

*Mi Familia Progres*a: Change and Continuity in Guatemala's Social Policy.

Elena Gaia¹

Abstract

Catching up on recent trends in social assistance in Latin America, Guatemala introduced a Conditional Cash Transfers (CCT) programme in April 2008. Used in developmental or humanitarian contexts, conditional cash transfers are a form of social assistance intended to support individuals and households that live in conditions of persistent poverty or that experience a sudden fall in incomes and well being. The provision of cash is linked to the behavior of the target population, who is required to perform certain verifiable actions such as securing minimum investments in children's education and health.

*Mi Familia Progres*a (MIFAPRO) – My Family is Moving Forward – seeks to increase the human capital of younger generations in order to break the intergenerational cycle of poverty. By supporting the demand side of education and health services, the scheme is conceived primarily as a long-term investment, though it can have positive effects on poverty reduction in the short term through its impact on household consumption.

The paper carries out an analysis of the Guatemalan programme, focusing on its design, set up and execution so far. The analysis is conducted against the backdrop of previous social policy initiatives in the country in order to determine the extent to which this initiative represents a change in Guatemala's social policy making. Given the short life of the programme, any assessment of the preliminary results and the impact of *Mi Familia Progres*a are beyond the scope of this paper.

The study concludes that *Mi Familia Progres*a represents continuity more than change in Guatemala's social policy. Though MIFAPRO could become an important step further in the advancement of welfare entitlements in the country, its residual nature hampers its transformative potential. In terms of the broader implications for social policy in Central and Latin America, the findings of this paper confirm the general consensus on the need to insert current CCT programmes in broader and more inclusive social and economic policies.

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¹ Research Analyst at the United Nations Research Institute for Social Development. Please address any correspondence to gaia@unrisd.org

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Introduction

Catching up on recent trends in social assistance in Latin America, Guatemala introduced a Conditional Cash Transfers (CCT) programme in April 2008. *Mi Familia Progres*a (MIFAPRO) – My Family is Moving Forward – seeks to increase the human capital of younger generations in order to break the intergenerational cycle of poverty². By supporting the demand side of education and health services, the scheme is conceived primarily as a long-term investment, though it can have positive effects on poverty reduction in the short term through its impact on household consumption.

This research wishes to foster a better understanding of the challenges of social development and social policy in an under-researched developing country such as Guatemala. It also wishes to contribute to ongoing debates about the implications of conditional cash transfer programmes in Central and Latin America.

The paper carries out an analysis of the Guatemalan programme, focusing on its design, set up and execution so far. The analysis is conducted against the backdrop of previous social policy³ initiatives in the country in order to determine the extent to which this initiative represents a change in Guatemala's social policy making. Given the short life of the programme, any assessment of the preliminary results and the impact of *Mi Familia Progres*a are beyond the scope of this paper⁴.

The structure of the paper is as follows. In section 1, I review the literature available on conditional cash transfer programmes and distil the main analytical concerns raised by scholars. Section 2 gives an overview of social indicators and social policy trends and identifies the main characteristics of Guatemala's social policy since 1996. Section 3 is dedicated to a detailed analysis of *Mi Familia Progres*a, structured along five main topics: coverage and targeting, adequacy, conditionalities, governance and management, and financing. In section 4, I bring together the main findings of the analysis conducted in the previous section to show that MIFAPRO represents continuity more than change in Guatemala's social policy. In the conclusion, I summarise the main findings of the paper and speculate on their broader implications for social policy in the region.

1. Conditional Cash Transfers: Main Issues.

Conditional cash transfers have increasingly attracted the attention of policy-makers and social policy scholars over the past ten years. Used in developmental or humanitarian contexts (Farrington and Slater 2006), conditional cash transfers are a form of social assistance intended to support individuals and households that live in conditions of persistent poverty or that experience a sudden fall in incomes that jeopardizes well being. The provision of cash is linked to the behavior of the target population, who is required to perform certain verifiable actions such as securing minimum investments in children's education and health (De la Briere and Rawlings 2006). Generally these programs seek to sustain or increase consumption of goods and services purchased in the market – e.g. food – or/and provided by the state – e.g. health and education (Farrington and Slater 2006). In this sense, they normally combine two sets of objectives: the cash transfer component aims at poverty reduction, either in the form of prevention or alleviation, while the conditionality relates to improvements in human development.

² Poverty is a contested concept. The author of this paper agrees that poverty is a relative and multidimensional phenomenon, comprising multiple deprivations in material, symbolic and relational aspects (Lister 2004; Townsend 1979). However, in this research the term poverty will be used occasionally as synonym with 'income poverty' and therefore measured in terms of individual or household income. This limitation of scope may be necessary in order to facilitate cross country comparisons and, more importantly, because of lack of data on multidimensional poverty in these countries.

³ In this paper, social policy is defined as state intervention that directly affects social welfare, social institutions and social relations, involving overarching concerns with redistribution, production, reproduction and protection (UNRISD 2005). The focus of this paper is solely on the intervention of public institutions in social protection, as state intervention shapes the conditions for the involvement of other actors and is shaped by these in turn. For discussions on the role of private actors in providing welfare in Guatemala, see World Bank (2003; 2009).

⁴ In January 2009, it was established that the programme would be evaluated externally by the Instituto Nacional de Salud Publica, a Mexican institution involved in the evaluation of *Oportunidades* in Mexico, in collaboration with the National Statistical Institute of Guatemala (INE). This will be financed by a grant from the Inter-American Development Bank.

Introduced in Latin America during the 1990s, these programs have been adopted by different countries around the world, to serve different purposes and within different sectors of social policy. Conditional cash transfers are advocated as one of the possible means of extending social protection to sectors of the population traditionally excluded from statutory contributory social insurance either because of their informal employment status, or their low incomes. Such cash transfers are normally targeted on the basis of income (means-tested), by category (eg. age, geographical region), or a combination of both. The main advantages are the disconnection from formal labour relationships and previous contributions and the fact that in principle they are targeted to the very needy. This is seen by many commentators as a crucial factor in the political economy of welfare, making them more likely to be supported by middle and high income groups. Additionally, they may benefit from the redistributive effects of progressive taxation where financed by a progressive system of general revenue. Scholars have also noted that by recognizing people's right to manage their own resources and choose how to spend them, cash transfers represent a major shift from a paternalistic view of social protection to a more empowering approach (Slater 2008; Standing 2008).

Evidence shows that cash transfers support household consumption and directly improve household welfare (Slater 2008; Barrientos 2008; Standing 2008). Positive effects have also been found on nutrition, school enrolment, child and maternal health (Hoddinott and Skoufias 2003; Rawlings and Rubio 2003; Maluccio and Flores 2005). It is more difficult to trace the impact of these programmes on broader national poverty and inequality indicators. In general this is attributable to the residual nature of these programmes, aimed at the poorest⁵ individuals/households, and also to their small size in terms of coverage and financial investment as percentage of social public spending. However, there are exceptions to this. For instance, Brazil's *Bolsa Familia* shows that important numbers of people (40 million) can be reached through social assistance programmes with visible effects on redistribution and poverty (Melo 2008).

