

The politics of sanctioning the poor through welfare conditionality: Revealing causal mechanisms in Uruguay.

Supplementary online material - Methodological appendix¹

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¹ The structure of this appendix follows that of Piñeiro Rodríguez et al. (2021).

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1. Research question and hypotheses

Why do governments decide to shift from lax to more stringent welfare conditionalities?

We propose a causal mechanism to account for our outcome of interest, namely the punitive turn in welfare conditionality. We test our argument in a case involving a change from relatively lax to more stringent conditionalities in Uruguay's system of conditional cash transfers (CCTs).

In 2013, Uruguay's center-left government led by the *Frente Amplio* (FA) shifted from a relatively lenient to a more stringent approach to conditionalities, sanctioning recipients who failed to comply with the conditionalities. When the FA took office for the first time in 2005, it initiated various reforms to protect the poor and to adapt social policies to a deep economic crisis that the country experienced starting in 2002. The government created two CCT programs: one two-year transitional program to deal with extreme poverty (*Plan de Atención a la Emergencia Social*, PANES, 2005-2007), and the permanent Family Allowances from the Equity Plan (*Asignaciones Familiares, Plan de Equidad*, AFAM_PE), adopted in 2007. Both programs targeted vulnerable families and provided monthly transfers, which, at least in theory, were conditional upon school attendance and health checkups.

For eight years, neither program enforced conditionalities. In fact, from 2005 to 2012, the government had no serious intention to enforce conditionalities, which were not a subject of public debate. In a personal interview, an official from the *Ministerio de Desarrollo Social* (Ministry of Social Development, MIDES), who was directly involved in the design of the PANES, stated that conditionalities were considered a device to encourage the use of basic services rather than as a requirement to maintain

the transfer.² This was publicly acknowledged by a MIDES official, who told a newspaper that, “the control was not created with a desire to punish, but with the goal of ensuring compliance and respect for education and health rights.”³

Similarly, public officials and academics working with the government reported a lack of interest in enforcing conditionalities. The central objective was to transfer resources to the vulnerable population, with conditionality playing a secondary role. Indeed, an academic who acted as an advisor to the government on the design of AFAM_PE claimed in a personal interview that the policy was designed to achieve redistribution and income transfer rather than to improve educational performance.⁴ This vision was publicly acknowledged by Minister of Social Development Marina Arismendi. In April 2005, Arismendi said that the purpose of conditionalities was “not to remove [from the program] those who do not comply [with conditionalities] but to [help them] meet the commitments [they made when entering the program] (Congress records, Senate, Population, Development, and Inclusion Commission, 26/04/2005).⁵

² Personal interview with an official from MIDES, who was a member of the AFAM_PE design Commission (December 13, 2016).

³ Declarations of MIDES Director of Social Policies Christian Mirza to the newspaper *El País*, *Suplemento Qué pasa*, 4/8/2007.

⁴ Personal interview with a scholar who was a member of the AFAM_PE Commission (November 16, 2016).

⁵ See <https://legislativo.parlamento.gub.uy/temporales/S200500909203491.HTML> (last accessed on December 20, 2020).

The issue of conditionalities was minimally discussed in the sessions of the Congress's Special Commission for Population and Social Development when the commission considered the features of AFAM-PE (Congress records, House of Representatives, Population and Social Development Special Commission, 19/4/2007⁶ and 12/7/2007⁷).

However, in 2013, the government changed its strategy by announcing it would start monitoring and sanctioning recipients who failed to comply with the educational conditionality. After eight years of treating conditionalities almost as a formality, this decision represented a major punitive shift in the government's position.

We develop a theoretical argument in which we hypothesize the causal mechanism that led to this particular outcome:

H: Intense electoral competition for middle- and high-income voters, combined with a context of declining support for public assistance to the poor, may trigger a government's decision to toughen its enforcement of conditionalities. This combination prompts the political opposition to pressure the government and advocate for tougher conditionality enforcement. This raises the salience of conditionalities in the public debate and makes the government fear that continued lax enforcement of conditionalities may alienate its middle- and high-income voters.

⁶ See <https://legislativo.parlamento.gub.uy/temporales/D20070419-0926-09888464388.HTML#> (last accessed on December 20, 2020).

⁷ See <https://legislativo.parlamento.gub.uy/temporales/D20070712-0926-11291012613.HTML#> (last accessed on December 20, 2020).

We also developed five alternative explanations that could account for this outcome:

HA_1: Government ideology is crucial in determining whether it chooses lenient or strict enforcement of conditionalities. A change in government ideology could explain the punitive turn.

HA_2: Conditionalities are enforced more stringently by governments in response to economic crises. The choice to enforce conditionalities more stringently signals to voters that the policy retrenchment is targeted at the 'undeserving' poor.

HA_3: Within the governing party, there are competing factions with different preferences regarding enforcement of conditionalities. A government's decision to toughen enforcement responds to the increasing strength of a fiscally conservative or pro-human capital faction inside the governing party.

HA_4: The punitive turn is attributable to a policy-learning process among government officials. Government officials learn from program evaluations and make adjustments so that the policy will work as intended.

HA_5: A change in state capacity to enforce conditionalities explains the punitive turn. A government's decision to toughen enforcement of conditionalities results from new administrative capacity to monitor and sanction noncompliance.

Following Zaks's (2017) framework, our rival hypotheses are identified as *coincident*. Coincident explanations offer distinct causal pathways that lead to the same outcome. Potentially, each causal pathway can contribute to explaining the outcome. Evidence for one hypothesis does not necessarily eliminate the others. Instead, the differing explanations require different pieces of evidence. Therefore, to assess the validity of coincident explanations, we search for evidence specific to the five alternative causal mechanisms that could be at play.

2. Research design

We use process tracing to determine the causal mechanism(s) that led the Uruguayan government to drastically change its strategy concerning the enforcement of conditionalities in 2013.

We explicitly work from a theory-testing perspective, using Bayesian inference to determine the extent to which our hypothesis and alternative ones are present in our case. In line with recent studies using this method for the Latin American context (Fairfield 2013; Fairfield and Garay 2017; Holland 2017; Piñeiro Rodríguez et al. 2021), we do not formalize the application of Bayesian inference through quantified probabilities and mathematical application. Instead, we assume that if any of the theories we test are true, there should be several pieces of evidence (causal process observations, CPOs) to support them (Beach & Pedersen, 2016; Bennett, 2009).

We use Van Evera (1997) process-tracing tests, according to which different CPOs might provide more or less decisive evidence in favor of or against a causal hypothesis (see Bennett, 2009; Collier, 2011). There are four tests: 1) passing a *straw-in-the-wind* test weakly supports the hypothesis, while failing to pass it weakly

undermines the hypothesis; 2) passing a *hoop* test provides support for the hypothesis, but failing to pass a hoop test eliminates the hypothesis; 3) passing a *smoking-gun* test strongly supports the hypothesis, but failing it does not significantly undermine the hypothesis; 4) passing a *doubly-decisive* test confirms the hypothesis and eliminates rival hypotheses.

Table A1-A6 summarize the expected evidence for each hypothesized causal explanation and indicate the corresponding test type the suggested evidence would constitute.

Table A1. H. Electoral competition causal mechanism.

