

# Institutions and Emerging Welfare States

## Social Assistance in South Africa and Brazil

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# Abbreviations

ACI	Actor-Centred Institutionalism
ACVV	Afrikaanse Christelike Vrouevereniging
AG	Auxílio Gás
ANC	African National Congress
BIG	Basic Income Grant
BPC	Benefício de Prestação Continuada
CA	Cartão Alimentação
CDG	Care Dependency Grant
CEF	Caixa Econômica Federal
CEME	Central de Medicamentos
CESR	United Nations Committee on Economic, Social and Cultural Rights
CLT	Consolidação das Leis do Trabalho
CNAS	Conselho Nacional de Assistência Social
COFINS	Contribuição para o Financiamento da Seguridade Social

CSG	Child Support Grant
CSGTT	Child Support Grant Task Team
CSLL	Contribuição Social sobre o Lucro Líquido
CT	Cash Transfer
DA	Democratic Alliance
DATAPREV	Empresa de Processamento de Dados da Previdência Social
DG	Disability Grant
DP	Dependent Variables
DSD	Department of Social Development
EBC	Electronic Bank Card
EPWP	Expanded Public Works Programme
FCG	Foster Child Grant
FUNABEM	Fundação Nacional do Bem-Estar do Menor
FUNRURAL	Programa de Assistência ao Trabalhador Rural
FZ	Fome Zero
GDP	Gross Domestic Product
GEAR	Growth, Employment and Redistribution
GIA	Grant-in-Aid
GNU	Government of National Unity



HDI	Human Development Index
IAPAS	Instituto de Administração Financeira da Previdência e Assistência Social
ID	Identity Document
ILO	International Labour Organisation
INAMPS	Instituto Nacional de Assistência Médica da Previdência Social
INPS	Instituto Nacional de Previdência Social
INSS	Instituto Nacional do Seguro Social
IPEA	Instituto de Pesquisa Econômica Aplicada
IRM	Internal Reconsideration Mechanism
ITSAA	Independent Tribunal for Social Assistance Appeals
IV	Independent Variables
LBA	Legião Brasileira de Assistência
LOAS	Lei Orgânica de Assistência Social
LOSS	Lei Orgânica da Seguridade Social
MDS	Ministério do Desenvolvimento Social e Combate à Fome
MESA	Ministro de Estado Extraordinário de Segurança Alimentar e Combate à Fome
MP	Member of Parliament
MPS	Ministério da Previdência Social
MSSD	Most Similar Systems Design

NA	National Assembly
NCA	National Constituent Assembly
NCOP	National Council of Provinces
NDP	National Development Plan
NGK	Nederduits Gereformeerde Kerk
NP	National Party
NPC	National Planning Commission
OPG	Older Persons Grant
PBE	Programa Bolsa Escola
PBF	Programa Bolsa Família
PBSM	Plano Brasil Sem Miséria
PGRFM	Programa de Garantia de Renda Familiar Mínima
PGRM	Programa de Garantia de Renda Mínima
PMDB	Partido do Movimento Democrático Brasileiro
PNAS	Política Nacional de Assistência Social
PSDB	Partido da Social Democracia Brasileira
PT	Partido dos Trabalhadores
RGPS	Regime Geral de Previdência
RMV	Renda Mensal Vitalícia

RPC	Regime de Previdência Complementar
RPPS	Regime Próprio de Previdência Social
SASSA	South African Social Security Agency
SDG	Sustainable Development Goals
SEAS	Secretaria de Estado da Assistência Social
SMG	State Maintenance Grant
SNAPS	Sistema Nacional de Previdência e Assistência Social
SUAS	Sistema Único de Assistência Social
UIF	Unemployment Insurance Fund
UNDP	United Nations Development Programme
WPSW	White Paper for Social Welfare
WVG	War Veterans Grant

# Chapter 1

## Introduction

### 1.1 Background and Rationale

The world has witnessed a revolution in the extension of social protection during recent decades. The fundamental motivation for undertaking this research project is the fact that the provision of non-contributory social assistance Cash Transfers (CTs) to impoverished people living in developing countries has expanded from an almost non-existent base during the mid-1990s to around 1 billion people today (Barrientos 2013: 4). The staggering growth of these programmes, where beneficiaries receive monthly cash payments as a result of their poverty or vulnerability, has given rise to a tremendous amount of popular and academic interest, with most of the attention having been focused on assessing their impact on a wide range of social and economic outcomes.<sup>1</sup>

In the rush to proclaim the significance of these interventions, analysts have been quick to paint an undifferentiated picture of developing countries implementing supposedly uniform policies in response to shared problems of persistently high levels of poverty and inequality. While this approach may have succeeded in drawing attention to the phenomenon, it has come at the significant price of sacrificing nuance and masking the tremendous variation that exists in how these programmes

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<sup>1</sup>See section 3.3 for an overview of the literature on this subject.

are actually implemented in different countries. The overview of the academic literature on the subject carried out in chapter three of this study additionally reveals that no systematic inquiries have directly addressed the political economy of the domestic development of social assistance policies.<sup>2</sup> In short, we know very little about how these programmes came to be established in the first place, and why different countries have often taken different approaches to redistribution as entailed through social assistance provision.