The main limitations of conditional cash transfers are the technical requirements needed to carry out effective targeting: in countries with low administrative capacity it may be extremely costly and inefficient to target and spillovers are likely to be more significant (Slater 2008; Standing 2008). In addition, these programmes do not escape from risks of corruption and political capture (Hall 2008).

In the political economy of welfare provisioning, state cash transfers represent residual measures that disengage the rest of society since they do not pool risk. As such, their potential for tackling some of the deeply rooted causes of persistent poverty in developing countries is questioned. As to their impact on the social development objectives covered by the 'conditions' attached, it is disputed whether cash transfers are an adequate response to 'development bottlenecks' in terms of education and health inequality (Slater 2008). Where health and education services are lacking or of poor quality, improvements in education and health indicators might be better achieved by investing resources directly in these services rather than through cash transfers.

Eventually, other issues concern the impact of conditional cash transfers on gender equality, as in many of these initiatives benefits are targeted to women, which means that they are usually in charge of fulfilling the conditionalities set. It has been observed that some of these programmes tend to reinforce asymmetrical and traditional gender relations to the extent that they rely on a traditional vision of gender roles and responsibilities (Molyneux 2006).

2. Social development and social policy in Guatemala.

Despite being classified as a middle income country by the World Bank, Guatemala has one of the highest poverty rates and most unequal income distributions in Latin America. Half of the population (6.6 millions) lives below the national poverty line, and 15 per cent – 2 millions – in extreme poverty (INE 2006). Since the first Living Standards Measurement Survey (LSMS or ENCOVI) in 2000,

⁵ With the aim of avoiding language and labels that might be perceived as stigmatising or discriminatory resulting in the 'othering' of vulnerable or disadvantaged people, I have given careful consideration to the use of the term 'the poor' or "the poorest", which are considered problematic by some experts in the field. Unfortunately, the use of alternative expressions would not necessarily be more accurate or less stigmatising. In this paper reference is made to 'the poor' as the group of people that satisfy the means test for conditional cash transfers and on whom these transfers are targeted.

poverty declined by 9 points, while extreme poverty has remained the same. High food inflation rates, partly provoked by the recent global food crisis, made it more expensive to buy the food necessary to cover the minimum calories requirement for the average Guatemalan, thus increasing the real value of the extreme poverty line (World Bank 2009).

Poverty and deprivation are concentrated in the rural areas, where, indeed, 83% of people in extreme poverty live. Poverty is also highly correlated with ethnicity as 56% of people in poverty and 68% of people in extreme poverty belong to the indigenous population. With respect to inequality, estimates show that the top quintile has a consumption share of 51%, while the lowest quintile of 6%, indicating the persistence of substantial disparities (World Bank 2009).

Table 1 summarises key socio-economic indicators.

Table 1. Trends in key socio-economic indicators in Guatemala 1996-2006.

Indicator	1996	2000	2006
GDP millions (2000 constant US\$)	US\$ 16,362	US\$ 19,291	US\$ 22,834
GDP per capita	US\$ 1,599	US\$ 1,718	US\$ 1,753
Infant mortality (deaths per 1,000 live)	49*	39	30.6
Under five mortality (deaths per 1,000 live)	64	53	41
Fertility rate (births per woman)	5.18*	4.76	4.24
Life expectancy at birth	65.2*	67.9	69.9
Immunization, DPT (% of children ages 12-23 months)	66%	85%	80%
Overall poverty (headcount) ^a	n.a.	56	51
Extreme Poverty ^a	n.a.	15.7	15.2
Child poverty (0-6) ^a	n.a.	65.5%	62%
Net primary enrolment rate ^a	n.a.	79.9	86.4
Persistence to grade 5 (% cohort)	n.a.	56	69**
Persistence to last grade of primary (% cohort)	n.a.	50	63**
Primary completion rate (% of relevant age group)	48***	57.7	76.5
Net secondary enrolment rate ^a	n.a.	26%	37.5%

Source: Author's elaboration with data from World Development Indicators.

^a Data taken from ENCOVI 2000 and 2006.

* Data refers to year 1995; ** Data refers to year 2005; *** Data refers to year 1997.

There is very limited literature about recent social policy and social programmes in Guatemala, let alone historical accounts of its development over time. Thirty-six years of civil war, military rule and violent repression of dissent wiped out entire generations of labour and peasants unions' leaders; this left the country without strong civil society and political actors pushing for the expansion and institutionalization of social policy. Elites, supported by enclave economies based on exports of primary goods, have been dominating the State apparatus and have used the fiscal capacity of the State for the extraction of rents, without providing the counterpart collective goods neither in infrastructure nor in regulation or social services (Filgueira 2005). During the structural adjustment reforms of the 1980s and 1990s, as social policy became increasingly associated with poverty alleviation rather than social inclusion, historically and newly excluded sectors were left without institutionalized forms of protection or, at best, very weak forms of protection. Eventually, the advent of democracy brought about a basic consensus on rights to wellbeing and institutional responsibilities for delivering them enshrined in the Peace Accords of 1996. This has been compounded by the establishment of the Millennium Development Goals, imposing strong commitments upon the state.

As a result, public social spending as percentage of GDP increased dramatically since 1996, though still remaining among the lowest in Latin America; however, social spending as a share of total public expenditure is above the regional average (World Bank 2009). Tax efforts in Guatemala remain low, at around 12% of GDP in 2007, below the regional average for Latin America for the same year calculated at around 15% (CEPAL 2009).

Public social expenditure concentrates on education, with half of the investment targeted to primary education and around 10% on each of the other three levels. While primary education is mostly public and managed by the central government, secondary education is private. More than 22% of the population is enrolled in a type of public education institution, with higher percentages for people in poverty and extreme poverty (World Bank 2009). However, most of the students in the public system are concentrated in primary education, especially among the poor while secondary education reaches 1% of the extreme poor and 2.1% of the poor.

Social protection expenditures, including social security, social assistance and social funds amounted in 2003 to 3.8% of GDP (World Bank 2005), below the regional averages in Central and Latin America. Social security represented two thirds of the budget and the social funds used almost one fifth of the budget (World Bank 2009). By 2006 only 3.4% of workers affiliated to the Guatemalan Institute of Social Security (IGSS) were extreme poor and 22.6 percent were poor (World Bank 2009). A reduced number of formal workers and public officers are benefiting, while the vast majority of the population, represented by the informal sector workers, agriculture and secondary labor force, is excluded. Health insurance through the IGSS has an overall low coverage, leaving 94.5% of the poor and 97.2% of the extreme poor uncovered (World Bank 2009).

