Rewarding Voters Through Welfare Transfers in Mexico and Brazil

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Abstract
As Latin American governments address their two biggest social problems, poverty and corruption, implementing more pro-poor and pro-democratic forms of welfare has become a priority in policy making in the region. As a result, during the last decade, discretionary welfare assistance has been replaced by conditional cash transfer programs (CCTs). This paper analyzes the disbursement of Brazil and Mexico’s main welfare programs, after the victory of both the Mexican center-right National Action Party (PAN) in the 2000 federal elections and of that of Brazilian ex-president Luiz Inácio Lula da Silva in 2003. I find that in spite of the more robust structure of CCTs, these programs can still serve the political purpose of rewarding voters through an increased disbursement of benefits. The disbursement follows different strategies of politicians to establish and expand their voting base.
Introduction

In the 1990s, Latin America experienced a current in social policy that sought to move away from discretionary aid towards more pro-poor and pro-democratic forms of welfare. In 1997 Mexican President Ernesto Zedillo implemented the conditional cash transfer program (CCT) PROGRESA, which in 2002 changed its name to Oportunidades. The program requires households to improve their nutrition, health, and education in order to receive a definite amount of money. Like Progresa, Brazil’s Bolsa Família, which was introduced in 2003 by President Luiz Inácio Lula da Silva, sought to condition disbursements (Lindert, 2007: 2). Due to their universal criteria, these programs are hard to manipulate for political ends. Nevertheless, changes in disbursements after presidential elections are not always justified by the increases in poverty. Rather, one can find a relationship between these and voting trends for president at the state and local levels.

Before the emergence of CCTs, Latin America’s social policies consisted of subsidies (benefiting mostly the middle class), along with highly discretionary scholarship, goods, and public goods distributed by individual politicians (Díaz-Cayeros and Magaloni, 2009). Nevertheless, the emergence of CCTs in Brazil and Mexico turned the nature of social policy: they have eligibility requirements that are independent of a family’s political preferences. Once a family is in a program, the aid it receives is irrevocable. That is, the family will have a right to the program’s benefits unless there is a failure of compliance or the family no longer qualifies for the program on economic grounds. These features were developed to promote complete independence of CCTs from political manipulation. Indeed, The World Bank recognizes CCTs’ evolution from the pre-1990s paternalistic forms of transfers, which based their disbursement on party and social organization affiliation (World Bank, 2010).
Despite PROGRESA’s popularity, it was after its implementation that the Institutional Revolutionary Party (PRI) lost its hold on Mexico City in 1997, as well as the presidential elections in 2000, showing the weakening of its clientelist power. The use of merit-based forms of admissions to welfare benefits under Ernesto Zedillo broke the relationship that existed between welfare benefits and their distribution through prominent labor unions and workers’ organizations (Ansell and Mitchell, 2011). The Secretaría de Desarrollo Social (SEDESOL), the federal department in charge of social development in Mexico, took more of a leading role after the National Action Party (PAN) victory in 2000. This contributed further to the destruction of PRI support (Seffer, 2009). In 1991 and 1997 union members, who constituted one of the PRI voting bases, were more likely to turn out at the polls on election day than non-members. However, this no longer held true in the 2000 elections, giving further evidence of the deterioration of the PRI’s clientelist power (Klesner, 2001).

In the case of Brazil’s welfare programs, the decline of clientelist use of social disbursement was palpable after the transition from Fernando Henrique Cardoso’s CCTs to that of President Lula’s Fome Zero. Lula “boycotted” the influence that mayors had over the recipients of the disbursements. This power was returned with the birth of Bolsa Família in 2003, although at a much more constrained level (Ansen and Mitchell, 2011). The universality of CCTs’ application and the politically blind means to deliver their benefits have thus proved to be a step away from their politicization by governments.

In spite of their theoretical functioning and the changed political dynamics that exist between governments and citizens, I contend in this paper that CCTs can in fact serve political ends by rewarding states that support the incumbent government, forming part of the government’s strategy to establish and expand their voting base. I arrive at this conclusion by
looking at the parties’ strategies and analyzing how these are complemented with the specific trend of post-election disbursements of CCTs.

**Conditional Cash Transfers**

CCTs’ features described in the introduction, such as the break in clientelist relationships these caused, as well as the existence of universal requirements to receive their benefits, have led scholars to applaud their democratic functioning. The World Bank, for example, sees the CCTs’ conditions as a feature that makes them less paternalistic than unconditional cash transfers. The technology that CCTs have access to for their administration has also been praised due to its perceived effects on clientelism and corruption. This is because beneficiary selection, registration, payment and monitoring of program conditionalities can be better supervised. Program evaluations allow a greater accountability by governments by providing an empirical basis for program expansion and modification. Also, greater accountability means greater protection for the programs during political transitions. By allowing the federal government to build a more direct relationship with CCTs’ beneficiaries, the state lessens its paternalistic role. The poor realize their right to these benefits, changing the perception of them as handouts, a more paternalistic sort of social assistance. CCTs, the new wave of social assistance policies, are thus countering legacies of paternalism and clientelism (de la Brière and Rawlings, 2006).

Nevertheless, other scholars have shed light on how CCTs have been used for political ends. Writing about Brazil, Anthony Hall (2008) notes the danger that these programs create for democracy due to their politicization. The expansion that Bolsa Família underwent just three months before the election was seen with suspicion, especially taking into account the results from the northeast region. The overall increase of approval rates for Lula that the increase of Bolsa Família beneficiaries led to is attributed to this region, where one-third of households
receive transfers from Bolsa Família. The fact that the northeast has been a region dominated by right-wing parties drew even more attention to this effect.

Lula was criticized for portraying the benefits of Bolsa Família as a “gift” to the beneficiaries. In effect, even local authorities joined the game of credit claiming for the federal program in order to capture votes in elections. This is possible thanks to the loose monitoring of the program, which allows the program to be used for political ends (Hall, 2006, 2008). Research has further shown how CCTs still affect voting decisions. For example, in the 2006 elections Lula’s voting base shifted dramatically from 2002, when it was mainly constituted by the more developed regions of the country (Zucco, 2008). Also, CCTs do have an incumbent effect, even though their benefits are universally distributed regardless of party affiliation (Zucco, 2011).

