid after Israel and Egypt (Tickner 2000).

Not surprisingly, U.S. aid came attached to political compromise. In August 1999, Thomas Pickering—third in power at the State Department of the time—visited Colombia and warned Pastrana not to seem too lenient with the FARC, or else he could lose U.S. financial support (Tickner 2000). Conversely, Pickering declared that the Clinton administration would support Colombia with new aid if the government designed a comprehensive plan focused on the war on drugs (LeoGrande 2000)— eventually known as “Plan Colombia.” By June 2000, the United States agreed to lend Colombia 1.2 billion dollars between 2000 and 2001, from which 25 percent of the aid corresponded to assistance targeting human rights issues, judicial reform and law enforcement, aid to displaced communities and pacification processes. The other 75 percent was designed to strengthen the military ($512 million) and the police ($123 million) so as to recover state power over the country’s southern areas and eradicate drug crops. These data illustrate the proportions by which the government invested and distributed its newly acquired funds. Overall, the Plan Colombia had an explicit objective to fight drug trafficking, but under the rhetoric of a “plan for peace, prosperity and the strengthening of the state” that also incorporated several other development programs. These complementary initiatives addressed economic recovery, reform to the judicial system, democratization and human rights and social development (Presidency of the Republic 1999, 9). In fact, social policies became complementary efforts in the pursuit of stability and pacification of remote areas. The way the presidency crafted new institutions to fund programs like *Familias en Acción* reveals the national government’s emphasis on state consolidation over comprehensive social policy reform.

The Social Solidarity Net is *Familias en Acción* hosting institution, which emerged from *Plan Colombia* and operated through the Fund for Peace Investments (FIP). First proposed in 1998 (Law 487, and incorporated by decree in 2000), the FIP is a fund account of the Administrative Department of the Presidency (DAPRE) that seeks to finance programs and projects contributing to peace consolidation. The FIP is also administered and directed by officials with no labor ties to the presidency and in cooperation with the National Planning Department (DNP). Yet, the Social Solidarity Net operates independently from other strategies within the FIP and by a national coordinator and a professional group takes charge of the three subprograms. As such, the Social Safety Net started operating in 2001 with a total estimated investment of $768 million for an initial period of three years (Nuñez 2006).

2006). These bureaucratic ties suggest that Colombia's CCT emerged within a field in which the government hold solid bias on the goals of security and pacification and used anti-poverty policy as tools.

The Social Solidarity Network's original design also revealed inadequate and rushed governmental planning. Official records labeled the SSN as an emergency intervention for extremely poor populations and whose programs were designed to be flexible so that they could be shrunk after the recession. Indeed, Roberto Perotti (in Echavarria 2005) states that:

> [The Social Solidarity Net (SSN)] exemplifies a"fire-fighting" approach to social policy-making. Two of the three programs it contains (conditional grants to families and youth training programs) would make perfect sense as components of a well-thought permanent safety net. However, the package is designed not to build a permanent social safety but rather to cope with (hopefully) temporary recession. Partly because of this, and partly because they have been arranged hastily, these plans represent little more than Keynesian money thrown in a recessionary economy.

Moreover, unavoidable funding and delay in money transfers made the SSN a permanent protection network only for the few (Nuñez 2006). *Familias en Acción* has been implemented in the municipalities with less than 100.000 inhabitants, where there is appropriate supply of services in education, health, and which have a banking institutions for the payment of subsidies to the beneficiaries. In June 2002, 332.420 families in poverty had benefited from *Familias en*

*Acción* and in December of 2004 the program had reached more than 514.502 families (Nuñez 2006). After impact evaluations determined that school attendance rates and child medical care visits had indeed increased, child labor decreased and the consumption and frequency of animal protein and vegetables gone up, the program expanded in 2006.

In sum, *Familias en Acción* in Colombia emerged out of the intersection between: (1) a militaristic political culture evident in the creation of Plan Colombia and the subsequent development of securitization programs, and (2) the impact of an economic recession exacerbating extreme poverty. These two periods constructed a bureaucratic field conditioning the marginal role of conditional transfers. On the one hand, discursive trends in social policy in the region, such as Brazilian and Mexican CCTs, presented a feasible and seemingly successful opportunity to respond to the recession. However, as opposed to *Bolsa Família* and *Progresa-Oportunidades, Familias en Acción* was not seen from the outset as part of concurrent long-term strategies to form human capital and overcome extreme poverty (Alviar Garcia 2011). On the contrary, the Colombian state embraced CCTs—conceptualized as a new norm of social policy—to the extent that it embraced the security-biased bureaucratic field. For example, the strengthening of U.S.-Colombian relationships through Pastrana's diplomacy and Plan Colombia increased the viability of financial support originating from the World Bank, the IMF, and the IDB. Accordingly, the fact that *Familias en Acción* originated from an executive mandate from the Presidency and relied on funding from foreign banking institutions shaped its role as a focalized and temporary social assistance tool. Just like in Venezuela, this structural background would precisely generate upcoming incentives for the new President to continue the program beyond the four years for which it was originally envisioned.