Social assistance accounted for 16% of the total, with expenditure being channelled mainly to a host of different small programmes (21 in total in 2003) in education (school feeding, scholarships, subsidies to school and transport, materials) and, to a less extent, early child care and subsidies for fertilizers, electricity and housing. The fragmentation and dispersion of efforts in social assistance across multiple small and uncoordinated initiatives is coupled with institutional fragmentation leading to the dispersion and duplication of responsibility across multiple government entities, para-statal bodies and social funds. Seventeen percent of the populations is covered by at least one of these programmes and coverage for each of the lowest three quintiles and for the extreme poor and all poor persons is 20% (World Bank 2009). Absolute incidence varies substantially among the social programmes with some being pro-poor, such as school supplies and school feeding, but others highly regressive (school transport subsidy, scholarships, health programs). Criteria for targeting social assistance have differed widely across programs, with some using geographic criteria (though rarely based on the poverty map) and others using broad categorical eligibility (e.g., girls in poor rural areas, victims of human rights violations, orphans, poor elderly, landless peasants, breast-feeding mothers, refugees, etc.). Furthermore, these initiatives are seldom monitored and evaluated due to the lack of adequate mechanisms to do so (World Bank 2009); when evaluations of social programmes took place, they were carried out mostly externally, with the methodological and financial help of international organisations.

Issues of state legitimacy and the persistent challenges to deepening democracy and rule of law also affect public social policy making in Guatemala. Guatemala lacks a consolidated and professional civil service. Individuals with close links to industry and the agricultural export sector headed 23 of the 35 ministries, secretariats and presidential commissions in the Berger government from 2004 to 2007, and cronyism looms large (Freedom House 2006). This means that a complete overhaul of public employees takes place every four years when a new government is elected, thus impeding the consolidation of state policies over time. Corruption and lack of transparency are also major issues, with both the IGSS and the Superintendence of Tax Administration (SAT) embroiled in corruption allegations (Freedom House 2006).

Though the peace negotiations and resulting accords generated new opportunities for the engagement and participation of civil society in the reform of the public sector reform, in tackling pressing policy issues and formulating legislation, most of this participation has been merely cosmetic. Indeed, activists claim that their recommendations are ignored and governments try to substitute dialogue for

action (Freedom House 2006). Thus, decision-making has remained highly centralized and rather exclusionary, with the executive overshadowing Congress.

Eventually, the lack of well-functioning labour and financial markets and the high degree of labour informality indicate that Guatemala has not been able to achieve the commodification of labour “while social protection and the formation of human capital are minimally decommodified” (Martinez Franzoni 2008 p.87). If participation in the labour market is not a way out of poverty for the majority of the population, with the features outlined, the capacity of the state to compensate for the inadequacy and inequitable outcomes of imperfect markets in such an unequal society is limited (Gough 2008). In such a context, families continue to play a central role as “social policy remains residual in terms of the services provided (very basic), their coverage (very limited), and the amount and source of resources programs receive (largely contingent on international cooperation or loans, unpaid work, and co-payments by recipients)” (Martinez Franzoni 2008 p.91).

Contemporary social policy-making in Guatemala is conditioned by broader unresolved socio-economic and political issues. These include problematic state legitimacy, narrowness of the legally regulated labour market and an unequal, ethnically diversified society with culturally structured forms of social exclusion, where racial positioning reinforces inequality of income and wealth. Social closure and lack of cohesion are then bolstered by the increasing significance of globalisation, with different parts of the society located differently in the global political economy of opportunity, recognition and social identity. Evidently, Guatemala has made progress since the end of the war in 1996 but due to the low starting levels for many social indicators, in particular extreme poverty and malnutrition, it has a long way to go before its social indicators match those of other comparable countries in the region (World Bank 2009). The institution of *Mi Familia Progres*a is part of the efforts to bring about policies that help maintain and maybe perhaps increase the rate of progress in those indicators.

To sum up, the previous insights from the available literature⁶ on Guatemala make it possible to identify a number of broad characteristics of Guatemala’s social policy-making: a) low mobilization of domestic resources and low expenditure; b) low coverage and regressive incidence of social insurance and assistance; c) dispersion of efforts across multiple small and uncoordinated initiatives and institutional fragmentation; d) limited capacity (e.g. lack of monitoring and evaluation mechanisms); e) low state legitimacy resulting in lack of transparency, high risks of corruption and clientelism, and discontinuity between governments; f) elitist and exclusionary decision-making; g) residual nature of state intervention and underdeveloped markets leading to a central role of families in securing welfare. Bearing these features in mind, I now turn to examine in detail how *Mi Familia Progres*a fits into the scenario just sketched.

3. *Mi Familia Progres*a

*Mi Familia Progres*a was initiated under the auspices of the Social Cohesion Council, a new inter-institutional body created by President Alvaro Colom and coordinated by the First Lady, Sandra de Colom, to bring together efforts in poverty reduction and improvement of social indicators at the national level. The programme started its operations under an ambiguous ad hoc institutional configuration involving the Social Cohesion Council and the Executive Secretariat of the Presidency – a clear example of what Molyneux has defined “the rise of parallel institutions to assist in the delivery of social welfare” (2008 p. 784).

*Mi Familia Progres*a has been strongly identified with the central government, the President and, even more, the First Lady. She chairs the governing body of the programme and is generally present at most of the collective payment events organised by the programme (see section 3.4 below). However, neither the First Lady nor the Social Cohesion Council are granted a formal status within the political and legal constitution of Guatemala. Hence, they cannot be held accountable to the national parliament nor audited by public auditing bodies. Therefore, the choice to execute the new cash transfer programme (financed out of public funds) through the Social Cohesion Council has cast shadows on

⁶ These features are also recognised by public policy analysts and experts in Guatemala, as I corroborated through an interview with Lic.da Raquel Zelaya, director of the Asociación de Investigación y Estudios Sociales, on 19/01/2009.

the transparency and accountability of *Mi Familia Progres*a and has provoked accusations about a potentially hidden agenda of the presidential couple.

In 2009, the Constitutional Court declared the institutional set up of the programme under the Presidency's Executive Secretariat unconstitutional. This initiated a series of institutional changes that resulted in the transfer of MIFAPRO to the Ministry of Education, to be administered through a public trust fund. Even though this new configuration improves the transparency of the programme since these types of social funds are audited, commercial law rather than state procurement rules is the applicable regulatory framework for these types of financial instruments, leaving more room for discretionary management. Still, the integration of the programme into the public education system could help to consolidate and legitimise it, contributes to mitigate its inherent residual nature and represents a move away from the dispersion of efforts that has characterised social policy in Guatemala so far. However, the creation by the Colom administration of a number of other social programmes, smaller in scale than MIFAPRO but somehow complementing it, to address food security, education and youth criminality in urban areas (Gobierno de Guatemala 2009), suggests that fragmentation of social interventions is not being consistently reversed by this government.

Even though *Mi Familia Progres*a has been executed for little more than a year, there are several considerations that can already be made with regards to a number of key issues. Here I will focus on the questions of coverage and targeting, adequacy, conditionalities, management and financing.