Expected evidence	Source	Test type
Highly competitive political setting in previous elections. Segments of the middle-class electorate disenchanted with the government.	Electoral results, public opinion polls	Hoop: The presence of a competitive electoral landscape supports the hypothesis yet does not confirm it.
Increasingly hostile public opinion toward redistribution and transfers to the poor, and increasingly negative perceptions of the poor.	Public opinion polls	Hoop: The absence of increasingly adverse public opinion regarding redistribution, transfers to the poor, and perceptions of poverty would disconfirm the hypothesis.
Politicians from the opposition publicly advocate for conditionalities to be enforced.	Press articles, legislative records of congressional commissions and sessions	Hoop: For our hypothesis to be true, pressures on the government from different actors need to be present. They also need to be public since they are supposed to appeal to middle- and high-income voters. The hypothesis would be disconfirmed without this piece of evidence.
Public attention to the issue of conditionality and to the distinction between “deserving” and “undeserving” poor increases.	Press articles, legislative records of congressional commissions and sessions	Hoop: For our hypothesis to be true, issue salience should increase. Without this piece of evidence, the hypothesis lacks support.
Government officials’ responses acknowledge political pressures and explain the decision to start enforcing conditionalities.	Legislative records of congressional commissions and sessions, press articles	Smoking gun: Government officials’ responses should somehow acknowledge political pressures to ‘toughen’ enforcement. Finding this piece of evidence is unlikely, but finding it would provide strong support our hypothesis. Nevertheless, not finding this piece of evidence does not necessarily mean that the event did not occur.

<p>Government officials announce their plans to enforce conditionalities as a response to pressures.</p>	<p>Press articles</p>	<p>Straw in the wind: A public declaration or announcement regarding the enforcement of conditionalities and the importance of considering demands from the middle class would strongly support the hypothesis. However, not finding such a public declaration would not necessarily disconfirm the hypothesis, only weaken it.</p>
<p>Government officials recognize that the decision was related to political pressures.</p>	<p>Interviews</p>	<p>Smoking gun: Government officials should recognize that political pressures were considered when deciding to ‘toughen’ enforcement. Finding this evidence would confirm our hypothesis, but not finding it does not necessarily disconfirm the hypothesis.</p>
<p>The opposition claims credit for influencing the government’s decision.</p>	<p>Press articles</p>	<p>Straw in the wind: How the opposition reacts to the government’s decision to enforce conditionalities can be read as a signal that political pressures influenced the policy change. However, it is likely that opposition parties would claim credit for making the government change its strategy regarding conditionalities. Finding this evidence supports the hypothesis; failing to find such evidence weakens it.</p>

Table A2. HA_1. Partisanship causal mechanism.

Expected evidence	Source	Test type
<p>A center-right government takes office, after the center-left loses the elections.</p> <p>Center-right government officials announce their plans to enforce conditionalities, based on party preferences.</p>	<p>Public electoral data</p> <p>Press articles</p>	<p>Hoop: If there is no transition from a left-wing to a right-wing party in government, the hypothesis is discarded.</p> <p>Smoking gun: Government officials should recognize that party preferences were considered when deciding to ‘toughen’ enforcement. Finding this evidence would strongly support our hypothesis, but not finding it does not necessarily disconfirm the hypothesis.</p>

Table A3. HA_2. Economic conditions causal mechanism.

Expected evidence	Source	Test type
Economic downturn.	Public data on GDP evolution and other economic indicators	Hoop: If there is no economic crisis, the hypothesis is eliminated. However, the presence of a crisis provides support for the hypothesis.
Government public pronouncements on the need to cut social spending.	Press articles	Hoop: Government officials should acknowledge that the economic crisis was considered when deciding to cut social expenditure. Finding this evidence would strongly support our hypothesis, but not finding it does not necessarily disconfirm the hypothesis.
Government public pronouncements on the need to cut social spending targeting the “underserving” poor.	In-depth interviews, press articles	Smoking gun: Finding evidence of public statements made by the government about the need to reduce social spending directed at the “underserving” poor would confirm the hypothesis, though the absence of such evidence does not eliminate this part of the hypothesis.
Government officials announce their plans to enforce conditionalities, based on economic arguments.	Press articles	Smoking gun: Government officials should acknowledge that the economic crisis was considered when deciding to ‘toughen’ enforcement. Finding this evidence would strongly support our hypothesis, but not finding it does not necessarily disconfirm the hypothesis.

Table A4. HA_3. Intra-party competition causal mechanism.

Expected evidence	Source	Test type
<p>Factions within the governing party hold conflicting preferences on enforcing conditionalities; some factions advocate for lax enforcement while others favor strict enforcement.</p>	<p>Press articles, in-depth interviews</p>	<p>Hoop: For the hypothesis to be true, evidence of the existence of different positions should be present. Absent this evidence, the hypothesis is eliminated.</p>
<p>Public discussion between party factions on the approach to enforcing conditionalities and increasing polarization of views regarding enforcement.</p>	<p>In-depth interviews, press articles, official documents</p>	<p>Smoking gun: Finding evidence of two different positions regarding enforcement of conditionalities and finding the distance between them increasing over time would confirm the hypothesis.</p>
<p>The faction favoring strict enforcement of conditionalities strengthens its decision-making position in the government and imposes its vision, based on a human capital argument or an austerity argument.</p>	<p>Press articles, in-depth interviews</p>	<p>Smoking gun: We should find evidence of a faction aligned with a human capital or austerity argument regarding enforcement of conditionalities. We should also find traces of tougher positions becoming stronger over time and gaining power within the government. This would confirm the hypothesis, yet the absence of this evidence would only weaken it.</p>
<p>Government officials announce their plans to enforce conditionalities, based on a human capital argument or an austerity argument.</p>	<p>Press articles</p>	<p>Smoking gun: Government officials should acknowledge that human capital or austerity arguments were considered when deciding to ‘toughen’ enforcement. Finding this evidence would strongly support our hypothesis, but not finding it does not necessarily disconfirm the hypothesis.</p>

Table A5. HA_4. Policy learning causal mechanism.

Expected evidence	Source	Test type
<p>Official evaluations of program impacts showing null or minimal impact of the CCT program on health and education outcomes.</p> <p>Concerns raised by evaluations lead government officials involved in the implementation process to reconsider the importance of enforcing conditionalities.</p> <p>Ministry officials declare that conditionalities should be enforced for the program to achieve better results.</p>	<p>Program evaluation reports</p> <p>Media interviews with scholars and other relevant actors, both inside and outside the government</p> <p>Press articles, media coverage, in-depth interviews</p>	<p>Hoop: If the policy-learning mechanism operated, there should be program evaluation reports indicating that outcomes fell short of expectations due to lack of enforcement of conditionalities. Absent this evidence, the hypothesis is eliminated.</p> <p>Smoking gun: The existence of program evaluations referring to the importance of enforcing conditionalities is not, by itself, enough to explain the government's change in enforcement. There also should be evidence of some discussion within the government after the evaluations were released. If this evidence is present, it strongly confirms the hypothesis, yet not finding it only weakens support for the hypothesis.</p> <p>Smoking gun: Evidence that the government changed its mind would confirm the hypothesis. The evidence would be <i>doubly decisive</i> if combined with specific references to evaluations. For HA_4 to be true, we should find evidence of some learning process within the government regarding the importance of enforcing conditionalities in response to the impact evaluations.</p>

Table A6. HA_5. State capacity causal mechanism.

Expected evidence	Source	Test type
During the initial implementation of the social program, the government lacked the capacity to enforce conditionalities.	Secondary sources, previous studies, interviews	Straw in the wind: If non-enforcement of CCTs was due to weak state capacity, we should find evidence of that limited capacity from different sources. The existence of limited state capacity, in itself, does not demonstrate that limited capacity was the reason for lax enforcement.
Statements from government officials identifying limited capacity as the main reason for not enforcing conditionalities.	Press articles, interviews	Hoop: The lack of capacity and government awareness of this deficit should be present to trigger changes. Absence of this evidence would eliminate the hypothesis.
The government develops an enforcement plan and starts building capacity to enforce conditionalities.	Official documents	Hoop: An explicit governmental decision to build capacity to enforce conditionalities should be present for this hypothesis to be true. If absent, the hypothesis is eliminated.
The government achieves progress in the development of databases and administrative procedures built to enforce conditionalities.	In-depth interviews, legislative records of congressional commissions and sessions, official documents	Hoop: If the change in enforcement is explained by a change in state capacity, an important transformation of those capacities should be present in the period. We should be able to identify clear progress in the development of databases and administrative procedures.
Government officials state that capacity exists to enforce conditionalities and they decide to enforce them.	In-depth interviews, press articles	Straw in the wind: For the hypothesis to be true, the change in the enforcement of conditionalities should be explicitly linked to the consolidation of administrative capacity. However, since the government may be unlikely to acknowledge that the change in enforcement strategy was due to political pressures, there is a high probability that the government would point to the changes in state capacity as the rationale for the change. For this reason, we consider this piece of evidence a <i>straw in the wind test</i> of our hypothesis. If government officials acknowledge that changes in state capacity were

		not the reason behind the change in the enforcement of conditionalities, this would eliminate the state capacity hypothesis.
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3. Results

In this section, we present the CPOs found for our main hypothesized causal mechanism and for the alternative hypotheses, as well as for the different types of tests. We assess the weight of evidence in support of the inferences we make regarding the mechanisms as a whole. For clarity, we assigned numbers to the CPOs, to facilitate their identification in the narrative.