In seeking to address these issues, this study undertakes a comparative examination of the development of such policies in two of the benchmark cases: South Africa and Brazil. Social assistance programmes have come to occupy centrally important positions in the welfare and distributional regimes of both countries since their respective transitions to democracy during the late-1980s and early-1990s. In the case of South Africa, the provision of CTs to impoverished beneficiaries has grown from a negligible level two decades ago to almost 16 million monthly beneficiaries at present (29 percent of the total population). The same is true for Brazil, where about 54 million people (27 percent of the country's population) are supported through such programmes every month. The transformation entailed by these developments is so monumental that the introduction of these programmes are regarded as the 'single most dramatic change' to have affected these societies in the twenty-first century (Luna & Klein 2014: 338).

## 1.2 Research Question and Hypotheses

The central research question posed by this study is explanatory in nature: what accounts for the differences between the South African and Brazilian social assistance systems? Answering this question however initially entails a descriptive procedure where the differences that are to be explained

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<sup>2</sup>This is in contrast to the political economy of social assistance programmes that are externally designed and funded. Following the success of locally designed interventions in middle-income countries such as South Africa and Brazil, international development organisations have played an active role in implementing similar schemes in low-income regions.

are discussed in detail. Chapter five of this study concerns itself with this descriptive objective. In addition to meticulously chronicling the different features of social assistance provision in the two cases, the analysis shows that they exhibit significant variation in terms of which population groups are incorporated (coverage), whether beneficiaries need to comply with any conditions in order to receive benefit payments (conditionality), and the way in which they define and assess beneficiaries (orientation).

The study's dependent variables result from this descriptive exercise, with the technical differences being abstracted and incorporated into two distinct typologies. The result is that the South African social assistance system is classified as productive, while the Brazilian regime is regarded as being premised on a protective approach.<sup>3</sup> The subsequent explanatory endeavour assesses the validity of the study's central hypothesis that variation in institutional structure is best able to explain this difference between the cases. The hypothesis incorporates two causal variables by positing that the deep historical entrenchment of social assistance norms, combined with a highly concentrated state structure, led to the development of a productive regime in South Africa. Conversely, the comparatively weak historical entrenchment of norms, in combination with a highly diffuse state structure, channelled the emergence of a protective system in Brazil.

This endeavour is concerned with examining the development of social assistance policies following democratisation. Even though the analysis is therefore exclusively focused on accounting for the subsequent emergence of empirical variation in terms of policy outputs, it is important to acknowledge that it does assume that the introduction of democracy itself played a significant role in providing an initial impetus for reform in both cases. As shown in the case study chapters, the pressures for greater inclusivity<sup>4</sup> entailed through democratisation initiated the processes under investigation. But while democratisation can thus perhaps be regarded as a necessary element, it

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<sup>3</sup>Chapter five elaborates on these typologies.

<sup>4</sup>These pressures were perhaps most obvious in the South African case, where they were principally expressed in the drive to deracialise the welfare state.

alone is simultaneously wholly insufficient in explaining why South Africa and Brazil ended up with such different policy regimes. The near-synchronous adoption of democracy in fact only serves to add to the puzzle, as it fails to explain why the two countries adopted greatly divergent approaches even as they underwent broadly similar regime transitions. While democracy may have initiated the reform processes in both countries, it did not shape it. Instead, the processes and the outcomes they produced were ultimately moulded by much deeper variation on the institutional dimension, as entailed through differences in norm institutionalisation and state structure.

The study further aims to balance the inherent endogeneity of this institutionalist approach by assessing the accuracy of a set of popular alternative hypotheses premised on exogenous factors. Such explanations, usually based on functional and ideational claims, are widespread in the academic literature. The investigation ultimately determines that, while exogenous functional and ideational elements were certainly present during the policy development process, they alone are unable to convincingly account for the cross-case variation. Instead, these elements were themselves moulded and channelled by the respective institutional structures, a conclusion which assigns ultimate explanatory validity to the institutionalist hypothesis.

### 1.3 Case Selection

The cases of South Africa and Brazil were selected based on the principles of the Most Similar Systems Design (MSSD) (Thomas 2011: 513). In the broadest sense, South Africa and Brazil are two of the most sophisticated and high profile cases of developing countries implementing extensive social assistance programmes. They certainly constitute the most similar instances out of the small sample of potential cases,<sup>5</sup> as measured at the beginning of the period under investigation. As

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<sup>5</sup>Aided by the abovementioned enthusiasm of international development organisations, a distinct feature of the proliferation of social assistance schemes around the world has been the speed at which these programmes have spread. An authoritative study that focused on social assistance schemes incorporating conditionality found that in 1997 there were only three such programmes in the world (in Brazil, Mexico and Bangladesh), along with South

indicated in table 1.1, the similarities however extend well beyond the contemporary prominence of these policies. Levels of economic development were very similar by the mid-1990s, as both countries were classified as upper middle-income with a Gross Domestic Product (GDP) per capita of around US\$3 000. The Gini coefficient of inequality was still identical across the cases in 2000, with large sections of their populations living in poverty while a small group of elites controlled most of the countries' wealth.