3.1 Coverage and Targeting

In order to increase the human capital of younger generations and break with the intergenerational cycle of poverty, MIFAPRO provides two types of monetary transfers, both targeted to women.

A monthly health and nutrition transfer of around US\$ 18 (Quetzales 150)⁷ is paid to mothers of children under the age of six, to pregnant women and to breast-feeding mothers, under the condition that they attend health centres to receive a basic package of nutritional and preventive maternal-child health care services. An education transfer of US\$ 18 (Q 150) is paid to families with at least one child between the ages of 6 and 15 attending primary school or preschool. If more than one child in the family is within the prescribed age, all of them must show proof of school attendance for the mother to receive the monthly transfer. The two types of transfer are not mutually exclusive and they can be cumulated provided that the family qualifies for both and complies with the conditions. The amount provided is not adjusted to the number of children, size of the family or other special conditions, probably to avoid perverse fertility incentives but also to maximise the number of beneficiaries across the country.

In May 2009, MIFAPRO started to provide an additional nutrition transfer of US\$ 13 (Q 100) targeted to families with children under the age of 6, aimed at combating chronic child malnutrition. The transfer is conditional on mothers administering a number of food supplements and attending nutrition-related training. It is not clear whether this third transfer is being implemented across all the eligible families already inserted in the programme.

No information has been made available on how the amount of US\$ 18 (Q 150) was calculated. However, if we take the average monthly consumption of an extremely poor household estimated in 2006 to be US\$ 193 (Q 1,541) (INE 2006), then a cash transfer of US\$ 18 (Q 150) represents 10% of this average monthly consumption while the combined cash transfers for health, nutrition and education US\$ 36 (Q 300) represent around 20%.

At the end of 2008, the total amount of cash transfers handed out topped US\$ 13 millions (100 millions quetzals) and benefited 280,939 families (Gobierno de Guatemala 2009). This represents 0.2 per cent of total government spending and 0.03 per cent of Gross Domestic Product in 2008. The aim for 2009 is to reach 500,000 households, benefiting a total of 3 million Guatemalans, almost half the total population estimated to be living in poverty.

⁷ The average exchange rate is US\$ 1 = Q 8.

Targeting in MIFAPRO is based on a combination of regional criteria and means-testing. Forty-six municipalities were prioritized in the first phase of the programme on the basis of poverty maps previously elaborated from the 2002 census and from the two rounds of the Guatemalan LSMS (ENCOVI) conducted in 2000 and 2006. The use of poverty assessment tools previously elaborated in the country is also a welcome change as it tries to build public social interventions on the best evidence available, thus reducing the scope for discretionality and corruption. Furthermore, by building upon the efforts of data collection and mapping of socio-economic problems made during the previous two administrations, MIFAPRO is actually displaying some degree of continuity in social policy making between governments.

As pointed out in section 2, Guatemala's record in targeting social protection programmes to the poorest sectors of the population does not stand out. Neither in-kind nor cash transfers are pro-extreme poor. Overall education and health expenditures have been found to be poverty neutral with benefits evenly distributed among each quintile. In the case of education, this is due to the concentration of expenditure on primary education which is progressive with higher incidence on the lowest quintile households. In the case of health, incidence varies by type of facilities, with all health facilities other than hospitals being either progressive or markedly pro-poor. Two conclusions stem from these considerations. First, that the technical and administrative capacity required for a successful targeting of social programmes on the poor and the poorest cannot be taken for granted based on Guatemala's performance so far. Second, that the two social policies based on a universal approach – education and health – turn out to be those displaying the highest degrees of progressivity and incidence on the poorest quintiles of the population.

Compared to the methods used for targeting previous cash transfers, MIFAPRO has undoubtedly made a huge step forward by incorporating the most advanced methodological devices⁸ applied in other similar initiatives and developed with the help of international donors such as the World Bank.

By the end of 2008, 89 municipalities were incorporated and in the third phase of the programme, begun in March 2009, other 47 municipalities were integrated. Within these priority areas, ad hoc censal studies were carried out by the programme in cooperation with the National Institute of Statistics (INE), to identify households living below the extreme poverty line. The poverty line under which a person is considered to be in extreme poverty is based on the estimated cost of the minimum level of food consumption necessary for survival and was calculated in 2006 to be Q 3,206 per capita per year. In 2006, extreme poverty was estimated to affect 15% of the population, almost 2 millions people.

Little can be said at this stage of the implementation of MIFAPRO about the extent to which the choice of targeting the programme to the poorest sectors of the populations and the methods used to this purpose will produce the expected results in terms of poverty reduction, efficiency and cost-containment. It is evident that by focusing on extreme poor households with children or pregnant women, the programme is not only excluding those households in extreme poverty without these characteristics but also ignoring the remaining 4 million people that continue to live below the poverty line. In this sense, although overall coverage would be wider than in previous social assistance programmes, *Mi Familia Progres*a perpetuates the exclusionary and residual nature of previous state efforts in social protection. The programme is already generating extremely high expectations on the part of the millions of eligible households still waiting to be censed and included in the programme. The narrow targeting adopted and justified by the limited resources available could ultimately delegitimise the whole initiative in the eyes of those who feel arbitrarily excluded. This in turn can jeopardize its future consolidation and extension, while generating social fracture and resentment among the population and towards the government in an already extremely fragmented and conflictive society. It is true that, considering the limited financial resources available, putting in place a targeted cash transfer programme seems better than simply sticking to the status quo outlined in section 2. As was observed in other similar experiences, scaling up and expanding the coverage and eligibility criteria of an existing programme is easier than setting up a totally new initiative. This is especially relevant at a time of global financial and economic crisis, where governments are increasingly using

⁸ To determine whether a household is extremely poor and whether it is eligible to be incorporated to the programme, the programme uses a Proxy Means Test (PMT) model, elaborated with technical assistance from the World Bank.

existing social policies to mitigate the social consequences of the crisis. However, the failure to foresee the broader implications of unmet expectations indicates the lack of a clear strategy in the government about the role and the transformative potential of this type of initiative, maintaining *Mi Familia Progres*a, at least for the moment, within the ranks of previous assistencialist initiatives.

3.2 Adequacy

A second important question to address is whether the instrument of conditional cash transfers is appropriate in order to tackle the objectives that MIFAPRO sets itself in terms of improving school attendance, health and nutrition of children and mothers.

As far as education is concerned, lack of money is definitively an important reason for not attending school especially at the beginning of primary and of middle school. More recent estimations (World Bank 2009) based on the LSMS of 2006 found that by the time kids attend secondary education, economic reasons become the predominant motivation not to enroll in school (over 60% regardless of gender, ethnic and poverty status). Thus, MIFAPRO is well suited to tackle demand-side constraints in access to education. However, it will be hard to disentangle whether improved enrolment rates are due to the impact of the programme or to the elimination of school fees decreed by the Colom administration in 2008.