H: Electoral competition causal mechanism.

Highly competitive electoral setting in previous election. Segments of the middle-class electorate disenchanted with the government.

CPO 1:

After winning the national elections for the first time in 2005, the FA lost some electoral support in 2009 (see Table A.5).

Table A. 5. Electoral support by blocs, 1999–2014.

Election	<i>Frente Amplio</i>	Traditional parties (<i>Colorado</i> and <i>Blanco</i>)
1999	39.0	53.6
2004	50.4	44.7
2009	48.5	46.1
2014	47.8	43.8

Source: Based on (UMAD, 2020).

This loss was particularly significant among middle- and higher-income voters living in Montevideo, the capital city (Lanzaro & De Armas, 2012; Moreira, 2010). This trend of the FA losing ground among the higher-income sectors was also confirmed by public opinion polls (Table A.6; see also Bottinelli 2012).

Table A. 6. Voting intention for the *Frente Amplio* by socio-economic status.

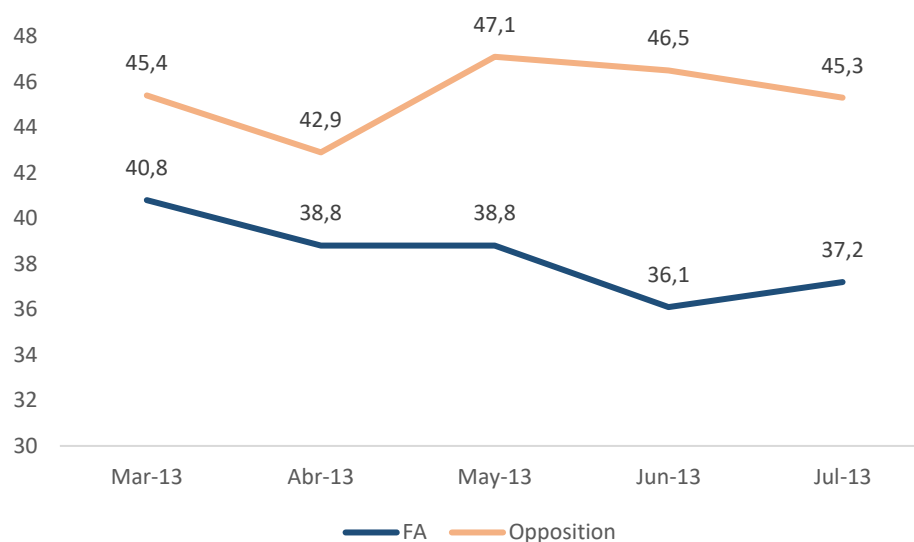
Socio-economic status	2004	2009	2014
Low	40	41	41
Lower-middle	45	45	41
Middle	49	48	41
Middle-high and High	55	49	43

Source: Based on (Lanzaro and De Armas 2012, fig. 13, based on Equipos Mori) and (Lanzaro, 2015).

CPO 2:

Most analyses for the term 2009-2013 revealed that the FA and the bloc formed by the center-right parties had similar levels of electoral support, suggesting uncertainty regarding the outcome of the next national elections (López Cariboni & Moraes, 2014). Data from public opinion polls show a decline in vote intention for the FA and a relatively stable trend in vote intention for the opposition parties combined (see Figure A.1).

Figure A.1. Vote intention to the FA and the opposition parties in 2013.



Source: Public opinion polls from *Opción Consultores*, available at

<https://www.opcion.com.uy/opinion-publica/encuesta-de-opinion-publica-intencion-de-voto-setiembre-2013/>

Increasingly hostile public opinion toward redistribution and transfers to the poor, and increasingly negative perceptions of the poor.

CPO 3:

Public opinion polls (Latinobarómetro, World Value Survey, and LAPOP) showed declining support for redistribution and for helping the poor and a decline in the perception of poor people as deserving of public assistance (see Tables A7-A9).

Table A. 7. Support for/opposition to government welfare provision, by socio-economic status. ["On a scale from 1 to 10, where "1" means that each person should take responsibility for his own well-being, and "10" means that the government should take responsibility for people's welfare, where would you put yourself?"]

Socio-economic Status	Individuals should take responsibility for their own wellbeing (%)		Governments should take responsibility for people's welfare (%)	
	2004	2013	2004	2013
Low	9	20	23	20
Medium	9	19	22	12
High	8	25	12	10
Total	8	22	19	14

Source: Latinobarómetro. SES categories correspond to the wealth index based on household assets. Sum of individuals responding "1" or "2" (individuals should take responsibility) and "9" or "10" (government should take responsibility).

Table A. 8. Explanations of poverty, by socio-economic status. ["Why, in your opinion, are there people in this country who live in need? Here are two options. Which comes closest to your view?"]

Socio-economic Status	Poor because of laziness and lack of will (%)		Poor because of an unfair society (%)	
	2006	2011	2006	2011
Low	31	40	51	38
Medium	26	47	43	31
High	25	38	50	46
Total	26	45	47	34

Source: World Value Survey. SES categories correspond to wealth index based on household assets.

Table A. 9. Support for/opposition to redistributionist policies, by socio-economic status. [“The Uruguayan government should implement strong policies to reduce income inequality between the rich and the poor. To what extent do you agree or disagree with these statements?”. [“On a scale from 1 to 7, where “1” means strongly disagree, and “7” means strongly agree]

Income level	Agree that the state should implement strong policies to reduce inequality between the rich and the poor		
	2008	2014	2017
Low	81	69	66
Medium	80	64	62
High	71	59	57
Total	77	64	62

Source: Americas Barometer (LAPOP). Income categories are constructed based on household income. Sum of individuals responding “6” or “7” (the state should implement strong policies).

Inference: These CPOs (CPO1, CPO2, and CPO3) constitute a hoop test of the hypothesis that there was increased electoral competition between the government and the center-right parties, especially among the middle- and high-income sectors. The presence of a competitive electoral landscape provides support for this part of the hypothesis but does not confirm it. The evidence also reveals the existence of public

opinion becoming increasingly hostile toward helping the poor, increasing support for this part of the hypothesis.

Politicians from the opposition publicly advocate for conditionalities to be enforced.