*The Dominance of "Democratic Security"*

Expansion in antipoverty policies occurs when institutional incentives align with the dominant views of the state's bureaucratic field (doxa, see Bourdieu 1994). In the Colombian case, electoral incentives triggered an expansion of *Familias en Acción* only inasmuch as the policy remained coherent with securitization priorities. For the first time in Colombian history, the republic's president did not emerge from one of the two traditional political parties (*Partido Conservador* and the *Partido Liberal*). Uribe ran as an independent in 2002 and in 2005 formed the *Partido de la U* for his re-election campaign. *Semana* magazine explains that the party's name evidently represents a tribute to the president's last name, which ruled a third of the country's congress since 2002 and gathered several renowned politicians around an ideological project while taking advantage of the president's popularity (7/31/2010). As in Venezuela, the president enjoyed majority power in congress and a broad popularity amongst the electoral constituencies.

In 2002, 53.2 percent of voters elected Álvaro Uribe, hoping his iron fist approach to the country's conflict would achieve more than Pastrana's prior peace talks with the FARC. Galindo Hernandez (2007:151) notes that Uribe's electoral campaign advocated security as its central governability pillar and emphasized "internal enemies," thereby strengthening the state's authoritarianism under the logic of recovering sovereignty. Uribe named the approach "Democratic Security," founded upon improving the efficacy of anti-guerilla strategies and reestablishing the authority principle through institutional reform. In fact, such was Uribe's popularity (60-70 percent approval) through programs like Democratic Security, that he was reelected in 2006 with 62.2 percent of the votes. In his new mandate Uribe made Democratic Security a central component of the National Development Program (NDP): "toward a community-based state." This title invoked the goal to create "a participatory state that involved citizens in the attainment of social goals. A management state that invests with efficiency and austerity public resources. A state that privileged regional autonomy with transparency, political responsibility and community participation" (Republic's Presidency 2002,15). Galindo (2007, 153) explains this "new" democratic security as an adaptation of the old national security schemes, with which the president sought to place his authoritative project that prioritized national defense within the context of a participatory democracy.

*Familias en Acción* transitioned from governmental program to public policy in the Uribe government, and received a central role in 2006 within the government's National Development Programs. In the first NDP (2002-2006), Uribe advocated for a conservative spending program which prioritized sustained economic growth, employment generation and securitization strategies over social policy. Yet, the plan promised to assess the effectiveness of the SSN's programs in order to identify which of them ought to be maintained. In fact, the annual resources given to *Familias en Acción* as a proportion of social spending in Colombia increased 5.9 percent in 2001-03 (Andes Paper). Thus, the temporary program seeking to compensate for the economic crisis in the late 1990s began an expansionary trajectory and remained an active policy based on continuously satisfactory impact assessments (Departmanto Nacional de Planeación 2010). The second NDP clearly articulated a development rhetoric placing comprehensive social security reform as secondary:

> Achieving lower poverty and inequality levels depends fundamentally on the fulfillment of other goals, in areas such as growth, infrastructure, housing, and security and justice. In the social sphere, it is of most importance to fulfill employment generation goals and improving its quality, and education reach, given that these sectors have a major influence over income.

Nonetheless, *Familias en Acción* remained an active program. This contradiction reveals a major connection between Uribe's political development in the country and the continuation of the conditional transfer program. Most importantly, similarly to the Venezuelan emergence of *Misiones*, institutional incentives of an electoral nature seem to have driven the continuation and consolidation of *Familias en Acción*.

*Electoral Incentives and Campaigning over Social Policy*

Uribe strengthened *Familias en Acción* by including 920,000 beneficiary additional families from 848 municipalities in 2006. In doing so, the president shifted the program's focus from mitigation and shock recovery to long-term social policy and justified it in terms of long-term and permanent policy goals, such as preventing school absenteeism and improving the country's "social fabric" (Alviar Garcia 2011). Quantitatively speaking, whereas the program had 200,000 beneficiary families in the beginning of Uribe's mandate, toward the end there were approximately 2.9 million households receiving the subsidy from the government. However, Alviar Garcia notes that "Colombia's use of *Familias en Acción* is a prime example of the short-term use of conditional cash transfer programs without a plan for an interface with other social programs that affect opportunities and outcomes for the poor in the labor market." Uribe only raised the minimum wage by 55 percent between 2003 and 2010—in comparison to Brazilian president Lula da Silva who raised it 330 percent—and actually eliminated many workers' benefits in an attempt to increase demand for labor. As such, like *Bolsa Família, Familias en Acción* seems to have been a useful tool to obtain popular support rather than a long-term policy with concrete anti-poverty goals.