Still, besides lack of money, other factors seem to be of importance. In particular, the attitudes of parents either directly through parental authority ('parents do not want') or indirectly through their effect on the perceptions and feelings of the child ('does not like it') accounts in total for 38.1% of the motives for non attendance (Table 2). In the World Bank estimations (2009) health reasons (27.5%) and lack of interest (31.4%) are the main reasons primary students drop out of primary education. That is true for all the groups analyzed regardless of gender, ethnic and poverty status. In addition, lack of interest remains an important factor for over 25% of respondents not to enroll in secondary education.

These observations point to a much broader process of awareness-raising in education that needs to be addressed either by this programme or through complementary interventions, if MIFAPRO is to attain its objectives in terms of educational outcomes. Diversifying the school curriculum to include more activities like sports and art could also help to improve students' engagement and ownership (World Bank 2009). A positive move in this direction has been the institution in August 2008 of a complementary programme under the Ministry of Education called *Mi Familia Aprende* (My Family Learns) with the aim of training the parents and carers that are beneficiaries of MIFAPRO. The training modules, held for a couple of hours each three weeks, include topics related to values, health, nutrition and education. Since it targets adults with right to vote and not directly children, this initiative has, nonetheless, been criticised of being used as a clientelistic tool to create and reinforce constituencies in support of the ruling party for the general elections to be held in 2011 (El Periodico 19/02/2009).

Table 2. Reasons for not attending school among people in school age, Guatemala 2002.

	Lack of money	Has to work	No school available	Parents do not want	Housework	Does not like it	Already completed studies	Other	Total
Age									
7	17,860	1,569	2,571	10,237	2,531	14,900	240	28,576	78,484
8	14,263	1,737	2,111	6,341	2,198	13,007	243	12,228	52,128
9	9,219	1,556	1,578	3,634	1,671	9,070	201	5,963	32,892
10	9,598	2,056	1,554	3,446	1,779	9,614	224	5,105	33,376
11	6,888	1,768	1,225	2,194	1,499	7,752	222	3,517	25,065
12	8,937	2,936	1,342	2,961	2,262	11,432	341	4,106	34,317
13	8,523	3,618	1,204	2,743	2,540	12,248	507	3,692	35,075
14	10,034	5,536	1,164	2,853	3,375	14,797	823	4,263	42,845
Total	85,322	20,776	12,749	34,409	17,855	92,820	2,801	67,450	334,182
Percent	25.5%	6.2%	3.8%	10.3%	5.3%	27.8%	0.8%	20.2%	100%

Source: Author's elaboration based on data from Census 2002 (INE 2002).

With regards to the goal of smoothing consumption and reducing malnutrition, it is debatable whether a cash transfer of US\$ 18 (Q 150) is able to make a substantial difference within a household's budget when the estimated cost of the minimum level of food consumption to secure survival was calculated in 2006 to be US\$ 400 (Q 3,206) per person per year. This minimum level of food consumption is also the poverty line under which a person is considered to be in extreme poverty. Similarly, the average monthly value of the basic food basket, based on a model household of 5.38 members⁹, was calculated to be around US\$ 197 (Q 1,578) in 2007 and US\$ 233 (Q 1,860) in 2008 (INE 2009). This translates into an average¹⁰ per capita monthly value of around US\$ 36 (Q 300) which is evidently well above the amount assigned, especially since the transfer is not provided per child but as a lump sum per household and not indexed to inflation. In this sense, the poverty impact of the programme may be stronger on the poverty gap than on the poverty headcount (Barrientos and Santibañez 2009). Moreover, since poorer families often are those with more kids, the fixed amount of the transfer means a lower per capita transfer to these households (World Bank 2009). The recent addition of a third cash transfer specifically targeted at improving nutrition is a useful addition towards securing the attainment of the programme's objectives.

If the contribution of the cash transfer to alleviate malnutrition and hunger in the short term remains to be proven, even more difficult to disentangle are the potential impacts of the programme in terms of fighting chronic malnutrition and reducing poverty in the medium and long term. In this sense, the programme is not a substitute for broader structural interventions to improve agricultural production for the local market through investments in resources and technology with the aim of making communities self-sustaining and food-secure in the long term. What is important to point out here is that MIFAPRO is far from tackling more fundamental and unresolved structural issues, such as land tenure, access to markets and rural infrastructure that could have stronger and more durable impacts on food security as well as on poverty. While MIFAPRO may help in poverty alleviation, sustained poverty reduction will only be achieved by creating stable and decent employment opportunities and by addressing other social reforms such as land, pensions, labour market and taxation, aimed at achieving a universal minimum level of protection based on rights.

As far as health is concerned, evidence from the 2006 LSMS shows that when asked about the reasons for not seeking medical attention in the event of health problems, 41.2% of people living in extreme poverty mentioned lack of money. However, supply side barriers to access health were especially important for the extreme poor (15% versus 4% for the non poor), the indigenous (13% versus 6% for non indigenous) and rural households (14% versus 3% for urban households) (World Bank 2009). As a further element, it is also worth noticing that in Guatemala private expenditure on health is estimated at 62.3% (WHO 2008) of total health expenditure and it consists almost exclusively of out-of-pocket payments (91.4%) thus placing a very heavy burden on households' finances. Not surprisingly, health insurance (mainly public) has an extremely low overall coverage (12.9% of the population), leaving 94.5% of the poor and 97.2% of the extreme poor uncovered. For all these reasons, the cash transfer from MIFAPRO can help households to smooth health expenditures and is likely to have a positive impact on access to health services, provided that it is coupled by improvements in supply and quality of services in the rural areas. The fact that the programme has prioritised almost exclusively rural areas is indeed an indication that there is an attempt towards reversing structural regional and rural/urban imbalances.

3.3 Conditionality

The introduction of the conditionalities in MIFAPRO is a novelty within the spectrum of previous social protection programmes in Guatemala and obviously draws on the standard CCT model adopted

⁹ This value was calculated from the Family Income and Expenditures Survey 1979-1981 and is currently used by the National Statistical Institute of Guatemala as the reference average to devise the cost of the basket of basic goods. Data collected during the 2002 Census shows that the mean number of persons in a household has been slightly reduced to 5.09.

¹⁰ Not adjusted to the different energy and nutritional requirements for adults and children.

elsewhere and popularized across Latin America by the main lending international institutions in the region – namely the World Bank and the Inter-American Development Bank.

The benefits of attaching conditionalities or co-responsibilities to the provision of cash benefits in CCTs programmes are highly controversial. While conditionalities may play a political role in terms of securing across-the-board support to these initiatives from different sectors of the population, from a human rights perspective there are concerns about the assumptions on the causes of poverty and the moral underpinnings behind the behavioural change sought.

A further question has to do with the impact of conditionalities in boosting demand for better coverage and quality of social services. Indeed, in the absence of reasonable levels of these, it becomes very difficult and more costly for people to comply with the conditionalities imposed.