	<b>Year</b>	<b>South Africa</b>	<b>Brazil</b>
<b>GDP per capita (US\$)</b>	1990	\$3 152	\$3 092
<b>Gini Coefficient</b>	2000	.58	.58
<b>Poverty Rate (US\$1.25 per day)</b>	1995	21.4%	9.9%
<b>Political Regime</b>	1983 → 2000	4 → 9	3 → 8
		(not democratic to democratic) (not democratic to democratic)	

Table 1.1: Comparing South Africa and Brazil (Source: Adapted from Lieberman 2009: 111)

Both countries also experienced prolonged periods of authoritarian rule before transitioning to democracy as part of the so-called 'Third Wave' during the early 1990s.<sup>6</sup> This followed their colonisation and settlement by European powers, a shared heritage which left both nations grappling with the legacies of immigration and slavery. Their societies are also comprised of a wide mix of ethnic and racial groups, with racial characteristics continuing to be correlated with wealth and income. Both countries additionally had relatively well developed (if uneven) state apparatuses and largely constructed their current social assistance systems under the governance of political parties with broadly similar ideological persuasions. In recognition of the salience of these shared features, South Africa and Brazil have since banded together on various public platforms by explicitly emphasizing Africa's unconditional system (Fiszbein et al. 2009: 4). By 2008, this figure had grown to at least 29. In addition to thus currently being the largest, most sophisticated and most similar cases, this situation further justifies the focus on South Africa and Brazil, given the fact that social assistance programmes have been operational in these two cases longer than almost anywhere else.

<sup>6</sup>The measurements indicated in table 1.1 are based on the Polity IV scores of democracy.



the commonality of their characteristics and challenges. In short, ‘the vast array of social, political, and economic similarities between the two countries described above provides something of a “natural experiment” which is rare in cross-national social science research’ (Lieberman 2003: 8).<sup>7</sup>

## 1.4 Significance of the Study

The theme of this research fundamentally deals with questions of redistribution. Perhaps more than any other single policy arena, the particularities of social welfare provision plays a tremendously important role in shaping the overall distributional regime<sup>8</sup> of any given country. The study’s dependent variables thus address the scope and mode of redistribution through social assistance in South Africa and Brazil. Through the classification of their divergent features into distinct typologies (protective versus productive), the analysis makes a decisive contribution to the scholarship on emerging welfare states by undertaking the first qualitative examination of the political economic processes underlying their differentiated development.

But the relevance of the findings stretches well beyond these two (important) cases. The study provides a striking account of the role played by institutional features in shaping social assistance policy outputs in developing countries. It shows how the deep historical entrenchment of particular norms can have profound path dependence effects even amidst the supposedly great transformation entailed by democratic transitions. It further highlights the role of state structure in shaping political incentives and subsequent policy development processes. At the broadest level, the outcome is a powerful analysis of the role played by institutions in driving social welfare policy outputs and ultimately influencing the scope and shape of redistribution.

Assessed purely from a scholarly perspective, these findings contribute to at least three distinct

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<sup>7</sup>Further justification for the comparability of South Africa and Brazil comes from the examinations undertaken by authors such as Seidman (1994); Friedman and De Villiers (1996); Marx (1998) as well as Lieberman (2003; 2009).

<sup>8</sup>These programmes are one of the most ‘direct and visible way in which states affect [distribution]’ (Seekings & Natrass 2005: 4) For more on the components of a distributional regime, see Seekings and Natrass (2005).

streams of academic literature,<sup>9</sup> including the recent rise of emerging welfare states, the concomitant introduction of social assistance policies in developing countries, as well as the application of a historical institutional theoretical framework to an exciting new empirical area. Regarded from a somewhat more practical angle, the significance of the study is to emphasise the importance of taking local institutional contexts into account when designing social assistance policy interventions. This is of particular contemporary significance given the active role of international development organisations in driving the proliferation of these programmes throughout the developing world. The evidence suggests that these policies are likely to be both scalable and sustainable only in cases where they are closely aligned with local institutional structures. In addition to its clear academic relevance, this comparative study thus serves to affirm the decisive significance of ‘institutional fit’ in implementing workable social policy interventions.

## 1.5 Chapter Outline

This brief introductory chapter has served to illuminate the overall context wherein the project is located, as well as to highlight its central themes. It achieved this by initially outlining the background and rationale for undertaking the study through discussing the prolific recent rise of social assistance programmes. This was followed by a specification of the central research question and hypotheses, as well as a justification for the comparative focus on the cases of South Africa and Brazil. The final section specified the substantial academic and practical significance of the findings.