In the case of Mexico, although Oportunidades has a policy of “irreversibility of benefits,” which ensures beneficiaries that their political inclinations will not lead to their disqualification from the program, the requirements to participate can and have been changed. At the end of 1999, under the mandate of Ernesto Zedillo, the program reached 2.6 million families. With the election of PAN’s Vicente Fox Quesada to the presidency, the number of beneficiaries was increased to 5 million families in 2005, of which one third includes the newly incorporated urban poor (Díaz-Cayeros et al., 2006). The inclusion of the urban poor is especially relevant if we take into account that urban areas tend to support and benefit the most from PAN’s neoliberal policies.

The literature on the politicization of governmental benefits focuses on vote-buying, where benefits are disbursed in an expected return by benefactors of political support.
Nevertheless, in this paper I look at the effect that states’ voting trends have on the consequent disbursement they receive: I analyze the use of CCTs as a reward for political support.

**Main Argument and Method**

In this paper I explore the connection between incumbent parties’ strategy of vote base expansion and retention, and CCTs disbursement. I analyze CCTs disbursements through a statistical analysis of the change in the disbursement of Mexico’s Oportunidades per state after the PAN took office in 2000 and 2006. In the case of Brazil, I am interested in the change in disbursement after the 2002 and 2006 Luiz Inácio Lula’s presidential victories. I argue that despite Mexico’s Oportunidades and Brazil’s Bolsa Família non-discretionary features, the programs are still politicized. The rationale behind my argument is that incumbents have the power to make use of these programs to reward voters and consolidate a voting base for future elections. My analysis looks at how poverty levels, party identification of the state, the percentage of the population in the program, and the percentage of the state’s population living in rural areas affect the increase of these programs’ benefits per capita by state. I have chosen these independent variables since I am interested in the relationship between the weight that states’ political features have versus the states’ socioeconomic features.

For this analysis, I chose Mexico and Brazil because of their shared characteristics in the Latin American context. Both programs encompass about 25 percent of the national population. The conditions to participate in them are similar, as well as their goals and structure. They both operate under federal democracies, and have been implemented within the last 15 years (Fiszbein, 2009). Bolsa Família and Oportunidades are examples of the extent to which incumbent governments can reward regions according to the level of support they get from them, even in the case of benefits that should be dispersed according to technocratic criteria.
The annual amount of money given to beneficiaries per capita per state under Oportunidades is calculated from data from the Secretaría de Hacienda y Crédito Público as well as from data made available by the Instituto Nacional de Estadística y Geografía (INEGI) and the Results Indicators from Oportunidades’ official website. Concerning states’ voting trends, I use the databases provided by the Instituto Federal Electoral (IFE). With regards to poverty presence in the states, I use data from the Consejo Nacional de Evaluación de la Política de Desarrollo Social (CONEVAL). Regarding Bolsa Família, I use the database provided by the Fundação Getulio Vargas to gather data on socioeconomic variables, as well as on Bolsa Família’s beneficiaries. For electoral statistics, I use the information found on Brazil’s Tribunal Superior Eleitoral’s website.

In order to understand the entrenched politicization of welfare disbursements found in Mexico and Brazil, I first clarify some terminology and explain political strategies that governments can engage in when distributing CCT benefits. I then present an overview of the history of welfare programs in Latin America and explain how CCTs represent an evolution in social policy. I continue with an explanation of party strategy in Mexico and Brazil to finalize my analysis of post-elections disbursement trends in these two countries.

**Clientelism and The Logic of Post-Hoc Reward to Voters**

For the purpose of this paper, I use Scott Mainwaring’s specific definition of “clientelism.” He describes a relation as clientelist when it has “an unequal character, uneven reciprocity, a non institutionalized nature, and a face-to-face character,” equating them to patron-client relationships (Mainwaring: 1999: 177). The exchange is not based on rules but is a result of bargaining from both sides. The benefits that the client receives are disbursed as personal
favors from the patron in return for political support. Loyalty must be rewarded on a regular basis, since clients have the possibility to negotiate with other patrons (Mainwaring, 1999).

Although most of the literature uses this term in the context of an exchange where the patron pays the client before the latter reciprocates with her or his vote, the definition allows for a payment from the patron post hoc. Indeed, “clientelism” has been used in literature to describe these relationships as well (Johnston, 1979). Although not present in the case of CCT rewarding, clientelist practices are relevant to my study as they have left a legacy in the way welfare programs operate. Nevertheless, if CCTs are still subject to politicization, this can turn into an institutionalized relationship with the electorate, eventually leading to clientelism.

Because of the diminishing marginal utility of income, poor voters are the main targets of political machines, for particular benefits generate more votes among them than among the rich. Nevertheless, due to machines’ targeting of core constituents, in Mexico and Brazil, not all poor voters receive benefits. Perverse accountability is described as the ability of parties to infer what individual voters’ behavior will be like and reward or punish them based on this behavior. When more than one party can deliver resources, the individual party disbursement will be towards swing voters (Stokes, 2005).

Among reward strategies studied in political science, we find vote buying, negative turnout buying, double persuasion, turnout buying, and rewarding loyalists. This paper focuses partly on the last one as it tries to decipher the relationship between party strategy and post hoc disbursement of CCTs benefits. The rewarding loyalist strategy is described as the disbursement of benefits to individuals who vote for the party even in the absence of rewards. The logic of this strategy is to prevent the erosion of partisan loyalties over time. Nevertheless, I also explore parties’ responsiveness to areas that do not support them, and their attempt to create feelings of
“personal obligation” in the beneficiaries of the rewards. These feelings would indicate the start or strengthening of patron-client relationships (Gans-Morse, et al., 2009).

Cox and McCubbins claim that the optimal strategy for risk-averse politicians is to “promise redistribution first and foremost to their support groups and thereby maintain existing political coalitions” (1986). These scholars classify groups within a constituency in three ways: first there are the support groups, which have consistently supported a politician in the past and to whom they look for support in the future. Second, there are the opposition groups, those who have consistently opposed the politician and will probably never support him. Third, there are the swing groups, which are the groups who have neither consistently supported nor consistently opposed the politician. A politician distributes or redistributes resources based, in the first place, on group responsiveness, “...if groups can be strongly ordered in terms of electoral responsiveness, then they can be similarly ordered in terms of the amounts they are promised by a candidate: unresponsive groups will be promised little, responsive groups relatively more” (Cox and McCubbins 1986). This defensive electoral strategy, where the party is concerned primarily with consolidating and defending its bases, would in turn contrast with parties’ offensive electoral strategies, which refer to parties’ attempt to improve their support in places where it has been poor in the past (Harbers, 2010).