In public opinion and among policy analysts in Guatemala, views on the adequacy of social services supply to meet the increased demand that is likely to arise from the programme are mixed. As was previously discussed, according to World Bank estimations based on the 2006 LSMS, supply-side factors have a very low relative weight in explaining drop out from primary school and lack of enrolment in secondary education. Thus, efforts carried out since the end of the civil war to expand coverage of public education and achieve almost universal primary education seem to have been effective in creating a sufficient basis for the implementation of a conditional cash transfer programme. The same is not true for the health system, where problems in access to facilities in rural areas and by poor and indigenous population were already pointed out.

Mixed messages have also been sent out by the government. On the one hand, the National Congress approved in February a loan of US\$ 150 millions from the Inter-American Development Bank to improve education infrastructure and support training for teachers (El Periódico 19/02/2009). On the other hand, in April 2009, the minister of finance announced a considerable cut of US\$ 47 million (Q 375 millions) to the budget of public health as part of an austerity plan to face the global financial crisis. Eventually, in May 2009 a member of congress disclosed to the press that funds amounting to US\$ 32 millions (Q 255.3 millions) were being deducted from a number of public health programmes to be transferred to the budget of *Mi Familia Progresá* (El Periódico 11/05/2009). Some of the health programmes affected by the cuts, such as preventive and reproductive health, drug stocks and emergencies, are likely to service the same target population as MIFAPRO.

As far as actual compliance is concerned, official reports of MIFAPRO's execution in 2008 recognize that monitoring of compliance with the conditionalities was generally not enforced and lax at best. This was due to the speed at which the programme started its operations, without having previously put in place the adequate institutional apparatus. The widespread lack of information regarding the programme both among beneficiaries and staff employed in education and health services, which in turn was the result of insufficient inter-institutional coordination among the public entities involved in the initiative, contributed to a great extent to make the first phase of *Mi Familia Progresá* a *de facto* unconditional cash transfer programme. For 2009 a more ambitious plan to monitor and secure the compliance with conditionalities has been designed, but it remains to be seen whether the additional costs of this complex structure will produce the expected results in terms of improving the effectiveness of the programme.

3.4 Governance and management

Mi Familia Progresá was centralized from the on start, with minimal involvement of municipalities and communities. In this sense, MIFAPRO retains a typical feature of public social policy-making in Guatemala. Still, national experts on the issues of transparency and governance consider that the choice of a centralized management for this programme was appropriate, as local authorities in the country do not often enjoy a creditable reputation. The programme will proceed to a partial decentralization before the end of 2009.

Three main aspects regarding the programme's governance and management raise interesting issues: delivery mechanisms, human resources management and access to information.

The delivery of cash transfers in MIFAPRO is carried out through a complex mechanism of payment events (*eventos de pago*). The First Lady and the President, though the latter less frequently, attend these rallies, transforming them in occasions to increase the visibility of the presidential couple with the rural constituencies that strongly contributed to President Colom's victory in the 2007 elections.

This modality differs markedly from the methods developed and used in similar initiatives in Latin America. For instance, in Brazil beneficiaries receive the transfers through magnetic cards linked to individual bank accounts, thus contributing to increase access of the poor to the formal financial system (Britto 2004).

The gathering of beneficiaries from the same geographical area during these events is likely to have both negative and positive impacts. On the one hand, the organization of these rallies puts a burden not only on the programme's but also on the beneficiaries' budget, as these have to cover the costs of transport to the location of the event or, worse, walk long distances where transport is not available. The time dedicated to attending these events should be also factored in, since the women who receive the transfer may have to abandon their work and/or care activities. A further point that does not seem to have been considered so far is the question of guaranteeing the personal security of beneficiaries. Given the precarious security conditions looming in the country, having women travel back home from the public payment events carrying a consistent amount of cash is likely to make them more vulnerable to attacks and robbery. Preventing such unintended outcomes should be a priority of the programme.

On the other hand, collective attendance of beneficiaries can be a very effective way of ensuring transparency both in the selection of and in the delivery of transfers as participants are witnessing the process. A further value added to these public payment events is that they allow participants in the programme to know each other and they provide a space where comments, claims and opinions regarding the programme can be exchanged between beneficiaries, possibly favouring forms of organization and collective action. In this sense, the programme would have potential effects also on social cohesion and empowerment among the beneficiaries.

With regards human resources management within the programme, lack of payment to employees for several months and the related relatively high rotation of staff employed by the programme have been noticed. Staff rotation can entail not only considerable economic costs but also long term political costs, as staff instability can hamper the long term consolidation and sustainability of MIFAPRO beyond the current government. In Mexico's *Oportunidades*, while staff rotation is also an issue, a considerable number of officials and general staff is permanent; the experience accumulated by this core is of great help to secure the functioning of *Oportunidades* and ensures the transmission of knowledge to newly hired staff¹¹. This example highlights how a well-trained and stable bureaucracy can play a central role in securing the success and survival of social welfare arrangements. MIFAPRO should not overlook these institutional aspects if it is to become a stable long term social policy of the state, rather than of a particular government.

The most contested issue surrounding MIFAPRO both in general public debates and in the national congress has been, and still is, the access to personal data identifying the beneficiaries of the programme. Critics of the programme, mainly belonging to opposition parties and citing anecdotal evidence, have insinuated that, in the first phase of execution, the choice of beneficiaries might have been strongly influenced by political affiliation, with the followers of the official party being prioritised over other eligible households. These accusations were triggered by the lack of clarity and transparency about the general selection criteria. The government and the direction of MIFAPRO have been urged several times to provide the names of beneficiaries together with their personal identification number in order to cross check with official lists of party affiliates. So far, only the beneficiaries' names have been made publicly available (even on the programme's website), while a huge controversy surrounds the disclosure of personal identification numbers, since MIFAPRO's

¹¹ I am grateful to Lic. Alejandro Sámano for pointing out this issue to me in an email communication on 21 April 2009. The issue of rotating staff was raised by a delegation of officials from MIFAPRO during a number of exchange visits to the headquarters of *Oportunidades* in Mexico held between 2008 and 2009.

initial agreement with beneficiaries was that all the information retrieved from them would be kept confidential. Given the country's history, citizens are sensitive about diffusing personal identification information, as this was used in the past by state and military apparatuses to persecute and disappear thousands of innocent people. Here we see how legitimate transparency claims are clashing with the right to protect the identities and personal information of the beneficiaries of public social programmes. This goes to show that, as Gough (2008) has argued, social and procedural rights should go hand-in-hand: establishing more formal social rights to security and wellbeing cannot be separated from enhancing the rule of law, civil rights, accountability and transparency. Having the first without the second may ultimately jeopardise the attainment of the common goal of improving people's wellbeing and security.

3.5 Financing

In its first year of execution, Mi Familia Progresiva was financed by domestic resources through budgetary transfers from other Ministries and public institutions. As Table 3 shows, most of the funds came from budgets of public education and health, with complementary funding from other two institutions.