Nonetheless, like the Venezuelan *Misiones*, the Colombian CCT overrode the state's infrastructural capacity by permitting the president to claim ownership of the program. From a localized program designed to compensate for the effects of structural adjustment programs, *Familias en Acción* became a populist mechanism. Specifically, Uribe by indicating that the expansion in beneficiary families represented an achievement on behalf of the government in reducing the country's poverty levels (Alviar Garcia 2011). In May of 2009, as reported by the presidential website, Uribe stated:

> 'Do you know how many families benefitted from the program in Colombia when this Government took office? 220 thousand, that is very little. It was a temporary and experimental program. Do you know how many families will have benefitted by July this year? Three million, three million. [Furthermore], Bogotá did not have Familias en Acción, it had zero families under the program. Do you know how many families in Bogotá will benefit from the program in June? 150 thousand families.

This cynical use of CCTs for political campaigning, Alviar Garcia argues, results largely because *Familias en Acción*, is not governed by law but by documents that are drafted and executed an independent institution called CONPES (National Economic and Social Policy Council). This organism is not subject to judicial review, which seems to have allowed the program to "become the bargaining chip of an authoritarian president" (Alviar Garcia 2011). Similar to the electoral incentives of referenda in Venezuela and the Brazilian structural incentives embedded in federalism, Colombia's CCT expansion occurred because of competition within the bureaucratic field.

The categorical difference, however, is that electoral incentives generate non-infrastructural avenues for policy expansion. Like the Venezuelan oil funds, Colombia's CCT relied on the CONPES, an organization serving political interests rather than the state's technocratic administration. CONPES is the maximum organism of cooperation for economic policy in Colombia. Technically, the organism does not dictate decrees but provides orientation for macroeconomic policy and is headed by the president and the major official of the National Planning Department. Additionally, several ministries also belong to the organism as well as the

CEO of the national bank. CONPES has drafted three main documents for the creation, development and expansion of *Familias en Acción*.[xvii] In particular, the second loan permitted the program's expansion to Bogotá, the capital city, allowing Uribe to provide evidence of his government's achievements during the 2006 campaign. As such, the fact that the President headed the organism in charge of drafting the proposals and obtaining foreign funds, the convenient timing preceding the reelection campaign and the President's explicit proselytizing demonstrate the electoral rationale behind transforming *Familias en Acción,* from a temporary subprogram into a national policy. In 2009 there was a final loan request to the IDB, but with the projection of making FA eventually fully funded by the national budget. As of 2010, about half of the program was funded through the national budget, half of it through loans (Departamento de Planeación Nacional 2010). Nonetheless, despite changes in funding, there is an important unmodified characteristic of *Familias en Acción*: the president remains the operative and executive head of the program.

The central government is in charge of *Familias en Acción* through two institutions over which the President possesses main discretionary power: the Presidential Agency for Social Action and International Cooperation (PASAIC) and the National Planning Department (DNP). The PASAIC resulted from merging the Social Solidarity Net (SSN) and the Colombian Agency for International Cooperation whose role was to channel international funding for social programs (Departamento de Planeación Nacional 2010). The role of PASAIC regarding *Familias en Acción* is the execution of the program through a National Coordinating Unit (UCN) and several Regional Coordinating Units (UCR), which interface with municipal authorities at a lower level, in order to implement the program (Alviar Garcia 2011). In addition, the DNP is in charge of preparing, following up, and evaluating the results of governmental policies and programs, at the same time that *it depends directly on the President*. As for *Familias en Acción*, the DNP provides information for deciding the targeted municipalities and families, as well as designing the program because it provides technical support to the CONPES, in drafting and publishing the CONPES documents in which the program has been designed and subsequently enlarged (Alviar Garcia 2011).