**Welfare Programs in Latin America**

The history of social programs in Latin America is studied from the Import Substitution Industrialization (ISI) policy era from the 1930s to the late 1970s. Social policies were notable for state intervention in markets through subsidies. These subsidies marginally benefited the poor, who could not take advantage of them due to lack of information and capital. Governments were thus able to build bargain relationship with an ample section of the
citizenship, such as labor unions, regional bosses, and the poor and burgeoning urban middle classes (Ansell and Mitchell, 2011).

After the adoption of neoliberal policies and the consequent crises of the 1980s, Latin American governments shifted their social policies from market intervention to a decentralized approach. The policies in this era were planned as part of an economic structural adjustment, providing an immediate relief to the effects of acute unemployment and poverty. The governments in Latin America implemented employment programs, reduced subsidies to certain food items, and allocated portions and vouchers to determined social groups. State organizations were in charge of this allocation, often allowing beneficiaries to take an active role in them (Cohen and Franco, 2006).

In the 1990s, Latin America’s social policy developed into mixed models of social investment funds and safety net programs, which include CCTs. These policies’ purpose was to compensate the poor, since people living in poverty were affected the most by the economic and structural adjustment that followed the crisis of the 80s (deLeon et al., 2001; Branford and Kucinski, 2005).

**Emergence of CCTs: A Break With The Past?**

Oportunidades was preceded by PROGRESA, which was in turn a successor of president Carlos Salinas de Gortari’s PRONASOL. The three programs have been run under SEDESOL. After the tainted 1988 presidential election, where the vote count system crashed, hinting an electoral fraud, the implementation of PRONASOL aimed at recovering the PRI and the president’s approval. Indeed, the program led to Salinas and his government achieving higher approval than that of the PRI itself (Grayson, 1991; Díaz-Cayeros and Magaloni, 2003).
Nevertheless, accusations of the politicization of PRONASOL persuaded Salinas’ predecessor, Ernesto Zedillo, to give the program a non-political structure and reforming it as PROGRESA in 1997. Although poverty indicators played an important role in determining how the program’s benefits were distributed, the PRI focused on expanding the amount of beneficiaries to states where it had a voting stronghold. PAN states experienced a smaller increase of PROGRESA beneficiaries as a result (Menocal, 2001).

After his presidential victory in 2000, PAN president Vicente Fox turned PROGRESA into Oportunidades. The new program expanded its coverage to urban areas, incorporated new objectives and components that made it more comprehensive, changed its relationship with the beneficiaries by becoming more accountable, and mechanisms were added to avoid its political use. For example, the program developed a register of beneficiaries, the delivery of the benefits was done through financial institutions, and the provision of goods and the incorporation of beneficiaries was prohibited during electoral periods (Hevia de la Jara, 2009).

In Brazil, the structure of social programs can be traced back to the 1940s. Because of Brazil’s federal organization, social benefits were distributed in an institutionalized, centralized fashion. This centralization led to a governmental monopoly, allowing for their clientelist use. A period of social austerity followed from the eighties until the stabilization plan of 1994, where the poor were in a situation of absolute lack of protection (Draibe, 2006). However, in 1994 president Itamar Franco started the creation of a number of social policies that became the central nucleus of Brazilian social policy in consequent years (Unesco Brasil, 2009).

Following Itamar’s social policy trend, president Fernando Henrique Cardoso (FHC) created the Bolsa Escola, Bolsa Alimentação and Cartão Alimentação programs between 1999 and 2001. These served as compensation to the poor for the detrimental effects that both his
neoliberal policies and the Mexican, East Asian, and the Russian crisis in the 90s had on their economic wellbeing (Branford and Kucinski, 2005). Trying to avoid credit-claiming by mayors, Cardoso made the distribution of the program’s benefits through municipal civic councils. These programs, nevertheless, didn’t have the result he expected on support for its party. The PSDB had a low rate of success in the 2000 municipal elections and the party lost the 2002 presidential elections (Ansell and Mtichell, 2011).

Bolsa Família was created in 2003 by combining FHC’s Bolsa Escola, Bolsa Alimentação and Cartão Alimentação programs into one. This action allowed a more comprehensive treatment of poverty. Working under one program, efficiency increased and the waste from having different programs was mitigated (Adato and Hoddinott, 2010). The difference between Bolsa Família and Bolsa Escola is that municipalities determined eligibility and selected beneficiaries themselves in the latter. In order to improve coherence and consistency, Bolsa Família centralized beneficiary selection. Eligibility was determined through the Cadastro Único database that “compares self-reported incomes to official eligibility thresholds, prioritizing families and assigning benefits according to income and family composition.” The federal government assigns program allocation to municipalities based on these poverty estimates (Lindert et al., 2007; Silva et al., 2004).

Party Strategy

1. Mexico

After 71 years of PRI federal power, the 2000 presidential election marked a change in political dynamics in Mexico. The PAN, running as the “coalition of change,” was able to defeat the party, gaining votes from both states that historically vote for the party as well as southern states that do not (Map 1). The PAN was nevertheless not able to carry the new support gained
in the 2000 elections into the 2006 elections: southern states that had formerly supported the party voted for the opposition as a result of dissatisfaction with the PAN’s neoliberal policies. Thus, in 2006 the country experienced the most polarized elections in its history, with richer, industrialized states voting for PAN and southern states supporting PRI (Map 2).

Political identification and vote intention explain the dynamics and results of both elections. Party identification refers to the ‘psychological attachment’ individuals develop towards a political party (Campbell, 1960). It differs with vote intention, which should be less consistent. Vote intention is determined by both a psychological allegiance but also by short-term events such as “candidate traits or political parties’ stance on public issues” (Estrada, 2005). These short-term events can nevertheless increase or decrease the degree of party allegiance. Thus we can see that the outcome of the 2000 election was a result of vote intention rather than party identification by the electorate. The PAN was not able to turn ‘vote intention’ into party identification.

Party identification is strongly entrenched in Mexico both due to the history and development of democracy in Mexico, and due to parties’ different ideologies. Northern states tend to vote PAN because of their lower poverty level. Individuals with low levels of education are more likely to be priístas whereas individuals with higher education levels are more likely to be panistas or independents (Estrada, 2005). The PRI’s stronghold is in rural regions, where education is low, making these regions still vulnerable to the power of caciques (bosses). On the other hand, urban and industrialized places with high levels of education and access to media tend to vote for the opposition (Klesner, 2005). Which side of the opposition these votes follow depend on the sort of employment of the region: places where blue collar and manufacturing jobs abound would be benefited the most by PAN’s neoliberal economic development strategies.
Nevertheless, the PRD is more successful in less prominent urban areas where the work force is employed in the service sector, especially the public sector (Klesner, 1993).