The following chapter introduces the project’s conceptual and analytical framework. Its primary purpose is to provide consistent definitions in terms of the study’s central concepts. As such, the initial part of the chapter situates social assistance policies within the broader framework of social protection. It shows that the concept operates distinctly from other elements such as social insurance

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<sup>9</sup>See chapter three for a literature contextualisation.

and labour protection, thereby constituting an autonomous analytical subcategory. It then turns its attention towards clearly articulating the way in which the concept of institutions is regarded in constructing the study's analytical framework.

The third chapter serves to further extend the contextualisation of the research by conducting a detailed review of the existing literature. Its central aim is to illustrate the study's contribution to three primary streams of inquiry. The first of these flows from the outcome of the secondary descriptive objective through the construction of qualitative typologies for classifying emerging welfare states writ large. This is followed by a specification of the study's contribution to the more narrowly-defined scholarship on social assistance, an area which has been dominated by impact assessments at the relative expense of explanatory inquiries. The chapter then discusses the significance of the project's extension of a historical institutional framework to a fertile new empirical area. The final section reviews the alternative functional and ideational claims which have emerged as conventional wisdom in explaining the rise of social assistance.

Chapter four turns its attention to the question of research design. In addition to specifying the research question and relevant variables, it meticulously discusses the methodology that was followed in executing the project, with a particular focus on explaining the decision to conduct an inductive, qualitative comparative case study. It additionally addresses issues such as information sources and the data collection procedure that was followed, as well as clearly defining the delimitations of the research focus. It concludes by examining the limitations and ethical implications of the research process.

Chapter five commences the empirical analysis in earnest by conducting a highly detailed review of the social assistance policies that are implemented in the two cases. The aim of the discussion is to fulfil the study's descriptive objective by clearly articulating the qualitative differences that exist between the South African and Brazilian social assistance systems. It achieves this by carefully reviewing all aspects of programme operation in both countries. This technical overview identifies

profound variation in terms of coverage, conditionality and orientation. Drawing from the latest literature, these differences are then consolidated and abstracted in two distinct typologies which serve as the study's dependent variables.

The sixth chapter conducts the case study analysis for the South African case. It starts by showing the significant extent to which particular norms regarding social assistance provision had been entrenched as part of the construction of a segregationist and apartheid political economy, and how these norms were subsequently transferred and incorporated into the institutional structure of the post-apartheid state. This is followed by an account of the country's highly concentrated state structure, characterised by the centralisation of social assistance policymaking capacity and the overwhelming power position of a single political party. The final section discusses the development of the contemporary South African system by showing how the deep historical institutionalisation of norms and a highly concentrated state structure ultimately shaped the emergence of a productive social assistance regime in the country.

Chapter seven conducts an identical analysis of the Brazilian case. Its initial review of the historical record indicates that social assistance programmes were almost entirely absent in the period leading up to full democratisation in the early 1990s. This lack of embedded norms prohibited the manifestation of path dependent effects and provided actors with a greater deal of policymaking space. The subsequent discussion further shows that the country features a diffuse state structure in terms of social assistance policy design capacity, as well as a highly competitive political system. Taken together, the final section shows how these specific institutional features directed the emergence of a protective social assistance system in Brazil.

Chapter eight consolidates the insights produced through the respective case studies by explicitly returning to the central research question and hypotheses. It initially conducts a systematic assessment of the explanatory validity of the rival exogenous functional and ideational hypotheses, determining that they are unable to satisfactorily account for the cross case variation. This is fol-

lowed by a similar procedure in terms of the central institutional hypotheses, which conclusively demonstrates that the differences between the South African and Brazilian social assistance systems fundamentally result from variation on the institutional dimension. The final chapter concludes by summarising the findings and briefly addressing their generalizability, illuminating avenues opened up by the study for potential future inquiries, as well as emphasising its significant contribution to both the scholarly and practical knowledge on the role of institutions in redistribution through social assistance provision in the developing world.

## Chapter 2

# Conceptual and Analytical Framework

### 2.1 Introduction

The preceding introduction has already alluded to concepts that are vitally important to the theme of the research. This chapter undertakes a precise conceptualisation of these terms in order to clearly articulate the focus of the inquiry. The initial section provides conceptual clarity on the notion of emerging welfare states in the developing world. This is followed by a specification of social assistance programmes through clearly differentiating this category from other constitutive elements in the broader framework of social protection, emphasising the way in which social assistance interventions have come to form the core of the welfare state in the developing world. The final section provides an explication of the way in which institutions are conceptualised in constructing the Actor-Centred Institutional (ACI) analytical framework for this study. The chapter thereby equips the reader with a thoroughgoing understanding of what is implied when using the concept of ‘institutional variation’ to explain differences in ‘social assistance provision’ across the ‘emerging welfare states’ of South Africa and Brazil.