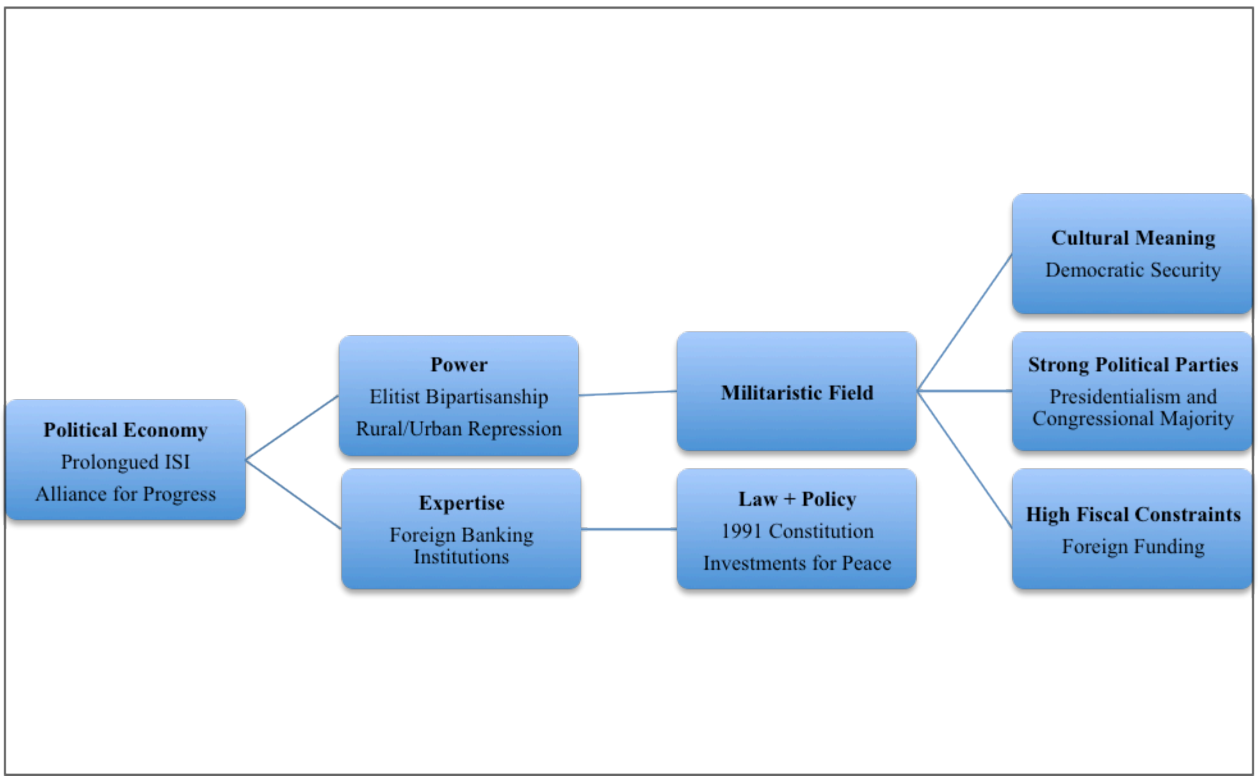
Based on satisfactory assessment indicators in 2006, the National Planning Department decided to incorporate *Familias en Acción* as a sustained effort against poverty in the 2006-2010 National Development plan with a couple of modifications. First, *Familias en Acción* would then be targeted to all families experiencing violent displacement and in extreme poverty all over the country, as opposed to those within certain municipalities. Second, it also makes sure that the implementation of the program comes attached to the establishment of banking institutions—thus, covering over a million and a half individuals. Finally, the program would become part of a larger strategy called RED JUNTOS, which seeks to provide resources for the benefiting families to become informed and access alternative opportunities such as microcredit and savings program (Presidencia de la Republica de Colombia 2009, 71). As such, the supplementary role of *Familias en Acción* has been to incorporate the lowest income families into the banking system with the advantage of charging no operative fees (Presidencia de la Republica de Colombia 2009, 72).

*From Contingency to Policy Frameworks*

Starting in 1996 when Colombia experienced a devastating economic recession, the presidential office decided to implement a temporary assistance program for the extremely poor. The project, however, was conceived within a national government's cognitive structure that prioritized securitization strategies like *Plan Colombia* and other state consolidation plans in the country's remote areas. Moreover, the following president further solidified this militaristic national political culture by advocating a 'Democratic Security' approach to governability, which evidently prioritized state-building and economic growth over social policy reform. Accordingly, state officials envisioned *Familias en Acción* in a broader historical context that conceived security, and not poverty eradication, to be the fundamental prerequisite for national development, yielding no more than a temporary and assistance-oriented CCT. As such, a militaristic political culture structured the state's understanding of poverty as the result of insecurity and a missing state (Diagram 4).