CPO 4:

Representatives from the government were regularly summoned to the Congress's Special Commission for Population and Social Development:

- 8/15/2011: Senator Solari of the Partido Colorado (Colorado Party, PC) stated: “It seems to me that the [government’s] response very much leans toward conditional cash transfers, although conditionalities are not being enforced in the Uruguayan Social Program of the Ministry of Social Development (...) Regarding the projects that seek to strengthen human capital of poor people, I would say — I apologize for my honesty, Mr. Minister — the numbers are highly disappointing” (Congressional records, House of Representatives, Population and Social Development Special Commission, 8/15/2011).⁸
- 3/15/2012: Minister of Social Development Daniel Olesker attends the session of the Congress' Special Commission for Population and Social Development. In the session, Congresswoman Ana Lía Piñeyrúa (PN) argues, “The minister has said that he is not in favor of enforcing conditionalities; we have seen it in the press. First, there was a speech demanding them at the beginning, but enforcement of conditionalities is not seen as desirable; it is

⁸ See <https://legislativo.parlamento.gub.uy/temporales/S201109522539379.HTML#>

(last accessed on December 20, 2020).

what I interpret from the words of the minister (...) The Administration has the obligation to enforce conditionalities, because it is a condition to maintain the benefit (...) Then, given that there are different perspectives on the subject of enforcement of conditionalities in this and other programs, I would ask the minister whether he plans to propose an amendment to the current legislation” (Congressional records, House of Representatives, Population and Social Development Special Commission, 3/15/2012).⁹

- 5/3/2012: Congresswoman Ana Lia Piñeyrúa accuses the government of not enforcing AFAM_PE’s conditionalities to keep the beneficiary population as an electoral clientele (*Búsqueda*, May 2012). Piñeyrúa relied on the publication of an academic article showing increased electoral support for the government among the PANES beneficiaries (Manacorda et al., 2011). She interpreted this information as evidence that the FA government sought to gain politically from its policy of transfers without enforcing conditionalities.
- 5/15/2012: Congresswoman Ana Lia Piñeyrúa pursues a process of interpellation to Minister of Social Development Daniel Olesker.¹⁰ During the session, Piñeyrúa accused Olesker of having “encouraged the marginalization of people easily usable as an electoral prize” and “of not being willing to enforce conditionalities of the economic benefits that are given”

⁹ See <https://legislativo.parlamento.gub.uy/temporales/D20120315-1008-09593081152.HTML#> (last accessed on December 20, 2020).

¹⁰ Congress, by a resolution supported by at least one-third of its members, can call ministers to the floor to answer questions, and can censor them.

(Congressional records, House of Representatives, 5/15/2012).¹¹ The interpellation had repercussions in the press— *Montevideo portal*, May 16, 2012; *El Observador*, May 16, 2012; *La República*, May 17, 2012; *En Perspectiva*, May 17, 2012; *Uypress*, May 17, 2012—and was also publicized by Olesker and Piñeyrúa (and followed by many people) through social media.

- 12/13/2012: Minister Olesker is summoned and attends the session of the Congress' Special Commission for Population and Social Development. In the session, Congresswoman Ana Lía Piñeyrúa argues, “The President of the Republic, in his radio address, said that we must maintain social spending but also tighten the minimum counterparts [conditionalities]. He asked himself why and answered that it is out of respect for public resources that working people deserve (...) I think it is an indispensable resource and whoever does not comply must lose the benefit. The lack of enforcement has meant that, surely, there are many family allowances that are being paid at this time to people who do not meet this requirement.” Furthermore, Piñeyrúa questioned the minister on the issue: “The enforcement of conditionalities regarding school attainment and health checkups has been a problem both for the previous administration and for this one. In contrast to the minister, I think that monitoring school attainment and health checkups, as required by law, is an element that promotes education, not repression. I think that it is an essential device and those who do not meet that condition should lose the

¹¹ See <https://legislativo.parlamento.gub.uy/temporales/81393209382119.PDF>

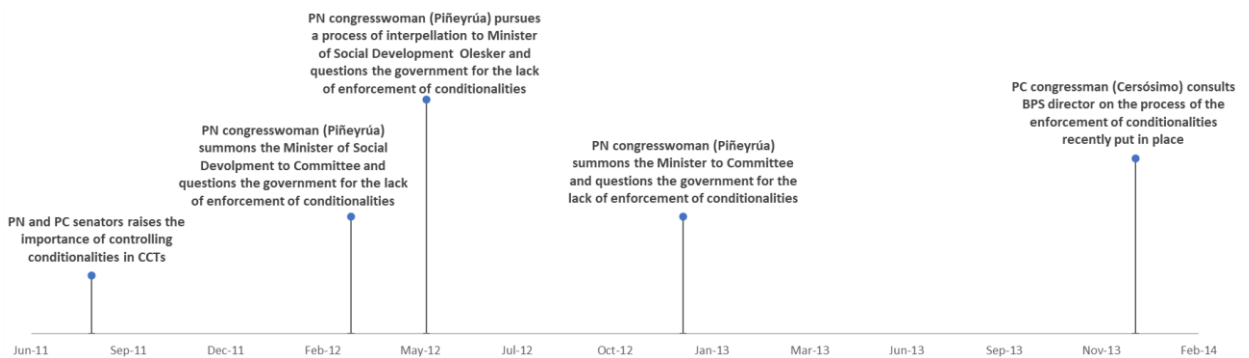
(last accessed in December 20, 2020).

benefit.” The contents of the session were published in newspaper accounts:

“The enforcement of conditionalities continues to be the main issue of confrontation between Minister Olesker and Piñeyrúa” (*La República*, December 12, 2012).

- 12/13/2012: In an interview with the news blog *Montevideo portal*, Congresswoman Ana Lía Piñeyrúa stated, “I have a philosophical difference with Olesker because the enforcement of conditionalities is something he doesn’t like” (*Montevideo portal*, December 12, 2012).
- 4/2/2013: The press continues criticizing the orientation of social policies: “The Government gives money to programs that overlap and are not always controlled” (*El País*, April 2, 2013).

Figure A. 2. Timeline of legislative summons issued to the Minister of Social Development.



Source: Author’s elaboration based on newspaper articles and legislative records.

CPO 5:

In a personal interview, a MIDES official acknowledged the pressure from the opposition: “We were being criticized for giving money to the poor and not asking anything in return (...) every time we went to Congress, the issue [of the enforcement of conditionalities] was on the table. And we declared that we were trying to control and enforce them. There were no voices that said, “rights are what matters, and everything else is irrelevant.” Rather, there were voices saying, “We need to look after the public money.”¹²

Public attention to the issue of enforcing conditionalities and to the distinction between the “deserving” and “undeserving” poor increases.

CPO 6:

Press articles focus on the non-enforcement of AFAM’s conditionalities. In February 2012, *El Observador* published an article titled “MIDES will maintain benefits even if beneficiaries do not comply”. Other press articles discuss the controversy over the misuse of the cash transfer to poor people, “Tarjeta Uruguay Social,” after an internal report on usage (*Brecha*, February 2012).

CPO 7:

The press reproduces public opinion polls emphasizing that most Uruguayans think the poor are lazy (*Búsqueda*, July 2013).

¹² Personal interview with an official from the MIDES (November 9, 2016).

Inference: CPOs 4-7 strongly indicate that the opposition pressured the government and politicized the issue of enforcing conditionalities. Those pressures became more acute in 2012 and were publicized, supporting the hypothesis that these criticisms appealed to middle- and high-income voters. The evidence also shows that the issue of enforcing conditionalities and of the deservingness of the poor became increasingly prominent in the public debate.

Government officials' responses acknowledge political pressures and explain the decision to start enforcing conditionalities.

CPO 8:

In November 2012, President Mujica declared that “he understood the criticism made by the opposition and the middle class” (*El Espectador*, November 8, 2012). In his weekly radio address (*M24 radio*), he said: “The political will to redistribute in favor of the weakest is questioned (...), questioned by the opposition and questioned by middle-class people based on reasons that we do not share, but we understand. Yes, we understand why these middle-class people might think: ‘ok, but dude, you tax me, and then you are giving [to the poor].’ You can criticize whatever you want, because maybe we are wrongly distributing or not asking for conditionalities” (*El Espectador*, November 8, 2012; *La República*, November 8, 2012).

CPO 9:

In a personal interview, a MIDES official indicates that the changing attitudes in society towards poverty influenced the government’s decision about enforcing conditionalities: “The 2013 juncture was more complex regarding monetary transfers, social assistance in general. There were more voices that said, ‘Rights are what matters and everything

else is irrelevant.’ Rather, there were voices saying, ‘We need to look after the public money.’”¹³

Inference: CPO8 is a smoking gun test for the hypothesis that the government acknowledged the opposition pressure and middle-income voters’ preferences. It is a sufficient piece of evidence that supports the hypothesis that the government acknowledged the opposition pressure and middle-income voters’ preferences. This piece of evidence would be very unlikely if the alternative hypothesis—that the opposition pressure was ineffective—were valid.