## 2.2 Emerging Welfare States

The literature on the emergence of nascent welfare states in the global South dates back no more than a dozen years.<sup>10</sup> In contrast, the notion of ‘welfare state’ itself can be traced back to 1834 Britain with the introduction of the New Poor Law Act and the Chadwick Report of 1842, while Bismarck’s Prussian state created the world’s first health insurance programme and old-age pensions in 1889 (Gough 2004: 19). The term *Wohlfahrtsstaat* first came into usage in Germany in the 1920s before being incorporated into the English speaking world during the 1940s. Following the end of World War II, welfare policies became ‘a massive feature of all Northern states’ (Gough 2004: 19). At the most general level, a welfare state regime<sup>11</sup> is an institutional matrix of market, state and family forms that generate welfare outcomes (Gough 2004: 23). Figure 2.1 introduces the basic conceptual composition of welfare state policies.

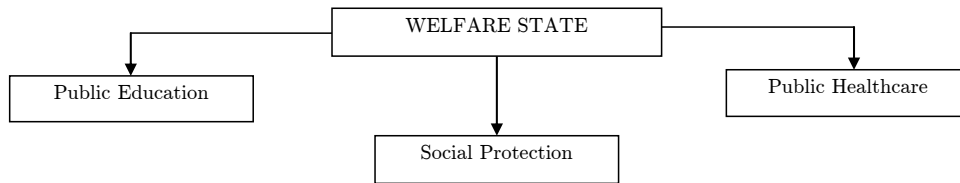


Figure 2.1: The Welfare State

Social policy as an academic field consequently blossomed during this period, as scholars aimed to construct typologies reflecting and accounting for the variation in the welfare state regimes of the global North. But the recent spread of welfare policies throughout the developing world has posed a fresh dilemma, leading to criticism that existing approaches were not applicable to the unique policy challenges faced by the rest of the world (Midgley 2004). Although on average scholars have paid very little attention to the question of welfare states in the developing world, some attempts

<sup>10</sup>See section 3.2 for a comprehensive review of the literature on this subject.

<sup>11</sup>The ‘regime’ aspect of the concept refers to a set of institutions, rules and structured interests that constrain individuals through compliance procedures (Krasner 1983: 1-3; North 1990: 200-202; Gough 2004: 22).

have been made to conceptually recast the welfare regime approach as an analytical tool that is appropriate to this growing empirical area (Rudra 2008: 78).

This regime approach is said to offer

a way out of a classic dilemma in understanding social policy and social development across the world. By developing a variegated middle-range model it avoids both over-generalisation and over-specificity. A regime approach can recognise, on the one hand, the commonalities across the countries and regions of the South, while on the other hand identifying systematic qualitatively distinct patterns within the South (Gough 2004: 239-240).

This study consequently uses the concept of ‘emerging welfare states’ to clearly delineate the field of inquiry as being concerned with the welfare regimes contemporarily implemented in the developing world.

### **2.3 Social Assistance: An Integral Part of Social Protection**

The overarching arena of social protection refers to a range of potential policy interventions available to governments aiming to manage, prevent and ultimately overcome situations that adversely affect people’s wellbeing (UNRISD 2010: 135). The nominal goal of any country’s social protection system is to enable and support citizens in maintaining an adequate standard of living when confronted by events such as unemployment, illness, disability, old age, maternity and economic or natural disasters (UNRISD 2010: 135). In conceptual terms, social protection systems aim to address vulnerability, risk and chronic poverty by employing a set of public actions either directed privately or by the state. These systems are generally divided into three constitutive categories: social assistance, social insurance and labour protection, as illustrated in figure 2.2.