The intersection of a recessionary economy and a historically presidentialist structure led the Pastrana administration to draft the CCT policy in the late 1990s, but under no institutional oversight. In addition, banking institutions originally funded *Familias en Acción* in accordance to the overarching goals of increasing state's governmental capacity. These financial considerations explained the temporary approach for the initial proposal but unleashed a series of institutional incentives that shaped the CCT's subsequent development. When the Uribe government had begun to develop a proto-type of direct democracy, in which the popularity of the executive became attached to the president's platform, *Familias en Acción* served as a clientelistic tool for political campaigning. As such, the CCT expanded and transformed, from temporary measure to national public policy, without a deeper interrogation of the program's goals of poverty eradication. The program also lacked complementary efforts, such as restructuring of the labor market or broader social security reform. The transformation, instead, indicated that Uribe's neopopulism had nurtured from targeted social policy to increase the official's chance to remain in power for the following mandate. Unfortunately, these electoral incentives will continue to exist until cash transfers gain institutional autonomy like they do under *Bolsa Família* in Brazil. To the extent that social policy is linked to the president's popularity, used during campaigning, and operates under no oversight from regulatory agencies—like the *Misiones* in Venezuela—*Familias en Acción* will remain a powerful clientelistic tool and an ineffective strategy for actual poverty eradication and holistic community/national development.

**Diagram 4.** CCT Development within a Militaristic Field



# CONCLUSION

## Policy Developments within Bureaucratic Fields

*Rationality in Comparative Perspective*

Political practices that emerged for identifiable historical reasons *take on meaning* when ideological principles are articulated to support them (Dobbin 1994, 23). In this process of rationalization, existing state characteristics become socially constructed as constitutive of political order. In Bourdeusian terms, state formation legacies constructed national *doxas*, or the dominant cognitive structures that the state itself develops and continuously legitimizes policymaking. The aforementioned anti-poverty policy histories precisely reveal how each policy took on cultural meanings that aligned with each doxa (Table 2). Specifically, macro-economic stability platforms and Social Risk Management influenced the emergence and consolidation of *Bolsa Família* in Brazil, anti-technocratic and radical democratic models pre-empted the deployment of *Misiones* in Venezuela and pacification and securitization strategies shaped *Familias en Acción* in Colombia. In narrating these influences, this study has shown how institutions in each nation followed a discernible logic that permeated various state attributes: the locus of public authority (Field), the concentration of powers (Political Contention), the system of office-holding and public expertise (Expertise), and public fiscal capacities (Fiscal Constraints) (Dobbin 1994, 23).

**Table 2.** Socio-Legal and Cultural Framework of Early Policy Design

| | **Brazil** | **Venezuela** | **Colombia** |
|---|---|---|---|
| **Bureaucratic Field** | Technocratic | Anti-Technocratic | Militaristic |
| **Political Contention** | Autonomous Governments | Presidentialism and Congressional Majority | Presidentialism and Congressional Majority |
| **Expertise** | Lawyers and National Technopols | Foreign Banking Institutions | Foreign Banking Institutions |
| **Early Policy** | **CCT** (*Experimentation in Campinas and Brasilia, Bolsa Escola, etc*) | **Non-CCT** *(Failed Caldera's CCTs)* | **CCT** *(Familias en Acción, phase one)* |

A strong U.S. presence in Brazilian academic and legal institutions conditioned a heavily technocratic political culture in the 1990s. Brazilian social scientists and technocrats advanced the notion that poverty could be eradicated through a direct cash nexus between the state and the individual and the policy soon began to be experimented in the context of macroeconomic stability in 1996. The idea later influenced other states, like Colombia's decision to use such a policy tool to combat the exacerbation of poverty after an economic recession ending in 1998. In this case, the Colombian government emphasized militaristic projects and economic growth, only conceding the idea a limited role that yielded an assistance-oriented measure. Lastly, Venezuela's political culture placed political legitimacy against economic rationality through several decades of popular disillusionment with governmental elites and development models. This antagonism between technocratic rule and the electorate erased the bureaucratic infrastructure that Brazil and Colombia enjoyed at the time of CCT implementation.

Political cultures are indeed necessary to explain the context in which poverty is perceived as a problem and the extent to which it should be tackled through state policy. Poverty in Brazil became a major issue in national politics after the advent of democracy and the consolidation of multi-party politics. As such, poverty became a central issue in governmental platforms only after the mid 1990s when high inflation a public deficits had been controlled. In contrast, poverty was approached differently in Venezuela and Colombia because electoral institutional incentives triggered policy innovation or expansion. Yet, lacking structural and fiscal constraints, the two countries built non-institutional mechanisms to tackle the social issue.