The center-left PRD was founded in 1989, making party identification weaker. The 2006 election made evident that its strongholds lay mostly in poor central and southern states of Mexico (Sabia, 2008). This is arguably due to the negative retrospective evaluation of PAN’s neoliberal policies by southern states. In the 2000 presidential elections, there were 15 panista states. The number went down to 10 in the 2006 elections (IFE). The southern states’ higher support for the PRD is not, however, a new trend. In the 1994, 2000, and 2006 presidential elections, the center left-wing party got higher support for the presidential contest in southern, poorer states. Although not dominant, PRD’s success in southern regions shows that party identification there is perredista, even if the region’s voting intention is not always for the PRD.

Party’s age relevance becomes clearer in the case of the PRI, the oldest political party in Mexico. The golden years of economic stability and growth that lasted until the early ‘70s generated strong sympathies towards the PRI that remain entrenched. Still, recurrent economic crises since the early ‘80s did not help the PRI recruit new partisans. The late poor governmental performance of the PRI dissatisfied many, especially young voters who had grown up experiencing economic catastrophes. These voters thus chose the party that could defeat the PRI with most certainty in the 2000 election.

Political parties have taken advantage of “negative party” feelings: most PRD victories at the state level have come as a result of using an anti-PRI approach in their campaigns, given that many of the PRD candidates are recruited ex-priístas who left the party after losing a nomination. In turn, the PRI pursues an offensive strategy at the national level, seeking to expand its sphere of power into states with a PRD party identification. The PRI thus transfers a higher amount of
money to states where it has lost to the PRD opposition. The transfers are lower where the party performs well (Díaz-Cayeros and Magaloni, 2003).

On the other hand, the PAN seeks to defend its strongholds, which is why the party’s economic transfers to panista states are high with below average variability. Thus, the PAN spends more money where it has done well in the past. This party has conceived of transfers as a means to reward and punish subnational chapters (Harbers, 2010). From 2000 to 2002, the PRI was the only one that lost partisans while PAN earned the most. The PAN’s first-ever presidential victory in 2000 was crucial not only in converting more partisans to the PAN, but also in preserving the emotional bond of those who were already panistas (Díaz-Cayeros et al., 2006), action that follows PAN’s strategy of defending its strongholds. The PAN’s strongholds are industrialized, northern states that have benefited the most from the party’s neoliberal and business-friendly policies.

Party strategy in the disbursement of Oportunidades benefits was crucial in the 2000 and 2006 elections. The fact that re-election in Mexico is not permissible, gives higher incentives to the presidential incumbent to credit not only himself, but his party, for the accomplishments of social programs. The year of 2006 was not the exception, for Calderón was able to achieve his paper thin victory over Andrés Manuel López Obrador from the Democratic Revolutionary Party (PRD) thanks to social policies implemented by Vicente Fox and their attribution to the party by the electorate (Díaz-Cayeros et al., 2006).

Political organizations know that negative feelings towards parties, as well as retrospective evaluations of government performance, are major determinants of party identification in Mexico (Estrada, 2005), although negative feelings are considered to be the most crucial of all (Buendía, 1996). For this reason, I have decided to focus on the disbursement
of the change of welfare benefits after the election. If incumbent governments are aware of both the importance of retrospective evaluations and the role that the timing of their implementation has, I should be able to find a specific trend in benefits’ disbursements.

2. Brazil

Having one of the most, if not the most, electoral volatility in the world, Brazil is a one-of-a-kind case study for party politics. Its great electoral volatility dates back to the military government that Brazil experienced from 1964 to 1985. In order to stay in power, the government passed an electoral reform to split the Brazilian Democratic Movement (MDB), the major contestant of the military party ARENA (Aliança Nacional Renovadora) in 1979. The resulting parties were the party of the MDB (PMDB), the Democratic Worker Party (Partido Democrático Trabalhista, PDT), the PTB, and the PT (Montero, 2005). After the dissolution of the military government in Brazil in 1985, most citizens voted for individual candidates or according to personal ties to politicians. This has allowed politicians from small parties to win important executive posts, including the presidency. In order to do this, nevertheless, candidates cannot rely on party label; they need to develop a personal constituency (Mainwaring, 1999).

Other factors that further weaken partisan identities and loyalties are the existence of personalism and populism, the historical weakness of popular organizations and mass-based parties, and the predominance of clientelist exchange (Adato and Hoddinott, 2010; Montero, 2005). Given that the poor see their effort of social change as rather futile, their perceived options as voters are individual ascension through clientele networks, or acceptance of his or her lot (Mainwaring, 1999; Montero, 2005). Another reason for the predominance of clientelist practices in Brazilian politics is that patronage is not as effective as an electoral resource for federal governments. Governments lose more votes through poor policy performance than by
co-opting, which is not the case for individual politicians (Mainwaring, 1999). Thus, two-thirds of Brazilian voters do not have a consistent party identification, nor do they have an economic base for their choices (Montero, 2005).

In spite of Brazilian politics’ high volatility, voting trends exist in the country’s different regions. Due to strongly engrained political machines, Brazil’s north and northeastern states traditionally vote for center right-wing and right-wing politicians. Individual politicians disburse benefits such as food baskets and political benefits in order to buy votes. The Partido dos Trabalhadores, or the Workers’ Party to which ex-President Lula belongs, has in turn a vote base in the southern, industrialized states in Brazil. Its commitment to break with Brazil’s history of patrimonial politics by “broadening participation and enhancing transparency and accountability in government” is the feature that has allowed the party to gain a voting base in more developed states such as São Paulo and Santa Catarina (Montero, 2005).

Leftist parties were able to dominate those municipalities located in urban settings and where they preserved an alliance. Conservative districts were fragmented, even though urban voters in the northeast were benefited less than their rural counterparts. The costs of organization are lower for conservative incumbents in interior municipalities, given that they can rely on already well established clientele networks for raising electoral support. On the other hand, leftist alliances must rely on grassroots level party building. The urban factor is relevant for it is unions and consumer groups located in these settings that give leftist opposition much of the organizational support they receive. The mobilization costs of these parties are lower due to shorter distances between places characteristic of urban areas, allowing for more face-to-face mobilization (Montero, 2010).
Electoral volatility and personification led Fernando Henrique Cardoso (FHC) to win the presidency after the success of his Plan Real implemented in 1994. Nevertheless, after years of economic hardship, voting trends were changed when in 2002 24 out of the 27 Brazilian states supported Lula over FHC (Map 3). The country thus experienced a reverse of voting trends from north and northeastern states that typically vote for right-wing parties. This break with political machines was caused in part by the discontent of voters with the neoliberal reforms of Lula’s predecessor, Fernando Henrique Cardoso (FHC). Also, families experienced an increase in income after the implementation of programs such as Bolsa Escola and Cartão Alimentação by the Cardoso government. These programs allowed beneficiary families to afford not voting for right-wing parties (Montero, 2005).