Table 3. Sources of funding of MIFAPRO in 2008.

Source	Amount in Q	Amount in USD
Ministry of Education	91,462,300	11,432,787
Institute for Municipal Support	350,000	43,750
Ministry of Public Health and Social Assistance	50,000,000	6,250,000
Presidency's Secretariat of Social Welfare	35,000,000	4,375,000
First Lady's Social Committee	8,000,000	1,000,000
Total	184,812,300	23,101,537

Source: Author's elaboration based on reports by MIFAPRO.

This seems to confirm what was found elsewhere in terms of the political and financial feasibility of cash transfer programmes. Thus, the case for cash transfers might appear easier to make where these programmes are partial substitutes for existing social policies and simply require the reallocation of resources from one budget line to another (Slater 2008). Nevertheless, the use of budgetary transfers raises a number of questions.

First, transferring significant amounts of resources that were originally assigned in the budget process to other types of spending is not a particularly transparent way of spending public money. This is especially true in the case of Guatemala, since the Government has the faculty of authorizing and executing these transfers to MIFAPRO without having to go through the normal legislative process in the national congress, thus avoiding the democratic scrutiny of citizens' representatives.

Second, it must be carefully assessed within which budgetary lines funds are reallocated. In the case of MIFAPRO, given its objectives in terms of health and education, the use of transfers from the budgets for public health and education seems, at first sight, a logical and reasonable choice. However, given the constraints in terms of supply of these basic services in the country, the reallocation of funds to MIFAPRO in order to increase the use of basic social services by the more excluded sectors of the population reduces the overall budget for improving the supply side of these basic services: this may ultimately jeopardise the whole rationale of the conditionalities linked to the cash transfers. In addition, by transferring resources from budget lines already assigned to social spending, the overall level of financial resources available for social policy does not increase. In this sense, a better option would be to reallocate funds from other budgetary lines such as military spending. Unfortunately, this does not seem to be the direction chosen by the government in the face of the current financial and economic

crisis. In fact, the minister of finance just announced that due to a lower than expected tax intake for 2009, the budgets assigned to health, public security, agriculture and infrastructure would be reduced, while expenditures for the army and external relations would increase. On a positive note, the budget assigned to MIFAPRO will be maintained, if not increase, given the protective role of this initiative especially in times of crisis (Prensa Libre 02/04/2009).

The provision of domestic funding for MIFAPRO represents a positive move towards improving the social contract between the Guatemalan state and its citizens, as it symbolically sanctions the right of the state to use public money collected through general taxation to be redistributed in cash to the most disadvantaged and excluded sectors of the population. Yet, the overall redistributive impact of MIFAPRO will have to be assessed by factoring in not only the extent to which the expenditures made are reaching the poorest quintiles of the population, but also the degree of progressivity of the tax system that finances all public spending, including MIFAPRO. Eventually, domestic resources for *Mi Familia Progres* will be topped up in the years to come by international funds provided through a loan of the Inter-American Development Bank. This is likely to trigger further impacts on accountability, state-society relations and national ownership of the programme, as the state will have to respond to donors alongside its own citizens.

4. Change and Continuity

In the previous section of this paper, I discussed a number of issues raised by the design and implementation of the new conditional cash transfers programme in Guatemala while in section 2 I identified the main features of social policy making in Guatemala since 1996. Merging all these discussions together, I address here whether MIFAPRO represents a change or continuity in Guatemala's short history of public welfare.

In a number of dimensions, MIFAPRO does represent a change in Guatemala's social policy-making. To begin with, it is the first time that a programme is deliberately targeted to the poorest sectors of the population, especially those in rural areas; indeed, the rapidity with which resources were made available, the number of families reached so far and the volume of transfers scaled up in just several months during 2008 are also unprecedented. This seems to mitigate the elitist and regressive nature of previous social policy, and represents a measure of formalization of the system, as previously excluded sectors are included for the first time in a public social protection scheme.

However, the extension and inclusion pursued so far still leave half of the people in poverty unattended and therefore do not allow the programme to move the social policy agenda away from previous residual approaches. Furthermore, a full appreciation of a potential shift towards more progressive social spending will have to be done by weighing the impact of the programme against the effects of the rest of social expenditure and of other ongoing programmes. In this sense, the transfer of funds to the programme from the budgets of education and health represents a worrisome step backwards as expenditure on these services displays the highest degree of progressivity. Furthermore, the choice of the CCT tool is new to the country's tradition of social transfers and demonstrates a good intention and attempt to take stock of other experiences in the Central and Latin American region. Putting in place a targeted cash transfer programme shows at least an attempt to change the status quo outlined in section 2. As was observed in other similar experiences, and especially in times of crisis, scaling up and expanding the coverage and eligibility criteria of an existing programme is easier than setting up a totally new initiative.

Secondly, the programme shows an effort to build upon work done during previous governments in terms of mapping the extent and the depth of poverty and other social issues; in this sense, it is a timid attempt to break with the usual discontinuities in social policy between governments.

Thirdly, implementation capacity is a domain where progress has been made but considerable challenges remain, so it is difficult to assess whether there is a clear change. On one hand, MIFAPRO makes use of advanced targeting tools and methodologies neglected by previous initiatives. On the other hand, in its first year, speeding up the transfer process was prioritised over the consolidation of an adequate and competent organisational and bureaucratic structure to carry out the monitoring of

compliance with conditionalities and to evaluate the progress made. This indicates that ripping political benefits was more important than securing a better delivery of welfare. However, it must be recognised that the current Government has made efforts since April 2008 to improve the execution of the programme and correct some of the initial shortcomings. In particular, following the publication of a report by the Ngo Acción Ciudadana, the local branch of Transparency International, at the end of 2008, visible improvements have been made in access to information regarding the programme, in the design of a mechanism to deal with complaints, in the methods to check compliance with conditionalities and in the provision of a monitoring and evaluation system. For the moment these changes remain stated in paper documents and have not been fully implemented.

On a range of other aspects *Mi Familia Progres*a continues to display many of the typical features of past public policy making in Guatemala.

First, social expenditure and mobilization of domestic resources remain low and the expansion of social policy is pursued through budget transfers and/or international loans with different implications for transparency, accountability and national ownership of social programmes.

As a second point, placing MIFAPRO under the institutionally ambiguous Social Cohesion Council, whereas other established institutions could have been more adequately placed to coordinate the execution of the programme, signals the persistence of institutional fragmentation and precariousness. Despite having shifted the programme to the Ministry of Education in 2009, the establishment of a trust to administer it does not represent a clear institutionalization of MIFAPRO. On similar grounds, the institution of other smaller programmes to tackle poverty mainly in urban areas indicates that the dispersion of efforts into poorly funded initiatives persists.

As a third set of concerns, with its narrow focus on extreme poverty, and in spite of the considerable absolute numbers of people reached, *Mi Familia Progres*a perpetuates the residual nature of public social intervention in Guatemala for three main reasons.