Colombia's presidency took the initiative to design a temporary program that fulfilled the national discourse of the time—strengthening state presence throughout the territory—and also drew from regional experiences—the relative success of *Bolsa Família* in Brazil and *Oportunidades* in Mexico. Thus, cultural meanings within bureaucratic fields provide a conceptual tool to understand the process by which constituents and incumbents rationalize their actions, even if those actions are ultimately triggered by institutional incentives over state power or constrained by fiscal and financial considerations (See table 3). In other words, expansion in anti-poverty policies occurs because of institutional incentives—structural or electoral—(*timing*) while the *type* of expansion is a function of the bureaucratic field. Structural incentives and high fiscal constraints produced CCTs in Brazil while the cultural meaning of rights as citizenship entitlements universalized those into *Bolsa Família*. Electoral incentives in Venezuela, in addition to low fiscal boundaries, triggered innovation in social policy through *Misiones* and symbolically legitimized the field's anti-technocratic sentiment. Colombian rhetoric of democratic security, on the other hand, combined with electoral incentives to bring about the expansion of *Famlias en Acción* but not its transformation into universal policy.

**Table 3.** Material and Ideological Sources of Policy Expansion

| | **Brazil** | **Venezuela** | **Colombia** |
|---|---|---|---|
| **Cultural Meaning** | Citizenship Rights | Citizenship Rights | Democratic Security |
| **Institutional Incentives** | Structural | Electoral | Electoral |
| **Fiscal Constraints** | High | Low | High-Moderate |
| **Policy** | **Universal** CCT (*Bolsa Família*) | **Universal** Non-CCT (*Misiones*) | **Assistance** CCT (*Familias en Acción, phase two*) |

*Focalized versus Universalized Policy*

Most of the contemporary literature on Conditional Cash Transfers in Latin America focuses on the programs' methodological and technical considerations. In contrast, this study aimed to put three CCTs in conversation with states' historical trajectories. Future work should use these inferences and place them in conversation with states' definitions of poverty, public policy and citizenship (C. Ramirez 2008). Specifically, neoliberal ideology has clearly influenced social policy through focalization and conditionality, which are supposed to guarantee a more efficient administration of resources and inspire collaboration between public and private actors with the larger goal of ensuring macroeconomic stability (C. Ramirez 2008). These influences belong to a broader phenomenon in which Latin American states have been increasingly changing their understandings of poverty and poverty alleviation. From a macro-structural phenomenon that could be addressed through development policy goals and macroeconomic policy instruments, poverty has become a localized phenomenon focused on individual/household fortunes. This new understanding sees solutions to poverty in either the construction of entitlements on the basis of constitutional bills of rights and providing CCTs to households on a means-tested basis (C. Ramirez 2008). Yet, as stated in this thesis introduction, poverty remains a function of the way states structure their macroeconomic policies, their bureaucratic institutions and their political systems, and not necessarily an individual condition needed to be fixed. As such, future research may want to seek political avenues to claim that social policy is, in fact, fundamentally a matter of economic policy.

**ENDNOTES**

[i] Formal welfare systems in Latin America have historically been characterized by the predominance of social insurance policies and by a weak or large absent social assistance sector (Mesa-Lago 1991, as cited Bastagli 2009), which implies that welfare benefits such as healthcare, pensions and education are dependent upon participation in the labor market. See Esping-Andersen's *Three Worlds of Welfare State Capitalism* (2001) for a complete explanation of the corporatist welfare model. In this respect, Latin America has most closely followed the German tradition in structuring its social benefits and policies.

[ii] In other words, 36 percent of the people who received the grant did not qualify, which combined with FHC's quota system, meant that only some families could receive *Bolsa Escola*. This combination of quota requirements and decentralization made political favoritism practically unavoidable, particularly in small rural towns (Ansell 2011, 25).

[iii] Hall (2006) explains that "[t]he Lula government inherited a partially unified data base, or *Cadastro Único*, from the previous administration but this covered only 70 percent of poor families. This made effective implementation more difficult, leading to high implementation costs and targeting errors" (696).

[iv]An employment subprogram (*Empleo en Acción)* and a youth worker training subprogram (*Jovenes en Acción)* and the family support subprogram (*Familias en Acción). Empleo en Acción* became a program of temporary employment for the poor in 78 main cities in the country and municipal capitals. The employment projects require intensive low-skilled labor and are performed in communities with very low standards of living. The subprogram had the short-term objective of raising income levels in these communities and the projects are administered by an NGO or a Worker's Cooperative Enterprise (EAT). On the other hand, the presidency also introduced *Jóvenes en Acción* which trains youth between 18 and 25 years of age, includes a stipend and takes place in the seven major cities in the country.

[v] The report cites that the "[a]verage real annual GDP growth, which exceeded 5 percent between 1992 and 1995, dropped to barely half that rate in the three-year period 1996-1998, and economic activity declined by an estimated 5 percent during 1999."