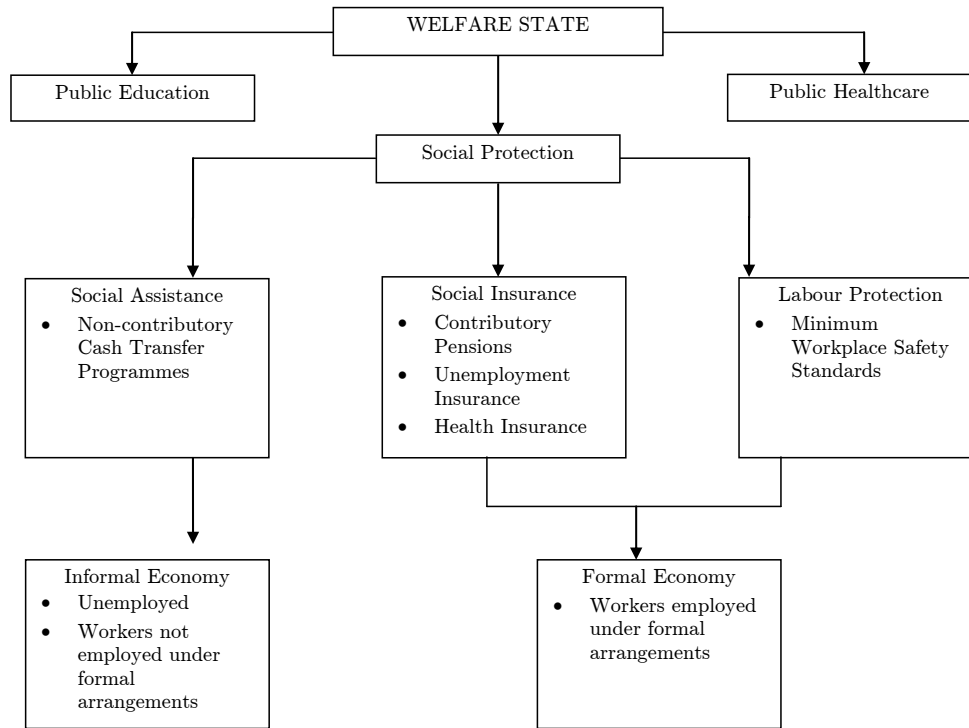


Figure 2.2: Social Protection Conceptualised (Source: Adapted from UKDFID 2005)

The figure also highlights the fact that these elements affect different societal groupings, with access to social insurance and formal labour protection generally being limited to those working in the formal economy,<sup>12</sup> while the only form of social protection that is usually available to people outside the formal economy (either due to unemployment or by virtue of working in the informal economy) is social assistance programmes.

<sup>12</sup>The terms ‘formal economy’ and ‘informal economy’ are used here instead of referring to the formal and informal ‘sectors’ in order to ‘get away from the idea that informality is confined to a specific sector of economic activity but rather cuts across many sectors. “Informal economy” also emphasises the existence of a continuum from the informal to the formal ends of the economy and thus the interdependence between the two sides’ (Becker 2004: 8). The concept of ‘informal economy’ is employed in contradistinction to the ‘formal economy’ here to refer to ‘all economic activities by workers and economic units that are — in law and in practice — not covered or insufficiently covered by formal arrangements’ (Becker 2004: 11).

Labour protection entails the enforcement of minimum standards to protect people within the workplace, although this is largely applicable to the formal economy and presents significant enforcement challenges in the case of the informal economy (ILO 2000). Meanwhile, both social insurance and social assistance programmes are associated with some form of financial transfer to act as income support (UNRISD 2010: 135). Contributory pensions, health insurance and unemployment insurance are all classified as social insurance schemes, whereby individuals pool resources through the regular payment of contributions to the state or a private provider in order to protect themselves against a shock or permanent change to their livelihoods.

Social insurance can be considered more appropriate for the better-off sections of the population, as its contributory nature presupposes the availability of a regular income, while its aims are principally to prevent individuals from falling into poverty in the first place (Dekker 2008). Because of this limitation, social assistance programmes become vital in cases of already existing and widespread poverty where many people may not be formally employed. Social assistance is defined as non-contributory transfers to those deemed eligible by society on the basis of their vulnerability, poverty or rights as citizens (UKDFID 2005: 6; UNRISD 2010: 135).<sup>13</sup> The fundamental factor therefore differentiating social insurance from social assistance is that of eligibility. The contributory nature of social insurance means that eligibility is determined by the ability to contribute in the first place, whereas eligibility for social assistance is based upon needs or rights and previous contributions (principally through taxation) are not a precondition to receiving support.

### **2.3.1 Labour Protection and Social Insurance**

In the case of developed countries featuring large formal economies, the need for labour protection and social insurance schemes are traditionally much greater than the marginal role often assigned

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<sup>13</sup>The term ‘social assistance’ in and of itself is a fairly vague expression, and it is worth emphasising that it is used here exclusively to refer to non-contributory government programmes that transfer money to eligible beneficiaries on the basis of need. It does not, for example, include the delivery of social services and other associated measures.

to social assistance (Dethier 2007). This is due to the prevalence of comparatively high employment levels and low levels of poverty, deprivation and inequality. In financial terms, developed country contexts are dominated by contributory social insurance programmes because an overwhelming majority of the population has access to income-generating formal employment.

In addition to benefiting from labour protection measures, this means that they are tied to the formal economy and can afford to contribute to social insurance schemes (both private and public). In the event of unemployment or any other contingency, they become eligible to receive financial support from the social insurance programmes they had previously contributed towards. At least in basic theoretical terms, labour protection and social insurance is therefore largely considered to be appropriate in these settings (Dekker 2008). The role of social assistance programmes is much more limited here due to the simple fact that there is significantly less need for long term non-contributory systems to financially support deprived people unable to find income-generating formal employment.<sup>14</sup>

The outcome of this situation is that, under the rubric of social insurance, poverty and unemployment are regarded as transient phenomena, meaning that developed country social protection ‘has traditionally been concerned with temporary or foreseeable income shortfalls and transitory experiences of poverty in otherwise relatively stable life trajectories and acceptable living conditions’ (UNRISD 2010: 135). Social insurance programmes generally include contributory medical, unemployment, accident and other compensation funds.