First, though MIFAPRO is an adequate instrument to tackle some identified constraints to improving welfare, it remains a limited and isolated initiative and has not been complemented by other efforts to respond to numerous other identified social needs. Indeed, even supply-side interventions in education and health do not seem to take off easily. Second, the promotion of sustainable livelihoods and decent employment as tools for the long-term eradication of poverty is not integrated to the social protection strategy embodied by *Mi Familia Progres*a, further diminishing its transformative potential. These first two considerations are both related to the fact an overall strategy for the sustainable eradication of poverty is still missing. Hence, “there is a renewed interest in social programmes, but less in a comprehensive social policy to constrain inequalities and enhance wellbeing” (Gough 2008 p.1).

Third, families continue to play a central role in the provision of welfare not only through market, community and informal mechanisms but also now within state policies. Thus, families, but in reality mothers, are responsible for complying with the conditionalities imposed by MIFAPRO and for approaching the programme at given times and places to be able to receive the transfer. It is still to be demonstrated whether this type of beneficiaries’ involvement can be considered as a form of empowerment.

This last point brings about a fourth consideration about the persistence of an exclusionary decision-making process in Guatemalan social policy. MIFAPRO is a top-down, centralised initiative, where the involvement of beneficiaries is pursued only at the bottom-end of the process, with no participation of beneficiaries and civil society organisations in decisions about the design and the implementation of the programme. At the national level, MIFAPRO has become a very debated, visible and contested issue. This seems to be in line with the new directions and developments in Latin America’s social policy indicated by Barrientos et al. (2008). However, in the Guatemalan case, it is mostly the political establishment and urban upper middle classes that participate in these debates. While opposition parties fear the political implications of the visibility afforded by the programme to the presidential couple, upper middle classes and elites are concerned about the use of public resources for which they pay taxes. In addition, the press is not on good terms with the President and thus is eager to exploit every occasion to attack governmental policies. The great absent in these discussions is the population targeted by the conditional cash transfer. This indicates that the heated contestation surrounding *Mi*

*Familia Progres*a does not necessarily reflect the rise of a new type of social mobilization around social assistance programmes, as argued by Barrientos et al. (2008). On the contrary, the enormous space given in public debates to this initiative hides, and may even jeopardise, the real social mobilization of the excluded sectors of the population over the fundamental and unresolved issues of the country: land reform, access to markets and opportunities for economic development, respect for human rights.

Lastly, lack of transparency and accountability continues to plague state intervention in social policy, as procedural rights, such as access to information about the selection criteria, are not extended at the same time as social rights. The massive use of budget transfers by the government without the approval of the Congress and the recent creation of the trust fund under the Ministry of Education reveal failures in achieving a fully transparent financial management. As a consequence, risks of clientelism and corruption remain high. In addition, the programme has not yet been able to secure the stabilization of its staff and continues to be plagued by the lack of a professional bureaucracy. This, in turn, undermines the prospects of consolidating the initiative as a policy of state rather than of a government.

Based on these findings, I conclude that *Mi Familia Progres*a represents continuity more than change in Guatemala's social policy. MIFAPRO could potentially be a step further in the process of endogenous and incremental acquisition of more equal rights and freedoms begun in 1996 by the Peace Accords and triggered by the failure of thirty years of civil war to achieve a radical transformation and re-foundation of the social contract among citizens and between these and the state. However, the transformative potential of such an initiative has not been understood and pursued so far, as narrow targeting, financial constraints and political opportunism have relegated the programme to a residual and exclusive safety net. Thus, the positive effects of a programme such as *Mi Familia Progres*a cannot make up for broader failures in state action to build a more universal, inclusive and right-based society. The case of *Mi Familia Progres*a confirms that, no matter how well implemented, conditional cash transfer programmes alone cannot be expected to deliver more inclusive citizenship, overcome alienation and initiate a positive dynamic of social reproduction capable of challenging the path dependency of extreme inequality (Copestake 2007). For the moment, social rights to security and wellbeing remain fragile in Guatemala: while some gradual improvement in average welfare is clearly visible, the overall economic, political and social system remains remarkably resilient and intact in its unequal structural conditions.

In terms of future directions, it should be noted that, though MIFAPRO has been under constant attack in the press and in the national parliament, no one has seriously challenged the institution of this programme in the first place and the choice of the conditional cash transfer policy tool. Rather, criticisms have concentrated on the ways the initiative has been put in practice so far. This would seem to indicate that there is consensus among political parties represented in the national congress and across public opinion in general on the necessity of investing collective resources into the poorest sectors of the population. It is perhaps an appropriate time to deal with the challenge of transforming this initiative into a more institutionalised and long term commitment, de-linked from the colour of the government in power, with a stable source of funding and with a clear rights-based approach. It is less clear whether similar prospects exists with regards to the broader structural interventions needed to bring about a socially inclusive structural change.

Conclusions.

In this paper I have shown that the introduction of a new cash transfer programme, *Mi Familia Progres*a, in Guatemala represents continuity more than change in the country's efforts to improve and expand welfare provision. MIFAPRO has the potential to become an important step further in the advancement of welfare entitlements, but its residual nature and the lack of state action on other dimensions of economic and social development hamper the contribution of this initiative to a structural transformation of society. Thus, social rights in the country remain fragile and the overall

economic, political and social system is resilient on a number of aspects and intact in its unequal structural conditions.

The findings of this paper contribute to shed light on the challenges of social development and social policy in a relatively under-researched developing country such as Guatemala. The disputes surrounding MIFAPRO and the other initiatives that the current government is promoting point out the difficulty of pursuing change in a context characterised by long-term inequalities, weak state legitimacy and exclusionary patterns of economic development and decision-making. They also add further insights to ongoing debates about the implications of conditional cash transfer programmes in Central and Latin America. In particular, the evidence presented here supports the argument that *Mi Familia Progres*a, as and other similar programmes executed in the region, is contributing to shift the social policy agenda to a “new social policy system” (Filgueira 2005 p. 38) promoted by market oriented social reformers and characterized by targeted social policies and by moves from supply based social policies to demand based social policies or from financing supply to financing demand (Filgueira 2005; Barrientos 2004). However, the specific characteristics of this new agenda are likely to be different in countries with more consolidated public welfare provision and longer traditions of democracy and rule of law, than in countries like Guatemala and some of its Central American neighbours with lower or inexistent levels of state welfare provision. In this sense, future research on conditional cash transfers will need to incorporate to a much greater extent the welfare regime approaches currently being applied to the study of Latin American social policy (Mesa-Lago 1978; Huber 1996; Gough and Wood 2004; Barrientos 2004; Filgueira 2005; Martinez Franzoni 2008). This will help understand how the same type of social assistance programme may fit in different welfare models, political regimes and levels of development, different histories of expansion and retrenchment of social policy and different path dependencies.

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