

The Electoral Impact of a Conditional Cash Transfer: The Case of Mexico's Progres-Oportunidades programme

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Objective

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To give an answer, we use of difference in differences (DD) and regression discontinuity (RD) estimators. Our sample of study consist of by mexican poor localities that were treated by the program, and of those equally deprived but that did not received the program.

The Progresa-Oportunidades program

In 1997 it was introduced by the PRI government the Mexican conditional cash transfer program under the name Progresa.

The objective of the program is provide incentives to break the intergenerational transmission of poverty. Originally was targeted to rural households.

Like more of conventional antipoverty policy, this program entails cash transfers to poor households, but money is conditional mainly on school attendance by household's school-age members and family health check-ups.

The Progres-Oportunidades program

From POP's very beginning, a major concern was to prevent the program from being exploited for electoral purpose. The program is objectively targeted (via proxy-mean test)

Regular and rigorous evaluations seem to leave little doubt as to its success in improving schooling and health for the poor (Skoufias 2005, Skoufias and McClafferty 2001).

The literature on electoral impact of Progres-Oportunidades yielded mixed results. De la O. (2013,2015), Cornelius (2004), Diaz-Cayeros et al. (2012), Rodriguez-Chamussy (2015) have found evidence of an electoral bonus, while others disputing these finding (Imai et al. 2016, Green 2006).

The question of its electoral impact is still open.

Data

We focus on the poorest localities that were the first ones considered for being assisted by the program. We define a locality as treated if there were households beneficiaries living there.

We use data from various sources:

- ▶ INEGI: Census data for the years 1995, 2000, 2005 y 2010.
- ▶ PROGRAM: Administrative records
- ▶ CONAPO: Marginality index
- ▶ INE: Results of the presidential elections for the years 1994, 2000, 2006 y 2012.

Here we have a problem of homologation of information between the official institutions in México: we use maps and the name of localities to overcome that issue

Presidential election 2000

The candidate of PAN, who eventually succeeded in booting the PRI out of power, did not clearly disavow Progresista in the campaign. However, it would be claimed in the campaign of Labastida that 'Progresista is a PRI program'

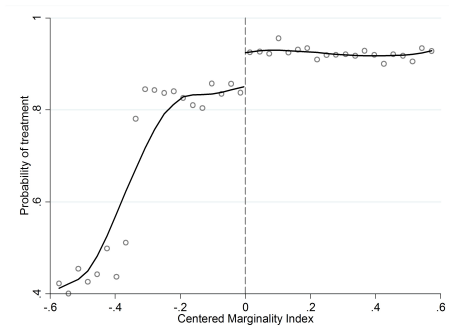
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	DD	DD w/C	DD Kernel	SDD
PRI	-2.097 ***	-2.097 ***	-0.501	0.325
s.e.	(0.514)	(0.315)	(0.720)	(1.199)
PAN	-0.399	-0.399 *	-0.890	-1.153
s.e.	(0.359)	(0.227)	(0.558)	(1.112)
PRD	2.549 ***	2.549 ***	1.572 ***	0.942
s.e.	(0.516)	(0.252)	(0.557)	(0.652)
Voter turnout	2.798 ***	2.798 ***	2.381 ***	2.059*
s.e.	(0.379)	(0.365)	(0.500)	(1.102)

*** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$. N=37,195

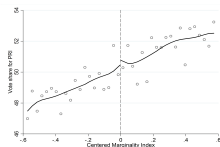
Discontinuity Regression



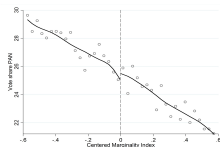
(a) Probability of treatment

Figure: The vertical dashed line in the center of each graph designates a cut-point, localities having a high marginality level are located to the right of the line. The circles represent the mean of the variable in an interval of size 0.029. The solid line is a relation between the variable and centered marginality index based on locally weighted regression. Discontinuity estimate is 0.13***. Bandwidth is selected by the cross-validation method.

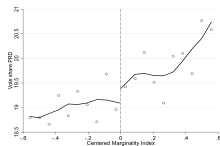
Presidential election 2000: Discontinuity Regression



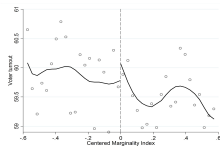
(a) Votes shares for PRI



(b) Votes shares for PAN



(c) Votes shares for PRD



(d) Voter turnout

Figure: Discontinuity estimate is in (a) 4.158, in (b) is 10.356, (c) is -7.5 and (d) is 1.650.

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Presidential election 2006

The candidate of PRD stated his support for the program, but always qualifying that the program had to be reformed so as not be vulnerable to political manipulation. Lopez Obrador's stance towards POP must be seen as ambiguous at best, and more likely as skeptical to the point of critical

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	DD	DD w/C	DD Kernel	SDD
PRI	-0.173	-0.173	-0.103	-0.095
s.e.	(0.875)	(0.503)	(0.755)	(0.624)
PAN	-1.944**	-1.944***	-1.667	-1.603***
s.e.	(0.879)	(0.502)	(1.018)	(0.571)
PRD	2.224**	2.224***	1.839*	1.736***
s.e.	(0.926)	(0.501)	(0.991)	(0.571)
Voter turnout	0.164	0.164	0.305	0.332
s.e.	(0.697)	(0.639)	(0.931)	(0.441)

*** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$. N=3,532

Presidential election 2006: Regional Analysis

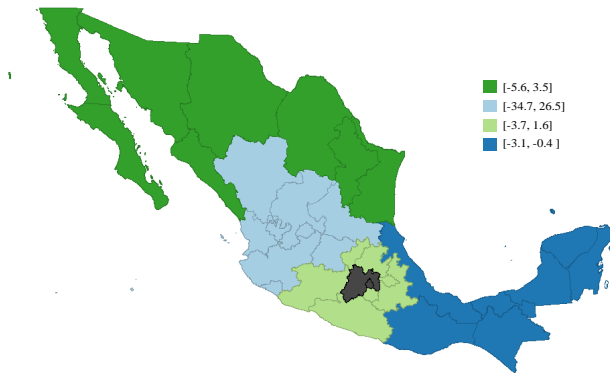


Figure: Confidence intervals at 5% for the effect in votes shares for PAN using semiparametric difference in difference estimator.

Presidential election 2012

POP did not figure as prominently as in the previous campaign. The one difference is that PRD had never actually administered the program while its two rivals had had the opportunity to associate themselves while in government.

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	DD	DD w/C	DD Kernel	SDD
PRI	-2.230	-2.230**	-1.635	-0.511
s.e.	1.491	0.924	1.663	2.606
PAN	1.904	1.904**	0.406	-0.638
s.e.	1.594	0.791	1.235	4.630
PRD	0.351	0.351	0.640	0.331
s.e.	1.533	0.717	1.148	3.154
Voter turnout	2.105*	2.083***	0.475	1.183
s.e.	1.229	0.694	0.915	3.288

*** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$. N=2,493.

Conclusions

In the presidential election of 2000 and 2012 the evidence rejects the hypothesis of an incumbency bonus that may influence voting behaviour among the poor.

In the case of the presidential election of 2006 the main opponent had an electoral bonus and regionally this effect was in the south and south-east of Mexico.

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