### **2.3.2 Social Assistance: The Core of the Emerging Welfare State**

The ability of social insurance to address the needs of society diminishes as access to employment and regular income streams decline. Conversely, the more widespread poverty, unemployment and non-formal employment are, the more significant social assistance becomes. This means that the

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<sup>14</sup>Although such programmes certainly do exist in developed countries, their scale is comparatively small in relation to the overall significance of social insurance.

ability of social assistance to adequately address economic and social deprivation vis-à-vis that of social insurance is highly context-specific. The role of social assistance becomes much more significant in the context of high unemployment, high levels of informal employment and poverty associated with many developing countries (UKDFID 2005). In the countries of the developing world, social assistance has become the core of the welfare state.

Compared to the entrenched position of social insurance dating back at least to the above-mentioned Bismarckian reforms of the 1880s, the elevated status of social assistance as a defining component of social protection has emerged only recently (Hanlon et al. 2010). Contemporary developing country social assistance systems mostly date back to the 1990s or 2000s, and consist of a range of CT programmes targeted at specific population segments. The fact that they are thus very recent policy innovations that have become central features of the distributional regimes present in many developing countries, including in the cases under examination, makes this an exceedingly interesting and important new field to analyse.

These programmes demonstrate significant contestation regarding fundamental concepts such as universality or targeting and the division of responsibility between markets, states and households (Hanlon et al. 2010). Notwithstanding the wide variations that exist concerning the ways in which these programmes are implemented, they do comprise a fundamentally separate category within broader social protection — the category of social assistance.

In general terms, these are non-contributory programmes which transfer money from the state to the poor directly for a specified period of time and are aimed at diverse population groups including the elderly, children, unemployed adults and people with disabilities (Hanlon et al. 2010; Garcia & Moore 2012: 18). The implementation of social assistance policies in developing countries has been hailed as a ‘development revolution from the global South’ (Hanlon et al. 2010). Significantly, these policies were initially neither imposed by developed donor nations nor inherited from colonial administrations, but recently emerged as a policy response initiated by the countries of the South

themselves in an attempt to provide the poor with the boots required in order for them to ‘pull themselves up by their bootstraps’ (Hanlon et al. 2010: 4).

Social assistance programmes have proliferated at a remarkable rate throughout the developing world during the previous two decades, to the point where they currently reach more than a billion people in low- and middle-income countries (Barrientos 2013: 4). The well documented examples of CTs aimed at children and families illustrate just how rapid the growth in popularity of these policies has been; in 1997 there were only four such programmes worldwide, but by 2008 this figure had increased to at least 29 — and has continually grown further since then (Fiszbein et al. 2009: 31). This recent increase in the popularity of CTs, as illustrated in figure 2.3,<sup>15</sup> has come to be regarded as ‘one of the most significant developments in global social policy since the expansion of social security in industrialised countries’ (Fajth & Vinay 2010: 1).



Figure 2.3: Selected Social Assistance Programmes in the World, (a) 1997 and (b) 2008 (Source: Adapted from Fiszbein et al. 2009: 4)

Social assistance therefore represents a distinct component of states’ overall social protection

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<sup>15</sup>This illustrative figure highlighting the proliferation of social assistance programmes only includes information on selected and currently active large-scale CTs directed at children and families. In some cases (as in the case of Brazil), pre-existing programmes were recently merged or incorporated into ones with new names. This map of child-focused programmes is obviously not nearly exhaustive, as social assistance also includes a range of other programmes aimed at conditions such as disability, unemployment and old age.

frameworks, alongside labour protection and contributory social insurance. While non-contributory programmes are found in many countries around the world, the relative significance of social assistance is context specific, and it has recently proven immensely popular especially in middle-income developing countries featuring high levels of poverty, inequality, unemployment or informal employment — to the extent that social assistance has become the central pillar of the emerging welfare state.

## 2.4 Analytical Framework

The study furthermore applies a historical institutional framework in its analysis of the differentiated development of social assistance policies in South Africa and Brazil. Given the fact that neoinstitutionalism has spawned a variety of related approaches,<sup>16</sup> this section endeavours to introduce a concise specification of the way in which the framework is conceptualised in terms of this particular project. Gough comments on the suitability of the approach for studying questions related to welfare state regimes in the developing world by noting that the very adoption of a regime approach automatically situates the research ‘within the historical institutional school of social research’ (2013: 23). This allows for an analysis which ‘integrates structures and actors within a framework that promises a comparative analysis of socioeconomic systems at different stages of development and different positions in the world system’ (Gough 2013: 23).

It is important to emphasise that historical institutionalism per se does not amount to a specific method or theory. Instead, it is to be regarded as a general approach that is interested in explaining real-world empirical puzzles through a historical orientation that pays attention to the ways in which institutions structure outcomes (Steinmo 2008: 118). The analysis conducted in this study therefore uses the ACI approach to achieve a more precise operationalisation of historical institutionalism (Scharpf 1991; Mayntz & Scharpf 1995; Scharpf 1997; Scharpf 2000; Boessen 2008; Pancaldi 2012).

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<sup>16</sup>Section 3.4 discusses the diversity of neoinstitutionalist approaches.