Government officials announce their plans to enforce conditionalities.

CPO 10:

On February 27, 2012, a few days after Ana Lía Piñeyrúa announced that she would once again call Minister Olesker to the Special Commission for Population and Social Development in Congress, the Government announced at a press conference the creation of a new integrated system through which the government intended to effectively monitor whether families receiving social benefits were complying with their obligations (*El País*, February 28, 2012). The announcement was made by Minister Olesker after a meeting of the Social Cabinet at the President’s residence.

¹³ Official from the Ministry of Social Development, personal interview, November 9, 2016.

CPO 11:

In April 2013, the government announced that family allowances would be suspended on July 1 because those families were not complying with the condition of sending their children to school. The press conference was led by Ernesto Murro (BPS president), but Minister Olesker and Minister Brenta (Labor) were also present. The announcement was published in the press (*Subrayado*, April 25, 2013; *la diaria*, April 26, 2013).

Government officials acknowledge that the decision was related to political pressures.

CPO 12:

In 2015, the government issued a decree that established that monitoring and sanctioning of non-compliance would be carried out twice a year. One year later, in a personal interview, the BPS president stated, “I argued that I was not willing to have this discussion every single year, making a mess in the newspapers about whether we have to monitor compliance or not. If they want us to monitor, they should make a decree, and if they don’t want us to monitor, they should change the law. The government debated on these grounds and made a decree....”¹⁴

Reactions by the opposition claiming credit for influencing the government’s decision.

CPO 13:

The Partido Nacional (National Party, PN) representative in the *Consejo Directivo Central* (Central Directive Council, CODICEN), Daniel Corbo, expressed to the press his support for the fact that “the conditionalities included in the family allowances law are being enforced” (*El Espectador*, June 13, 2013). Also, the PC’s newspaper

¹⁴ Personal interview with the president of BPS (November 29, 2016).

published an opinion piece reacting to the enforcement of conditionalities, “Better late than never and that’s why the public announcement that we discussed is good news, but we insist: It’s just the tip of the iceberg. Underneath, the reality is infinitely worse and requires effort, work and seriousness (...) to be permissive is fatal, especially with the poorest, if they do not enter the education system quickly—even if it is more or less compulsory—they will be left behind forever’ (*Correo de los Viernes*, June 15, 2013).

In the same vein, Congressman Pablo Mieres from the Partido Independiente (Independent Party, PI) stated to the press that, “this week the whole country knew that the government concealed the irregularity of at least 35,000 cases and ‘concealed’ their non-compliance. The law is very clear in establishing this obligation. Many Uruguayans should feel cheated, because they are forced to comply with different legal obligations, payment of taxes, fines if they fall behind in payments, discounts for payment of contributions and debts, etc. Finally, very late, but better late than never, the BPS has announced that they will stop paying family allowances to those families who do not send their children to primary school or high school. After so many years it is announced that the law will be complied with. Meanwhile, these citizens have received improperly, who knows for how long, a monthly amount that they did not deserve because they did not even meet the minimum obligation demanded, which is also an inalienable right of theirs” (*El Diario*, June 6, 2013). Finally, the newspaper *El País* published an editorial arguing that, “Finally the authorities may be giving signs of listening to what we have repeated over and over, trying to draw attention to the misuse of public money that comes from the citizens’ pockets (...) because the goal must never be to hand a little money to those in most need, but to foster education in the new generations born in poor contexts (...) It is regrettable that so many years had to pass

for the authorities to react (...) to what the opposition was saying, something that was true and not mere politics” (*El País*, June 2013).

Inference: CPOs 10-12 show that government officials announced their plans to enforce conditionalities after the opposition pressure became more acute. Even when the public announcement regarding the enforcement of conditionalities did not refer to the demands from the middle class, a government official acknowledged that the decision was related to political pressures. This confirms the hypothesis that the government took into consideration the public controversy over the enforcement of conditionalities when deciding to institutionalize their control. CPO13 shows the opposition reacting by claiming that their pressure brought about the change in the policy. Those pieces of evidence are consistent with the hypothesis that the opposition influenced the government's decision.

General inference: There is clear evidence that increased electoral competition for middle-income voters, in a context of public discontent with social transfers to the poor, led the opposition to politicize the issue of non-enforcement of conditionalities. This prompted the government to start sanctioning non-compliers to avoid alienating part of its electoral base among non-beneficiaries. There is also evidence that the government announced its plans to enforce conditionalities after pressure from the opposition became more acute and acknowledged that the decision was related to those pressures.

Testing alternative explanations

To test for alternative explanations, we follow the same inferential logic we applied to test our main hypothesis and present the evidence and tests we use to rule them out.

HA_1: Partisanship causal mechanism

A center-right government takes office, after the center-left loses the elections.

CPO 14

The *Frente Amplio* is a center-left party that governed between 2005 and 2020. AFAM-PE was created during Tabaré Vázquez's presidency and the enforcement of conditionalities took place during the government of President José Mujica, from the same party. Transition to a center-right government occurred later, in 2020.

Center-right government officials announce their plans to enforce conditionalities, based on party preferences.

No evidence found.

Inference: This hypothesis is discarded since the shift regarding enforcement of conditionalities occurred not only under a government led by a left-wing party—the same party that created these programs in the previous term—but also under a government led by President José Mujica, leader of the Movimiento de Participación Popular (MPP), one of the leftist factions within the FA (Yaffé, 2013).

HA_2: Economic conditions causal mechanism

Economic downturn.

CPO 15:

Economic conditions were favorable. GDP growth averaged 5%, significantly higher than the ~1% growth rate recorded in the previous decades (Che, 2021). The poverty headcount declined from 34.4% in 2006 to 12.4% in 2012 (INE, 2013).

Government public pronouncements on the need to cut social spending.

CPO 16:

Based on our analysis of newspaper articles from 2005 to 2019 that refer to CCTs, we found no instances of representatives from the government citing the need to cut social spending.

Government public pronouncements on the need to cut social spending targeting the “underserving” poor.

CPO 17:

Based on the analysis of newspaper articles from 2005 to 2019 that refer to CCTs, we found no instances of representatives from the government referring to the need to enforce conditionalities to target the “underserving” poor.

Government officials announce their plans to enforce conditionalities, based on economic arguments.

CPO 18:

Based on our analysis of newspaper articles from 2005 to 2019 that refer to CCTs, we found no instances of government officials claiming that the enforcement of conditionalities is attributable to the deteriorating state of the economy.

Inference: This hypothesis is discarded, since the shift toward tougher enforcement of conditionalities took place in a prosperous economic context.

HA_3: Intra-party competition causal mechanism

Factions within the governing party hold conflicting preferences on enforcement of conditionalities; some factions advocate for lax enforcement while others favor strict enforcement.

CPO 19:

Although the FA is a factionalized party, in which factions are highly institutionalized and play an important role during elections and the elaboration of public policies (Antía, 2022; Yaffé, 2005), there is no evidence of FA factions holding different positions about enforcement of conditionalities.

Based on the analysis of newspaper articles referring to CCTs from 2005 to 2019, we found no traces of any discussion regarding conditionalities and their enforcement in the press during the period from 2007 until 2012. Similarly, we found no evidence of the existence of factions favoring strict enforcement of conditionalities within the government, either based on human capital arguments or austerity arguments. No

factions from the FA or representatives from the government spoke out on the issue of enforcing conditionalities.

Public discussion between party factions on the approach to enforcing conditionalities and increasing polarization of views regarding enforcement.

CPO 20:

We found no evidence of the existence of public controversy inside the government regarding enforcement of conditionalities.

CPO 21:

There is no evidence of increased polarization of views between FA factions regarding enforcement of conditionalities.