In the 2006 elections, Lula’s support was divided between northern and southern states. Interestingly, the traditional voting base of the PT, the industrialized states from the south, were the ones supporting the opposition, whereas the PT’s newly acquired voting support in the 2000 election, continued to support the party (Map 4). Three factors influenced the 2006 elections result: the 2005 mensalão scandal, Lula’s symbolic separation of the PT, and the increase in Bolsa Família beneficiaries.

After the mensalão corruption scandal\(^\text{1}\) in June 2005, Lula’s approval rates from his voting base, the industrialized states of the southeast and south, decreased. This incident led him to separate himself from his party, which he was able to do thanks to the personalized nature of Brazilian politics. The separation led to a negative relationship between support for Lula’s nomination by the PT, and votes for legislators in the 2006 elections (Hunter, 2007). In order to regain his approval rates, Lula increased the amount of beneficiaries and the amount of payments from Bolsa Família’s three months before the 2006 presidential elections. Although he argued

\(^1\) In 2005, it was found that members of the Worker’s Party (PT) paid congressmen of opposition parties so they
that it was necessary to adjust the program’s acceptance criteria, the increase of the payment was not consistent with the alleged increase of prices (Hall, 2006).

The newly acquired support from north and northeastern states was further strengthened in the 2010 elections. The voting trend was similar to the 2006 elections: Lula’s protégé, Dilma Roussef, was able to capture most of the votes in the north and northeastern states, whereas the opposition’s candidate, José Serra, got most of his support from southern, industrialized states. The results of the past three presidential elections demonstrate how Lula, being a PT politician, was able to expand his voting base from southern states. He separated himself from the party, leading to a decrease in support from the PT’s voting base. This separation nevertheless also allowed for the creation of lulismo. As loyalty towards an individual and not a party, lulismo caused a change in voting dynamics in Brazil: being part of a left-wing political party, Lula expanded and consolidated a voting base in the north and northeastern states in Brazil.

**Statistical Analysis of CCT Rewarding**

1. **Mexico**

   In order to analyze the possible politicization of Oportunidades by the PAN government, I collected information on the 1994, 2000 and 2006 presidential elections as well as on the program’s disbursement per capita surrounding the latest two elections. I built a model to analyze the possibility of a relationship between favorable voting towards PAN per state and the usage of Oportunidades for political rewarding after the elections. The models use data for the behavior of disbursement after the 2000 and 2006 elections, which correspond to table 1 and 2 in the Appendix.

   In my model for the 2000-2001 change of money per capita in Oportunidades (table 1), my explanatory variables are labeled as PAN 94, for the percentage of the state’s votes that went
to PAN in the presidential elections of 1994, and PAN 2, for the states where the PAN won at least 35 percentage of the votes in the 1994 presidential elections and 45 percentage in the 2000 elections. I have a different threshold for the 1994 elections given that the PAN was not as competitive in the 1994 elections as it became in subsequent elections, and this variable is used to identify PAN’s stronghold in relation to other states. I decided to incorporate these two variables in order to check for the PAN’s indifference to states where they have had a strong presence for years. My last and most important explanatory variable is PAN 00, which is the percentage of the state’s votes that went to the PAN in 2000.

My other independent variables include an efficiency variable, which I compute by dividing the incidence of poverty by the Oportunidades monies per capita per state. This variable allows me to control for the correct disbursement of the aid in the government’s decision to increase or decrease aid to states. I also include a dummy variable for northern states, given that PAN’s political philosophy of open markets has had resonance in the development of these states. An urbanization variable is incorporated as well in my study, for as mentioned, it has been shown to be a predicting variable for PAN support. This variable is the percentage of people living in urban areas according to the 2000 census. Also, I incorporate the variable for the percentage that each state contributed to PAN’s total votes at the national level. This variable signifies the importance of each state’s “weight” at the national level in the mechanism of rewarding. Although a state can have a high percentage of its population vote PAN, if the state is unpopulated, the importance of the state as a factor in the party’s victory will be small.

My dependent variable, the change of money received per state per capita from Oportunidades/Progresa, was computed by dividing the amount of pesos given to each state by the amount of people in the state according to the 2000 national census. I then subtracted the
amount received in 2000 from those in 2001, when the elected president took office.\footnote{In Mexico, presidents take office on the first day of the year.} This allowed me to control for very populous states that would receive more aid due to their larger population. Since all of my initial models presented a problem of heteroscedasticity, I use the natural log of the dependent variable.

In order to arrive to the 2006 elections model (table 2), I have decided to use the same variables I used for the 2000-2001 elections models, replacing the data relevant to the 2000 election with 2006 data. Nevertheless, the threshold for the PAN 2 dummy variable is the same for both the 2000 and 2006 variables: 45 percentage. I have used data from the 2005 census to construct the urbanization variable for this second model.

**Results**

Model 4 in table 1 shows a significant negative relationship between increase of disbursements in Progresa/Oportunidades and PAN 2, or a consecutive support in two elections of the PAN. Although model 5 has a low heteroscedasticity value obtained from a Breusch-Pagan test, it shares some similarities with model 4: the variable PAN 94 is significant and negative as well. In both models efficiency is the most significant variable. The percent of the state’s votes that went to the PAN is positive in both models although not significant.

Recalling literature on PAN’s political strategy, namely its focus on defending its strongholds, leaving recruitment as a secondary priority, we might be surprised by the above results. Would we not instead have expected to see a positive relationship between the percentage of PAN voting per state and the increase of disbursement per capita? The fact that the PAN’s policies appeal mostly to the middle and upper-middle class voters explain the above phenomena. Table 3 shows that, with the exception of Yucatán, the states which got a value for our dummy variable PAN 2 are those precisely with the lower poverty incidence (and lower
money disbursed per capita). Thus, in order to preserve its strongholds, an increase of welfare disbursement would not be an action with much effect for the PAN on its strongholds since these are rich states with low poverty indices. The PAN’s strongholds support the party not because of distributive or pro-poor policies, but because of its business friendly policies. Redistribution is nevertheless relevant for the PAN’s second priority: the recruitment of new voters. Since the party will look for these new supporters in poorer states, redistribution policies become relevant. Thus, after the 2000 elections, the PAN rewarded with Oportunidades benefits those states that do not support the party historically, in an attempt to consolidate its sphere of power outside rich, northern states.