[vi] Legally speaking, the program was a governmental response to increasing trends in extreme poverty on a nation-wide scope. The subprogram execution relied primarily on the regional and local offices of the Colombian Institute of Family Welfare (ICBF). The SSN program document (CO-0247 (IDB and Colombian Government 2000/2007)) establishes that the subprogram must sign an execution agreement as a condition prior to the first disbursement as well as the hiring for the necessary personnel (25). *Familias en Acción* also uses the records from the beneficiary identification and selection system (SISBEN) and other geographic criteria that target the localities with high levels of poverty (SSNP: 33).

[vii] Myers and Dietz (2002) argue that *Punto Fijo* democrats in Venezuela used the prosperity of income from petroleum sales between 1973 and 1978 to offer generous rewards in exchange for support and preventing the rise of bureaucratic authoritarian dictatorships.

[viii] Colombia did experience a military dictatorship between 1953-1957 under Colonel Rojas Pinilla, but it is usually considered a bureaucratic form of authoritarianism with no apparent lasting institutional inertia.

[ix] Three presidential candidates were assassinated in the 1989 presidential election.

[x] Post-colonial theory denounces that the categorization, study and U.S.-based scholarship produced about Latin America and other world "regions" are problematic in their own right (Said 1978). Whether it is the vestiges of Cold War politics incentivizing increased funding for academic research and economic cooperation through the Alliance for Progress (Dezalay and Garth 2002), or contemporary depictions of the region that explain political change as the exclusive result of democratization processes or economic growth (Mesa-Lago 1994; Gill 2005; Segura-Ubiergo 2007; Haggard and Kaufman 2008), conceptualizing Latin America as a coherent entity that can be studied, and thus dominated, raises important moral and epistemological challenges for this project.

[xi] See Abu-El-Haj and Chilcote (2011, 26) for a detailed account of the debates over income distribution in the late 1960s and early 1970s.

[xii] Indeed, institutions (i.e. CCT programs, Ministries and decentralized democracy) structured incentives for actors that could not be reduced to the social origins of the actors (i.e. the president or governors). To illustrate, Beck provides structural evidence for the inertia of these policy measures, such as the implications of a non-majoritarian political system: given that the number of effective parties represented in the lower house of the national legislature was larger than 5 in 2006 (9.3 Beck 2009,119) there was a low likelihood in the use of partisanship to obtain particular goods because of the high number of involved actors. Specifically, Beck writes:

> The loosely maintained coalition logic of governance means that the ideological or *party-based ownership of policy ideas* is less significant *than in other countries with highly institutionalized and disciplined party systems* with high party identification[xii]. This dominant governing logic decreases the incentives of locally based actors not to cooperate and to give up desired local benefits out of fear of party-based punishment from above (2009, 119).

[xiii] Contreras (2004) describes how the venezuelan technocracy was commonly refered to as the IESA-boys—in reference to the appointed misters who came from the *Instituto de Estudios Superiores en Administración* (Higher Studies in Amdministration Institute) and in parallel to the Chicago Boys and neoliberal reform in Chile in the 19980s.

[xiv] Penfold-Becerra notes that "it was only after collecting the signatures twice and having citizens verify their handwriting that the CNE concealed to hold the recall referendum by August 15, 2004" (Kornblith 2005, as cited in Penfold-Becerra 2007, 73).

[xv] See Roberts (2006) for a discussion of the structural foundations of poverty in Latin America after Import Substitution Industrilization and exponential urban development.

[xvi] These may be called "Extra-institutional", or "Intra-institutional" structures, but it was a contested definition given the environment of political polarization at the time. Opponents viewed *Chavismo* as overriding constitutional law and the power of the state whereas supporters viewed it as a strategy to build democracy without the mediation of bureaucratic elites (Chacin 2009).

[xvii] The first document (Conpes 3081), written in June 2000 authorized a foreign loan of $320 million (IDB-1280/OC-CO and World Bank l-7050/CO accessible at http://www-wds.worldbank.org/external/default/WDSContentServer/WDSP/IB/2006/10/02/000090341_20061002102909/Rendered/PDF/35614.pdf) and provided for 360 thousand families (see appendix B for the distribution of spending among organisms). The second document (Conpes 3359),written in June 2005, authorized a foreign loan of $85 million to consolidate and extend the program in the 270 municipalities initially covered and its expansion to

marginal urban areas. The third CONPES document (3472), written in 2007, increased the number of target families to 1.5 million. In this stage the government decided to split the funding between the Colombian Institute of Family Welfare (ICBF), an administrative agency in charge of child protection, and foreign funds (Alviar Garcia 2011).