CPO 22:

However, we did find evidence of different positions about whether conditionalities should be enforced or not among some government officials at MIDES and BPS, which were in charge of managing AFAM_PE. From 2005 onward, the position of Minister Marina Arismendi and her team ascribed a marginal role to conditionalities.¹⁵ Similarly, Deputy Secretary of MIDES Lauro Menéndez told the Population, Development and Inclusion Commission, “When a school inspector or director reported to the program or the territorial offices that some children had not attended class for a week, efforts were made to see why they did not attend. We do not conceive the conditionalities to be

¹⁵ Declarations of MIDES Director of Social Policies Christian Mirza to the newspaper *El País, Suplemento Qué pasa*, 4/8/2007. Personal interview with a scholar who was a member of the AFAM_PE Commission (November 16, 2016).

punitive, that if they do not go to school, we take away the family allowance or the citizen income; rather we try to determine the reason for not attending. Perhaps they did not attend because they needed more support to be able to exercise the right to education and health, and we, in those cases, try to support it." (Congressional records, Senate, Population, Development and Inclusion Commission, 13/09/2010).¹⁶ This was the predominant view of the FA government until 2013, when the decision to enforce conditionalities was announced. At the time, officials from the BPS defended the position that conditionalities should be enforced—arguing that they should follow a legal mandate, not based on human capital justifications or austerity arguments—but there is no evidence of BPS officials holding this public position prior to 2013. The position adopted by BPS and its president, Ernesto Murro (Independent, but close to President Mujica) was not shared by ministers Eduardo Brenta (Minister of Labor, from the FA's moderate faction *Vertiente Artiguista*) and Daniel Olesker (from the Socialist faction in the FA), according to government sources quoted in newspaper accounts (*El País*, May 15, 2013). It was also not shared by the former Minister of Social Development, Marina Arismendi, a member of the Communist Party, who argued against suspending the benefit to recipients who were not complying: "Even if it were only one student, it would be worth going to look for them. If we start now, in less than a month we visit everyone, because the goal is to get the family allowance, because if they do not go to school and they are punished by suspending the payment of a few pesos, because we are not talking about fortunes, then besides not going to school they will eat worse at home" (*El País*, May 15, 2013).

¹⁶ See <https://legislativo.parlamento.gub.uy/temporales/S201003612810945.HTML#>

(last accessed in December 20, 2020).

CPO 23:

Although these critiques were articulated by important government officials, they did not seem to align with political factions within the FA and were not significant enough to reverse the government's decision to move forward with the enforcement. Moreover, the newspaper *La República* reported, "In the Frente Amplio, there is wide support for this government policy that seeks to avoid having families drop out of the education system and to verify that those individuals that are receiving state assistance are sending their children to school. The majority of the political sectors within the coalition agree that the main goal of this measure is not to suspend this benefit given by the state, but to incentivize the population to send their children to school" (*La República*, December 17, 2013).

The faction favoring strict enforcement strengthens its decision-making position in the government and imposes its vision, based on a human capital argument or an austerity argument.

CPO 24:

There is no evidence that FA factions were supporting more stringent enforcement of conditionalities. There is also no evidence that the argument used by some government officials to defend enforcement was based on human capital promotion.

Government officials announce their plans to enforce conditionalities, based on a human capital argument or an austerity argument.

CPO 25:

When in June 2013 the government announced the suspension of family allowances to non-compliers at a press conference, there were no arguments offered to justify that

decision aside from the enforcement of the law. There were no references to human capital arguments or austerity arguments (Presidencia, 2013). In a personal interview in 2016, the BPS president stated, “We have been asked, ‘Why do you monitor [conditionalities]?’ Because it is in the law. In any case, have the discussion and change the law.”¹⁷

Inference: Although the FA is a factionalized party, the government's debate on enforcing conditionalities did not take place among these factions. Instead, it took place among governmental officials of the main implementing institutions (MIDES and BPS), who belonged to different factions or were independents. Initially, MIDES officials advocated for lax enforcement. They considered conditionalities to be an encouragement rather than as a requirement for beneficiaries to receive the transfer. In addition, there is no evidence of a ‘pro-human capital’ coalition or ‘pro-austerity’ coalition within the government. There is evidence that advocates of more stringent enforcement managed to impose their vision, but only after the opposition politicized the issue. However, they managed to do so not based on a human capital argument or austerity argument but on legalistic grounds. This position emerged after the opposition politicized the issue of enforcement. In this sense, it could be argued that it was triggered by the electoral competition mechanism.

HA_4: Policy learning causal mechanism

¹⁷ Personal interview with the president of BPS (November 29, 2016).

Official evaluations of program impacts showing null or minimal impact of the CCT program on health and education outcomes.

CPO 26:

Evaluations for PANES and AFAM_PE pointed to the lack of enforcement of conditionalities as crucial to explaining the low impact of the programs on well-being dimensions. An evaluation report of PANES stated that “In the case of medical consultations, a question was analyzed that indicated for each member of the household whether he had consulted doctor or health personnel in the last 3 months. In the population as a whole, the effects are weak but suggest more doctor consultations among those who were beneficiaries of the program. Positive effects were found in children under 5 years of age and for women over 17. This may be due to the fact that one of the program requirements is attendance at periodic medical checkups for children and pregnant women. However, the result is interesting given that the compliance with the requirements was not rigorously monitored” (Amarante et al., 2008). Also, a final report stated, “It should be remembered that PANES required school attendance up to the first cycle of secondary education as a condition, although [compliance with] the conditionalities was not strictly monitored. No effects of the program on school attendance are detected for any age group. In the case of secondary school, this may be due to the weakness in the monitoring of conditionalities” (Amarante et al., 2009).

Regarding AFAM-PE, program evaluations showed “a positive and significant impact of the program on secondary school attendance among teenagers between 13 and 17 years old. The magnitude of the effect indicates that eligible children have a probability of attendance between 2% and 4% higher than ineligible children” (Bérgolo et al., 2013, p.35). Nevertheless, the AFAM-PE evaluation showed that recipients had only limited knowledge of the conditionalities: “51.1% of the people interviewed know at least one

condition of the program, the percentage being somewhat higher among the eligible population (54.3%). Likewise, around 40% respond that there are no conditionalities or that they are unknown” (Bérgolo et al., 2013, p.20).

Concerns raised by evaluations lead government officials involved in the implementation process to start considering enforcement.

CPO 27:

There is no evidence of officials arguing about the importance of enforcing conditionalities as a consequence of the AFAM_PE evaluations. Meanwhile, the only reference we found to officials considering changing their ideas regarding conditionalities on the basis of evaluations is one that leads to the exclusion of this hypothesis. The director of the Office of Evaluation and Monitoring of MIDES, Juan Pablo Labat, claimed that, based on the AFAM_PE evaluation report, “The economic incentive is too low to generate a behavioral change” (*El País*, October 29, 2016).

Ministry officials declare that conditionalities should be enforced for the program to achieve better results.

CPO 148:

In newspaper accounts in the press and in interviews with public authorities, there is no evidence that officials cited the impact evaluations as a reason to reconsider the enforcement of conditionalities. There is no mention of enforcement as a means to achieve better results.

Inference: The government was not concerned about conditionalities and their enforcement after the program’s evaluations were published. The evaluation results did not trigger a policy learning process within the government.

HA_5: State capacity causal mechanism

During the initial implementation of the CCT program, the government lacked the capacity to enforce conditionalities.

CPO 159:

There were institutional limitations on the ability to monitor compliance with conditionalities (Svalestuen, 2007). Specifically, there was no electronic database of educational attendance and medical checkups.

CPO 30:

Government officials publicly recognized that they did not enforce conditionalities during the first years of PANES because of capacity limitations: “Government admits problems monitoring compliance with requirements for poor families that benefit from PANES” (*Semanario Búsqueda*, June 28, 2007; Personal interview with Oscar Gomez, 2/2/2011).

CPO 31:

In a personal interview, an academic who collaborated with MIDES in the implementation and evaluation of PANES stated, “There was no institutional capacity to enforce conditionalities.”¹⁸

CPO 32:

However, a few isolated efforts were made to monitor compliance with conditionalities.