In the regressions for the 2006-2007 Oportunidades’ benefits disbursements increase, model 4 in table 2 shows that the dependent variable is significantly and negatively correlated with the percent of votes for the PAN in 2006 (PAN 06). The dependent variable is negatively correlated to urbanization, but positively related with both the votes towards PAN in the 2000 presidential elections and efficiency.

To explain the correlations found in this regression we must look at them in the context of the dynamics of Mexican politics. In the 2000 elections, the PAN ran along the Partido Verde (PV) as the “Coalition for Change.” The PAN aimed at appealing at a large constituency by presenting itself as the party that would “bring change.” And it did: the PAN candidate Vicente Fox gained the most votes in both northern, richer states that historically voted for the PAN, as well as in poorer, southern states that do not support nor benefit from the PAN’s neoliberal policies (Map 1). Disillusion with the PAN’s performance was nevertheless palpable in the results of the 2006 presidential elections outcome: the country had the tightest presidential race
in its history, with industrialized states voting for the PAN and dissatisfied, southern states voting PRD, Mexico’s leftist party.

The positive correlation after the 2006’s PAN victory between the change in Oportunidades disbursements and the percentage of people that voted PAN in 2000 (PAN 00) in model 4, table 2, shows us a party aiming to get back the fling states that got it to power in 2000, which happen to be mostly southern states. The variable for percentage of votes for PAN at the state level in 2006 (PAN 06) is negatively related to our dependent variable because welfare disbursement is not part of PAN’s political strategy in its strongholds. Efficiency is again significantly and positively correlated with the changes in disbursements, meaning that these have not been blatantly used for political purposes. The variable for urbanization presents a negative correlation with the change in disbursement, since swing states do have a higher amount of rural communities than their urban counterparts.

2. Brazil

To analyze the possible Lula’s rewarding practices after his presidential victory in 2002 and 2006, I collected information for the increases of Bolsa Família disbursements per family in each state between the years 2003 and 2004, and the years 2006 and 2007, making the increase of disbursement my dependent variable. The independent variables I use include change of poverty level, for one would expect it to be positively correlated if the government was doing a good job at addressing rising levels of poverty. I have a proxy for urbanization, given that the literature talks about its relevance in Brazil for voters’ political inclination, computed with the percentage of people that live in urban areas per state. I include the percentage of the voters that supported Lula per state, and just as in the case of Mexico, I am including a variable to test for
the weight each state has at a national level. At last, I have a variable for the difference in votes from the previous election to the one at hand.

For my model on Lula’s first presidential victory, I regressed data for the years of 2002-2003, 2003-2004, and 2002-2004. Although the previous government’s programs were merged into Bolsa Família in October 2003, Lula assumed the presidency of Brazil in January of that year. Thus, one could expect that in order for voters to perceive Lula’s rewarding, he would either disburse the rewards right when he stepped in office (regression for 2002-2003), when the programs from the previous government were merged into Bolsa Família (2003-2004), or that both events had an impact on rewarding (2002-2004). The data for the years 2003-2004 is used in my regressions for it was the data that gave the biggest amount of significant results, making me conclude that the rewards were disbursed with the merging of Cardoso’s programs.

**Results**

Due to its R2 and Breusch-Pagan hittest value, model 5 on table 4 is the best model for the 2002 post-election disbursement. It is the same model as model 4, only that I have dropped two states for statistical reasons: Pará and Alagoas. The variable for change in poverty is negatively related to changes in amount of disbursement, meaning that the more poverty increase in a state in a given year, the smaller the increase of aid. Our urbanization variable is also negatively correlated with increases in disbursement, thus the bigger the urban population percentage of a state, the smaller the increase in disbursement. The increase of votes for Lula from the 1998 elections has a negative relationship with increases in disbursements.

The results indicate a resemblance in terms of party strategy between Lula and the PAN. That is, the states experiencing the highest increases in disbursements are those with high levels of rural population that did not experience much change in their voting trend from one election to
the next. The negative relationship of change in poverty reflects the program’s lack of focus in achieving results. This behavior is similar to the PAN’s if we consider the high volatility of the Brazilian electorate. Lula is taking the challenge of creating *lulismo*, consolidating his base vote. The PT already has its base with the industrialized states of São Paulo and Rio de Janeiro. Nevertheless, Lula aims at extending “his” base to rural areas as well, dominated by rightist political machines. Thus, we see a negative coefficient for urbanization. Whatever his priority was during 2003, it was not addressing poverty. There is a negative coefficient for the increase in poverty variable. The fact that the variable for the increase in votes from 1998 to 2000 is negative serves as evidence of Lula’s offensive political strategy, where he focused on gaining votes from other states, taking his base for granted.

Table 5 for the post-2006 increase of Bolsa Família’s disbursements shows different relationships to the three previous regressions discussed. The national weight each state had for Lula’s victory has a positive relationship with the change in disbursements the states experienced, and so does the increase of poverty (although the latter variable is non-significant). Urbanization is again negatively related to increases of Bolsa Família disbursements, demonstrating the program’s focus in rural areas. Thus, addressing rising levels of poverty becomes a priority for the program after the 2006 elections, especially in the case of states with a large amount of rural, pro-Lula voters. The conclusion regarding Lula’s political strategy following his 2006 presidential victory is that the increase in disbursements will be aimed at populous, rural states from the northeast like Bahía and Pará in an attempt to turn these states into his new political base, while at the same time keeping a true commitment to fighting poverty.
Conclusion—Bolsa Família and Oportunidades

This paper presented an analysis of Brazil’s and Mexico’s parties’ strategy, as well as of the disbursement trends of CCTs. In spite of their political use, a transition from clientelist practices to semi-clientelist practices is already palpable. That is, neither Oportunidades nor Bolsa Família is used coercively to gain votes, but rather, to reward voters. The programs have strong characteristics aimed at hindering its use for clientelist purposes. Their “irreversibility of benefits,” the objective set of requirements to qualify for them, their success at avoiding traditional mechanisms of redistribution (namely governors, local bosses, and machine politics), the categorization as federal offence of the use of the program for political gain, and the information given to beneficiaries about the program’s non-political nature (De La O Torres, 2010), contribute to their progression away from clientelism.