## APPENDIX A:

Technical Difference between Brazilian and Colombian CCTs (Bastagli 2010)

| | **Brazil (*Bolsa Familia*)** | **Colombia (*Familias en Accion*)** |
|---|---|---|
| Motivation | To fight poverty and promote the emancipation of the poor by: guaranteeing a minimum income; promoting access to and use of basic services; promoting the coordination of and synergies between government bodies (ministries) and levels (federal-state-municipal). Preceded by a law regulating the Basic Citizen's Income (L.10.835, 2004). Bolsa Familia consolidates four existing national cash transfer programmes targeting the poor. Its launch in 2003 led to the recertification of existing beneficiaries, the integration of new ones, the expansion of the average benefit amount and coverage, and significant institutional reorganization, with policy coordination awarded to a single unit in a single ministry and the adoption of detailed federal legislation regulating Bolsa Familia design and administration. | FA's main initial motivation was compensatory. Poor families adversely affected by the crisis were to be compensated with income support provided they sent their children to school and to regular health visits. The human capital accumulation objectives were thus initially secondary. This has changed as the programmed evolved and today FA's main aim is to foster the accumulation of human capital. More specifically, today it aims to increase family expenditures on food, reduce school absence and drop-out rates (among primary and high school students), and increase health care provision for young children. Familias en Accion (FA) was initially launched in 2000 to mitigate the adverse effects of macroeconomic shocks that hit Colombia in the second half of the 1990s. It was introduced as part of the Red de Apoyo Social, which included other two components: job creation and training programmes. |
| Coverage and Cost | Coverage: 11.2 million households (2006) 24 percent of total population<br>Cost and Funding: 0.4 percent of GDP (2007) | Coverage: 515,000 households (2005)<br>5 percent of total population<br>762 municipalities (out of 1,060) targets 20 percent of the poorest households in towns with fewer than 100,000 people, adequate education and health structures, and a bank<br><br>Cost and Funding:<br>0.1percent of GDP (2005) |

| | | |
|---|---|---|
| Target Population | Two target groups:<br>-All the extreme poor (defined as anyone with a declared per capita monthly income below ¼ the minimum wage)<br>-All poor households (with a per capita monthly income below ½ the minimum wage) with children aged 0-15 (up to three) or pregnant women<br>-in all municipalities | Extreme poor households with children (0-17 years old) in selected municipalities with adequate infrastructure and fewer than 100,000 inhabitants. |
| Coordination | Ministry of Social Development (MSD)<br>Overall coordination: Citizen's Income Unit, MDS<br>Overall supervision: National Council (comprises M&E: Monitoring and Evaluation Unit), MDS) | Presidency<br>Departamento Administrativo de la Presidencia de la Republica—Fondo de Inversion para la Paz is responsible for implementation of FA through the Unidad Coordinadora Nacional (UCN) |
| Implementation and Actors Involved | The MDS, states and municipalities signs terms of agreement regulating responsibilities for BF implementation. These are compulsory.<br>States: responsible for monitoring overall state implementation and coordination.<br>Municipalities: responsible for the registration of all poor households into the national single registry and for the monitoring of conditionality compliance in education and health. They are also required to set up social councils responsible for the overall monitoring of BF implementation at the municipal level.<br>Service provision: the ministries of education and health are responsible for the provision of universal public education and health services through schools and health centers.<br>Benefit payment: transfers are paid directly to beneficiary families from the CAIXA federal bank. | The UCN coordinates with regional coordinating units and municipal liaison offices.<br>Benefit payment is made through a local bank directly to the household. |

| | | |
|---|---|---|
| Conditionality | Education: children aged 6-15 to enrol in school and at least 85 percent frequency.<br>Health: children aged 0-7 and pregnant and lactating women to undertake regular health visits, have vaccination booklets up-to-date and follow-up of children's nutritional development. | Education: children 7-18 attend no less than 80 percent of school classes<br>Health: children<7yrs attend regular medical checkups |
| Response to non-compliance | Five-step system (each consecutive episode of non-compliance must be registered within 18 months from the previous one for the system to move to the next step): 1. notification: first recorded non-compliance: beneficiary receives a notification, benefit is paid regularly; 2. benefit blocked: 2nd recorded non-compliance (within 18 months from the first); 3. benefit suspended: 3rd recorded non-compliance; 4. benefit suspended: 4th recorded non-compliance; 5. benefit is cancelled, beneficiary household is taken off the programme.<br>Households taken off BF can reapply (if still eligible) 6 months thereafter. | Enrolment is monitored annually and enrolment certificate is required for children to benefit from school subsidy. |
| Exit from CCT | As long as eligibility criteria persist, beneficiaries are entitled to the Bolsa Família. Legislation mandates that beneficiary recertification must be carried out every two years to determine whether eligibility persists. | Beneficiary households are automatically graduated out of the FA after 5 years. |

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