In a personal interview, a MIDES official stated that there were some initial attempts to

¹⁸ Personal interview with a scholar who was a member of the AFAM_PE commission (November 16, 2016).

monitor health conditionalities: “With health conditionalities, the ministry issued a specific card. Beneficiaries were supposed to go to the health clinics and ask the physician to sign the card and then go to the payment locations, but it was impossible to implement that. All these cards were distributed by mail, at the time it was all very epic (...) In fact, in health, they print carnets. (...) A card that was a sheet, 32,000 were distributed, and probably many Uruguayans of very good faith went to the health clinic and asked the doctor to write down that they have conducted a health checkup, but afterward the authorities did nothing with that information. It was irresponsible to do so.”¹⁹ Similarly, in a personal interview, an official from BPS stated that, “Since 2007 we have been trying to put [the information system] to work. BPS donated 3,000 computers to primary schools and 600 to secondary schools in an effort to help with the one thing that was not due to this, it was obvious that we had to do it, which was the technological improvement of the public education information system.”²⁰

Statements from government officials identifying limited capacity as the main reason for not enforcing conditionalities.

CPO 33:

There is evidence of the government recognizing that they need to strengthen their capacity to enforce conditionalities. In 2012, president José Mujica declared that the main reason for not enforcing conditionalities was the government’s limited management capacity: “I can’t agree with the fact that primary [education] does not send us the list of the students who attend

¹⁹ Personal interview with an official from MIDES, who was a member of the AFAM_PE design commission (November 9, 2016).

²⁰ Personal interview with the president of BPS (November 29, 2016).

school (...) These are the things that they [the opposition] can criticize us about, but not that we do not give social help.” (President José Mujica, radio program *m24*, November 7, 2012). However, this is the only testimony that acknowledges this limitation, and it occurred late in the process. By contrast, in a personal interview, a different government official claimed that, “Here there was no effective monitoring of conditionalities because you could not do that monitoring. The only way to do so was by a mechanism whereby the citizen himself would carry the certificate of having done health checkups or of having attended school to the place where they received the transfer payment. But this was not simple.”²¹

The government designs a plan and starts building capacity to enforce conditionalities.

CPO 34:

In 2007, the government started working on the creation of the National Integrated Information System (SIAS), a project that aimed to integrate beneficiaries’ information from different state institutions (Consejo Nacional de Políticas Sociales, 2007). Nevertheless, the documents produced in the development of SIAS do not mention its relevance for monitoring or enforcement of conditionalities. The SIAS is presented as an integrated system that will link data from several public institutions, contribute to the design and implementation of social policies, provide an integrated vision of social policy, etc. This was also acknowledged by academics and officials involved in the process. In a personal interview, a MIDES official commented that the SIAS was intended to “increase the digitalization process of the state and state institutions. This would allow us to achieve a

²¹ Personal interview with an official from MIDES, who was a member of the AFAM_PE design commission (November 9, 2016).

situation where compliance monitoring is not the citizens' responsibility (...) It was a parallel process [to the goal of monitoring and sanctioning] and had other goals, different from the management of [compliance with] conditionalities.”²² There was a process of capacity building “but not for [monitoring and sanctioning], for something that is much better, more global.”²³ Also, in 2011, the government announced the creation of *Gestión Unificada Registro de Información* (Unified Management of Records & Information Project, GURÍ), “a system to register primary school attendance ‘online’ through the *Ceibalitas* [One Laptop per Child program], but it is not yet working” (*El País*, February 28, 2012).

The government makes progress in building databases and developing administrative procedures to enforce conditionalities.

CPO 165:

There is evidence of a capacity-building process around the SIIAS. In 2007, the government signed a loan agreement with the World Bank to fund SIIAS²⁴ and in 2008 the SIIAS hired a group of consultants to design the system. Between 2009 and 2011, a private firm was hired to develop the IT platform for SIIAS. In March 2012, an institutional agreement was signed between the ministries and public offices to provide the data for SIIAS (MIDES, 2012). In

²² Personal interview with an official from MIDES, who was a member of the AFAM_PE design commission (November 9, 2016).

²³ Personal interview with a scholar who was a member of the AFAM_PE commission (November 16, 2016).

²⁴ See Documento de Convenio de Préstamo entre Proyecto de Asistencia Técnica para Desarrollo Institucional con BIRF (7451-UR).

April 2012, the President issued a decree to regulate the use of the information contained in SIIAS (Decree 109, April 12, 2012).

Government officials state that capacity exists to enforce conditionalities and they decide to enforce them.

CPO 176:

In February 2012, the government announced the signing of the institutional agreement of SIIAS. According to the Minister of Social Development, Daniel Olesker “[The SIIAS] will review all the programs that contain direct social assistance to detect possible noncompliance with conditionalities by families receiving benefits.” (*El País*, February 28, 2012). However, in a personal interview, an official from MIDES who was involved in the development of SIIAS stated that “The technical capacity to monitor compliance with conditionalities was reached in 2012.” This statement was regarding educational attendance, not health checkups (which were still not being monitored or enforced). Olesker also said that, “the acquisition of technology or technical capacity is not the only explanation for the 2013 movement (...) it was not the case that enforcement was not possible before 2013 (...) In fact, the technical capacity was built for something else and could be used for enforcement.”²⁵

Inference: The evidence suggests there were institutional limitations on monitoring compliance with conditionalities. This component passes a straw-in-the-wind test: The existence of a limitation on state capacity does not necessarily mean that this limitation was

²⁵ Personal interview with an official from MIDES, who was a member of the AFAM_PE design commission (November 9, 2016).

the reason for not enforcing conditionalities. Evidence shows the government did invest in the creation of SIIAS, but there is no evidence that it was undertaken in order to enforce conditionalities. Furthermore, a government official acknowledged that changes in state capacity were not the reason behind the change in the enforcement of conditionalities. In sum, state capacity building developed in parallel with other institutional objectives rather than to enforce conditionalities. Although by the end of 2012 the government had the technology to monitor compliance with conditionalities, it did not immediately begin enforcing conditionalities at that time.

4. General inferences

The CPOs presented above allow us to make inferences regarding our main hypothesized causal mechanism as well as the alternative hypotheses. Tables A.10-A.15 contain a synthesis of the evidence found to support each hypothesis:

Table A20. H. Electoral competition causal mechanism.

Expected evidence	Evidence found	Inference
<p>Highly competitive political setting in previous elections. Segments of the middle-class electorate disenchanted with the government.</p>	<p>There was increased electoral competition between the government and the center-right parties, especially for the votes of the middle- and high-income sectors (CPO1-2).</p>	<p>Increased electoral competition for middle-income voters, in a context of public discontent with social transfers to the poor, led the opposition to politicize the issue of non-enforcement of conditionalities. This prompted the government to start sanctioning noncompliers to avoid alienating part of its electoral base among non-beneficiaries. There is also evidence that the government announced their plans to enforce conditionalities after pressure from the opposition became more acute and acknowledged that the decision was related to those pressures.</p>
<p>Increasingly hostile public opinion toward redistribution and transfers to the poor, and increasingly negative perceptions of the poor.</p>	<p>There was an increasingly hostile public opinion toward redistribution and helping the poor (CPO3).</p>	
<p>Politicians from the opposition publicly advocate for conditionalities to be enforced.</p>	<p>There was increased public pressure on the government from the opposition and the press (CPO4-7).</p>	
<p>Public attention to the issue of conditionalities and to the distinction between “deserving” and “undeserving” poor increases.</p>	<p>Press articles focused on the non-enforcement of AFAM’s conditionalities (CPO6).</p>	
<p>Government officials’ responses acknowledge political pressures and explain the decision to start enforcing conditionalities.</p>	<p>The government acknowledged the opposition pressure and middle-income voters’ preferences (CPO8-9).</p>	
<p>Government officials announce their plans to enforce conditionalities as a response to pressures.</p>	<p>Government officials announced their plans to enforce conditionalities after the opposition pressure became more acute (CPO10-11).</p>	
<p>Government officials acknowledge that the decision was related to political pressures.</p>	<p>Government officials acknowledged that the decision was related to political pressures (CPO12).</p>	
<p>Reactions by the opposition claiming credit for influencing the government’s decision.</p>	<p>The opposition claims credit for the government’s decision to enforce conditionalities (CPO13).</p>	

Table A31. HA_1. Partisanship causal mechanism.