I have found that these are used as part of incumbent parties’ strategies to expand and consolidate their voting base. Lula was able to expand his voting base after the 2000 presidential election, whereas the PAN’s new support from southern states in the 2000 election was not sustained into the 2006 election. Nevertheless, both countries engaged in similar CCT disbursement strategies: after the atypical voting support from some states in the 2000 and 2002 presidential elections in Mexico and Brazil, these states received a higher increase in disbursement than other states. In the post-2006 elections, Oportunidades benefits were distributed at a higher rate to states that supported the party in the 2000 elections, trying to get back the votes of these swing states. In contrast, after Lula’s success in 2006, Bolsa Família’s disbursements were higher in the newly “Lulista” voting regions. Next year’s presidential elections will provide the data necessary to analyze PAN’s efficiency in getting back the support from these states.
Appendix

Table 1. OLS Regression Estimates of Change of Money per Capita in Oportunidades/PROGRESA between the years 2000 and 2001.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Model 1</th>
<th>Model 2</th>
<th>Model 3</th>
<th>Model 4</th>
<th>Model 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>PAN 94</td>
<td>-.012 (.02)</td>
<td>-.030 (.03)</td>
<td></td>
<td>-.014 (.02)</td>
<td>-.036 (.01)**</td>
</tr>
<tr>
<td>efficiency</td>
<td>.755 (.19)**</td>
<td></td>
<td>.751 (.19)***</td>
<td>.970 (.10)***</td>
<td>1.013 (.11)***</td>
</tr>
<tr>
<td>northern</td>
<td>-.254 (.26)</td>
<td>-.357 (.25)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>% urban</td>
<td>-.009 (.01)</td>
<td>-.016 (.01)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>'00 nat. %</td>
<td>.016 (.03)</td>
<td>.024 (.03)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PAN 06</td>
<td>-.517 (.33)</td>
<td>-1.11 (.59)</td>
<td></td>
<td>-.689 (.28)**</td>
<td></td>
</tr>
<tr>
<td>PAN 00</td>
<td>.014 (.01)</td>
<td>-.004 (.02)*</td>
<td></td>
<td>.011 (.01)</td>
<td>.017 (.01)</td>
</tr>
<tr>
<td>constant</td>
<td>2.038 (1.25)</td>
<td>4.036 (.72)**</td>
<td>2.678 (1.23)**</td>
<td>1.204 (.46)**</td>
<td>1.345 (.50)**</td>
</tr>
<tr>
<td>N</td>
<td>31</td>
<td>31</td>
<td>31</td>
<td>28</td>
<td>28</td>
</tr>
<tr>
<td>Adjusted-R²</td>
<td>.7994</td>
<td>.7822</td>
<td>.7780</td>
<td>.8612</td>
<td>.8332</td>
</tr>
<tr>
<td>Mean Vif</td>
<td>2.82</td>
<td>2.71</td>
<td>2.49</td>
<td>2.21</td>
<td>1.94</td>
</tr>
<tr>
<td>BP hettest</td>
<td>0.2786</td>
<td>.0324</td>
<td>.0887</td>
<td>.3975</td>
<td>.1098</td>
</tr>
</tbody>
</table>

Notes: Dependent variable is the logged difference in disbursement between the years 2000 and 2001; figures represent unstandardized OLS Regression parameters; standard errors in parentheses; * p< .10, ** P< .05, *** p< .01

Table 2. OLS Regression Estimates of Change of Money per Capita in Oportunidades/PROGRESA between the years 2006 and 2007.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Model 1</th>
<th>Model 2</th>
<th>Model 3</th>
<th>Model 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>PAN 06</td>
<td>-.022 (.02)</td>
<td>-.062 (.02)**</td>
<td></td>
<td>-.026 (.01)*</td>
</tr>
<tr>
<td>PAN 00</td>
<td>.056 (.02)**</td>
<td>.025 (.03)</td>
<td></td>
<td>.051 (.02)**</td>
</tr>
<tr>
<td>'06 nat. %</td>
<td>-.061 (.06)</td>
<td>.004 (.05)</td>
<td>-.060 (.05)</td>
<td></td>
</tr>
<tr>
<td>efficiency</td>
<td>.557 (.29)*</td>
<td>.847 (.29)</td>
<td>.565 (.28)*</td>
<td></td>
</tr>
<tr>
<td>% urban</td>
<td>-.032 (.02)**</td>
<td>-.018 (.02)</td>
<td>-.030 (.02)*</td>
<td></td>
</tr>
<tr>
<td>northern</td>
<td>-.508 (.42)</td>
<td>.073 (.39)</td>
<td>-.456 (.41)</td>
<td></td>
</tr>
<tr>
<td>PAN 2</td>
<td>-.248 (.43)</td>
<td>.569 (.67)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>constant</td>
<td>.712 (1.68)</td>
<td>1.830 (1.01)*</td>
<td>.235 (1.81)</td>
<td>.818 (1.65)</td>
</tr>
<tr>
<td>N</td>
<td>29</td>
<td>29</td>
<td>29</td>
<td>29</td>
</tr>
<tr>
<td>Adjusted-R²</td>
<td>.7661</td>
<td>.1273</td>
<td>.6278</td>
<td>.6976</td>
</tr>
<tr>
<td>Mean Vif</td>
<td>2.84</td>
<td>2.09</td>
<td>2.34</td>
<td>2.70</td>
</tr>
<tr>
<td>BP hettest</td>
<td>0.9051</td>
<td>.8379</td>
<td>.5686</td>
<td>.9376</td>
</tr>
</tbody>
</table>

Notes: Dependent variable is the logged difference in disbursement between the years 2006 and 2007; figures represent unstandardized OLS Regression parameters; standard errors in parentheses; * p< .10, ** P< .05, *** p< .01
Table 3. Mexican States by Poverty Incidence