Expected evidence	Source	Test type
<p>A center-right government takes office, after the center-left loses the elections.</p> <p>Center-right government officials announce their plans to enforce conditionalities, based on party preferences.</p>	<p>There was no transition to a center-right government in this period (CPO14). Evidence not found.</p>	<p>This hypothesis is discarded since the shift regarding enforcement of conditionalities occurred under a government led by a left-wing party.</p>

Table A42. HA_2. Economic conditions causal mechanism.

Expected evidence	Source	Inference
<p>Economic downturn.</p> <p>Government public pronouncements on the need to cut social spending.</p> <p>Government public pronouncements on the need to cut social spending targeting the “underserving” poor.</p> <p>Government officials announce their plans to enforce conditionalities, based on economic arguments.</p>	<p>There is no evidence of an economic downturn (CPO15).</p> <p>No public pronouncements on the need to cut back on social spending (CPO16).</p> <p>No public pronouncements on the need to enforce conditionalities to target the “underserving” poor (CPO17).</p> <p>The official announcements about enforcing conditionalities do not refer to the “deservingness” of the recipients (CPO18).</p>	<p>This hypothesis is discarded, since the shift toward tougher enforcement of conditionalities took place in a prosperous economic context.</p>

Table A53. HA_3. Intra-party competition causal mechanism.

Expected evidence	Evidence found	Inference
<p>Factions within the governing party hold conflicting preferences on the enforcement of conditionalities; some factions advocate for lax enforcement while others favor strict enforcement.</p> <p>Public discussion between party factions on the approach to enforcing conditionalities and increasing polarization of views regarding enforcement.</p> <p>The faction favoring strict enforcement strengthens its decision-making position in the government and imposes its vision, based on a human capital argument or an austerity argument.</p> <p>Government officials announce their plans to enforce conditionalities, based on a human capital argument or an austerity argument.</p>	<p>There is no evidence of FA factions aligned with different positions regarding enforcement of conditionalities (CPO21). However, there is evidence of different positions among government officials from MIDES and BPS (CPO22).</p> <p>No evidence found (CPO20-21). Rather, evidence found of a group that after 2013 decided conditionalities should be enforced – but not based on human capital arguments (CPO22-23).</p> <p>No evidence found (CPO24), although some differences among government officials from MIDES and BPS become public in 2013 (CPO22).</p> <p>No evidence found (CPO25).</p>	<p>Although the FA is a factionalized party, the government's debate on enforcing conditionalities did not take place among these factions. Instead, it took place among governmental officials of the main implementing institutions (MIDES and BPS), who belonged to different factions or were independents. Initially, MIDES officials advocated for lax enforcement. They considered conditionalities as an encouragement rather than as a requirement for beneficiaries to receive the transfer. In addition, there is no evidence of a ‘pro-human capital’ coalition or ‘pro-austerity’ coalition within the government. There is evidence that advocates of more stringent enforcement managed to impose their vision, but only after the opposition politicized the issue. However, they managed to do so not based on a human capital argument or austerity argument but on legalistic grounds. Again, this position emerged after the opposition politicized the issue of enforcing conditionalities. In this sense, it could be argued that it was triggered by the electoral competition mechanism.</p>

Table A64. HA_4. Policy learning causal mechanism.

Expected evidence	Evidence found	Inference
<p>Official evaluations of program impacts showing null or minimal impact of the CCT program on health and education outcomes.</p> <p>Concerns raised by evaluations lead government officials involved in the implementation process to reconsider the importance of enforcing conditionalities.</p>	<p>Evaluations raise concerns about whether the small impact of CCTs is attributable to the role of conditionalities (CPO26).</p> <p>The government expressed no clear concern about the issue of enforcing conditionalities after the evaluations were published (CPO27).</p>	<p>The government was not concerned about conditionalities and their enforcement after the program’s evaluations were published. The evaluation results did not trigger a policy-learning process within the government.</p>

Ministry officials declare that conditionalities should be enforced for the program to achieve better results.	No evidence found (CPO28).	
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Table A15. HA_5. State capacity causal mechanism.

Expected evidence	Evidence found	Inference
<p>During the initial implementation of the social program, the government lacked the capacity to enforce conditionalities.</p> <p>Statements from government officials identifying limited capacity as the main reason for not enforcing conditionalities.</p> <p>The government designs a plan and starts building capacity to enforce conditionalities.</p> <p>Progress in development of databases and administrative procedures built to enforce conditionalities.</p> <p>Government officials state that capacity exists to enforce conditionalities and they decide to enforce them.</p>	<p>There was a deficit in administrative capacity to enforce conditionalities from the inception of the CCT program (CPO29-30).</p> <p>Government officials were aware of this deficit and publicly acknowledged it (CPO33).</p> <p>There was plan to build capacity but it was not created to facilitate enforcement of conditionalities (CPO34).</p> <p>There was a process of capacity building around SIAS (CPO35).</p> <p>The government had the technical capacity to monitor compliance with conditionalities, but didn't do so until later (CPO36).</p>	<p>The evidence suggests there were institutional limitations on monitoring compliance with conditionalities. This component passes a straw-in-the-wind test: The existence of a limitation on state capacity does not necessarily mean that this limitation was the reason for not enforcing conditionalities. Evidence shows the government did invest in the creation of SIAS, but there is no evidence that it was undertaken to enforce conditionalities. Furthermore, a government official acknowledged that changes in state capacity were not the reason behind the change in the enforcement of conditionalities. In sum, state capacity building developed in parallel with other institutional objectives rather than to enforce conditionalities. Although by the end of 2012 the government had the technology to monitor compliance with condition, it did not immediately begin enforcing conditionalities at that time.</p>

Based on the observed pattern of evidence, we conclude that Uruguay's shift in the enforcement of conditionalities was the result of an electoral competition mechanism. The increasingly competitive electoral landscape for middle- and high-income voters, combined with a context of declining support for public assistance to the poor, prompted the opposition to politicize the issue of non-enforcement of conditionalities and drove the government to start sanctioning noncompliers, in order not to alienate those segments of its electoral base who were non-beneficiaries.

This explanation is compatible with the hypothesis that a change in intra-party competition among FA factions was important to explain the government's shift in the enforcement of conditionalities. We found no evidence of FA factions taking positions on enforcing or not enforcing conditionalities. However, there are signs of somewhat antagonistic positions among officials from MIDES and *Banco de Previsión Social* (BPS), the two institutions responsible for implementing the cash transfer policy. The consensus favoring lax enforcement had little support outside MIDES. Officials from the BPS pushed for enforcement of conditionalities. However, their position became public and relevant only after the opposition politicized the issue in 2012. Also, their position was not inspired by a human capital approach to enforcing conditionalities. In other words, there is no evidence of a pro-human capital coalition within the government or aligned with political factions. However, it is possible that, in a context of increased pressure from the opposition, government officials who favored enforcing conditionalities managed to advance their position.

We found no evidence of a policy-learning mechanism. Regarding the state capacity mechanism, the evidence suggests that the capacity building process was necessary for the government to decide to enforce conditionalities. However, this evidence did not suffice to explain the outcome, since the capacity to monitor compliance had already been achieved in 2012.

5. List of legal documents

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6. Data References

[dataset] Latinobarómetro, Latinobarómetro Database, 2004 and 2013.

[dataset] World Value Survey, World Value Survey Database, 2006 and 2011.

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7. Interviewees

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