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>BAJA CALIFORNIA</td>
<td>3.8595028</td>
<td>1</td>
<td>23.7</td>
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<tr>
<td>DISTRITO FEDERAL</td>
<td>12.469148</td>
<td>0</td>
<td>28.0</td>
</tr>
<tr>
<td>NUEVO LEON</td>
<td>15.857528</td>
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<td>28.0</td>
</tr>
<tr>
<td>COLIMA</td>
<td>22.306608</td>
<td>0</td>
<td>30.2</td>
</tr>
<tr>
<td>BAJA CALIFORNIA SUR</td>
<td>22.875147</td>
<td>0</td>
<td>31.9</td>
</tr>
<tr>
<td>CHIAPAS</td>
<td>32.113904</td>
<td>0</td>
<td>36.2</td>
</tr>
<tr>
<td>AGUASCALIENTES</td>
<td>8.7897192</td>
<td>1</td>
<td>37.8</td>
</tr>
<tr>
<td>SONORA</td>
<td>44.610457</td>
<td>1</td>
<td>39.5</td>
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<tr>
<td>TAMAULIPAS</td>
<td>52.592926</td>
<td>0</td>
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<tr>
<td>JALISCO</td>
<td>24.786452</td>
<td>1</td>
<td>41.3</td>
</tr>
<tr>
<td>SINALOA</td>
<td>102.05594</td>
<td>0</td>
<td>44.6</td>
</tr>
<tr>
<td>MEXICO</td>
<td>47.103519</td>
<td>0</td>
<td>47.7</td>
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<tr>
<td>CHIHUAHUA</td>
<td>30.223339</td>
<td>0</td>
<td>47.7</td>
</tr>
<tr>
<td>DURANGO</td>
<td>80.48812</td>
<td>0</td>
<td>48.4</td>
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<td>QUERETARO</td>
<td>106.31586</td>
<td>0</td>
<td>50.4</td>
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<tr>
<td>QUINTANA ROO</td>
<td>97.261256</td>
<td>0</td>
<td>52.4</td>
</tr>
<tr>
<td>NAYARIT</td>
<td>142.03666</td>
<td>0</td>
<td>52.7</td>
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<tr>
<td>MORELOS</td>
<td>46.486328</td>
<td>0</td>
<td>53.1</td>
</tr>
<tr>
<td>TLAXCALA</td>
<td>51.10913</td>
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<td>56.1</td>
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<td>GUANAJUATO</td>
<td>90.863627</td>
<td>0</td>
<td>56.2</td>
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<td>ZACATECAS</td>
<td>219.26552</td>
<td>0</td>
<td>56.3</td>
</tr>
<tr>
<td>SAN LUIS POTOSI</td>
<td>184.44263</td>
<td>0</td>
<td>61.3</td>
</tr>
<tr>
<td>MICHOACAN</td>
<td>133.98008</td>
<td>0</td>
<td>61.6</td>
</tr>
<tr>
<td>HIDALGO</td>
<td>188.8986</td>
<td>0</td>
<td>62.1</td>
</tr>
<tr>
<td>YUCATAN</td>
<td>151.48865</td>
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<td>62.4</td>
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<td>TABASCO</td>
<td>151.22931</td>
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<tr>
<td>VERACRUZ</td>
<td>152.0486</td>
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<td>65.7</td>
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<tr>
<td>CAMPECHE</td>
<td>176.20087</td>
<td>0</td>
<td>66.8</td>
</tr>
<tr>
<td>PUEBLA</td>
<td>151.41768</td>
<td>0</td>
<td>68.0</td>
</tr>
<tr>
<td>GUERRERO</td>
<td>222.5903</td>
<td>0</td>
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<tr>
<td>OAXACA</td>
<td>220.9805</td>
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<td>76.1</td>
</tr>
<tr>
<td>COAHUILA</td>
<td>237.31845</td>
<td>0</td>
<td>79.1</td>
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</table>
Table 4. OLS Regression Estimates of Change of Money per Capita in Bolsa Família between the years 2003 and 2004.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Model 1</th>
<th>Model 2</th>
<th>Model 3</th>
<th>Model 4</th>
<th>Model 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>'02 nat. %</td>
<td>-.056 (.07)</td>
<td>-.015 (.10)</td>
<td></td>
<td>-.216 (.14)</td>
<td>-.330 (.16)*</td>
</tr>
<tr>
<td>PovChange 0304</td>
<td>-.004 (.10)</td>
<td>-.101 (.12)</td>
<td></td>
<td>-.067 (.04)</td>
<td>-.088 (.04)*</td>
</tr>
<tr>
<td>% urban</td>
<td>-.197 (.15)</td>
<td>-.057 (.05)</td>
<td></td>
<td>-.006 (.06)</td>
<td></td>
</tr>
<tr>
<td>Lula 02</td>
<td>-.057 (.05)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Vot. Diff. 98-02</td>
<td>-.094 (.09)</td>
<td>-.127 (08)</td>
<td>-.086 (06)</td>
<td>-.128 (07)*</td>
<td></td>
</tr>
<tr>
<td>constant</td>
<td>11,947 (4.74)**</td>
<td>7.084 (3.50)*</td>
<td>8.564 (3.45)**</td>
<td>8.902 (3.36)</td>
<td>11.084 (3.76)**</td>
</tr>
</tbody>
</table>

N: 27
Adjusted-R²: .0373
Mean Vif: 1.49
BP hettest: 0.5342

Notes: Dependent variable is the logged difference in disbursement between the years 2003 and 2004; figures represent unstandardized OLS Regression parameters; standard errors in parentheses; * p< .10, ** P< .05, *** p< .01

Table 5. OLS Regression Estimates of Change of Money per Capita in Bolsa Família between the years 2006 and 2007.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Model 1</th>
<th>Model 2</th>
<th>Model 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vot. Diff. 02-06</td>
<td>-.005 (.12)</td>
<td>-.081 (.12)</td>
<td></td>
</tr>
<tr>
<td>'06 nat. %</td>
<td>.539 (.19)**</td>
<td></td>
<td>.545 (.16)**</td>
</tr>
<tr>
<td>PovChange0607</td>
<td>.269 (.37)</td>
<td></td>
<td>.282 (.31)</td>
</tr>
<tr>
<td>% urban</td>
<td>-.122 (.09)</td>
<td></td>
<td>-.126 (.07)*</td>
</tr>
<tr>
<td>Lula 06</td>
<td>.008 (.14)</td>
<td>.145 (.13)</td>
<td></td>
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<tr>
<td>constant</td>
<td>5.187 (10.86)</td>
<td>-9.006 (6.20)</td>
<td>5.840 (5.07)</td>
</tr>
</tbody>
</table>

N: 27
Adjusted-R²: .1869
Mean Vif: 5.03
BP hettest: 0.3338

Notes: Dependent variable is the logged difference in disbursement between the years 2006 and 2007; figures represent unstandardized OLS Regression parameters; standard errors in parentheses; * p< .10, ** P< .05, *** p< .01
Map 1. 2000 Mexico’s Presidential Election—Party that got the most votes per state.

Source: Instituto Federal Electoral
Map 2. 2006 Mexico’s Presidential Election—Party that got the most votes per state.

Source: Instituto Federal Electoral.
Map 3. 2002 Brazil’s Presidential Electoral Results—1st Round

Map 4. 2006 Brazil’s Presidential Electoral Results—1st Round

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