In a reflection of the fact that it is firmly rooted within the historical institutional school, this analytical framework proceeds from the assumption that policy outputs are to be explained as ‘the outcome of interactions among intentional actors, but that these interactions are structured, and the outcomes shaped, by the characteristics of the institutional settings within which they occur’ (Scharpf 2007: 1).

The ACI focus on institutions enables researchers to utilise the same institutional information with which actors themselves interact in order to reconstruct the policymaking process. The resultant institutionalised expectations create conditions of common knowledge which reduces the information costs associated with empirical research. In short, ‘once we know the institutional setting of interaction, we know a good deal about the actors involved, about their options, and about their perceptions and preferences’ (Scharpf 1997: 41). It assumes conditions of purposive actors<sup>17</sup> operating according to bounded rationality, which implies that human action is not based on cognition of real world data and causal laws, but on socially constructed beliefs about the real world (Scharpf 1997: 21). The combination of purposive actors operating under conditions of bounded rationality results in an analytic approach where actors strive to maximise their interests, but with a more realistic view concerning matters surrounding incomplete information.

The framework thus emphasises the influence of institutions on defining the policy community,<sup>18</sup> the modes of interaction, as well as the preferences and capabilities of actors. The institutional rules of the game are firstly taken to define which actors constitute the relevant policy community.<sup>19</sup> This

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<sup>17</sup>ACI conceptualises actors above the individual level into units of ‘composite actors’. The concept is consequently employed in this study ‘in order to facilitate the task of explaining and predicting policy outcomes in actor-theoretic terms’ (Scharpf 1997: 53).

<sup>18</sup>While Scharpf (1997) prefers the term ‘actor constellation’, the concepts are used interchangeably throughout.

<sup>19</sup>In terms of this project, the concept supposes that ‘policy communities comprise state and social actors, and support a certain view as to desirable policy outcomes. State actors are individuals or groups that hold senior office in government bodies, while the concept of societal actor refers both to social actors, from civil society, and market actors associated with the market economy. The communities are made up of individuals and groups who hold positions in the state and societal spheres, and participate in policy networks, endeavouring to affect decision-making processes.

concept is utilised in order to demarcate the process whereby policy decision making takes place, and includes both state and societal actors active in the social assistance sphere (Hecló 1978; Jordan & Richardson 1979; Rhodes 1986; Côrtes 2013). It also regards institutions as influencing the relevant modes of interaction open to different groups of actors, with at least four such avenues being theoretically possible: unilateral action, negotiated agreement, majority vote and hierarchical direction (Scharpf 1997: 47). As discussed in chapters six and seven, the particularities of the two countries' institutional structures meant that the characteristic mode of interaction in the South African case was hierarchical direction, while the Brazilian case was characterised by interactions largely premised on negotiated agreement.

The framework additionally supposes that institutions shape the capabilities and preferences held by actors during their policy interactions. Indeed, despite the clear predominance assigned to institutions, the ACI framework does not hold that they create outcomes in a deterministic sense (Scharpf 1997: 42). It thereby encourages analyses which are additionally focused upon examining strategic interactions between actors potentially holding different preferences as the proximate process translating institutionally-derived preferences into policy outputs. The result is a historical institutional framework that is sensitive to the (bounded) agency of actors by involving two sequential analytical steps. The first involves a detailed examination of institutional structure in order to obtain information on the policy community, modes of interaction and the capabilities and preferences of actors; followed by a second step of empirical process tracing examining strategic interactions between purposive actors.

The present study incorporates the exact approach specified by Scharpf when he defines institutions as 'systems of rules that structure the courses of actions that a set of actors may choose' (1997: 38). This however includes 'not only formal legal rules that are sanctioned by the court system and the machinery of the state but also social norms that actors will generally respect' (Scharpf 1997: 38). In the context of this project, the definition is composed of two independent

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Their strategies are built up in processes closed to other communities and to the general public' (Côrtes 2013: 137).



institutional variables: the level of historical entrenchment of social assistance norms<sup>20</sup> (high versus low) and the centralisation of state structure (high versus low). The case study chapters conduct historical process tracing according to these variables. This initially involves an examination of the degree to which social assistance norms were historically entrenched in both cases, and whether these norms exhibited features of ‘institutional stickiness’ by constraining the options open to policymakers. In other words, it measures the degree to which the respective cases presented elements of path dependence.

This concept is centrally important to many historical institutionalist analyses, and fundamentally entails the assertion that ‘preceding steps in a particular direction induce further movement in the same direction...This is because the relative benefits of the current activity compared with other possible options increase over time’ (Pierson 2000: 252). This means that the deep historical entrenchment of particular norms raise the cost of exit, leading to a self-reinforcing process (Pierson 2000: 252). The analysis shows that the South African case exhibited significant stickiness through the deep historical institutionalisation of norms, while the Brazilian case featured relatively little path dependence effects.

This is followed a specification of the second independent variable involving the respective state structures. This variable again incorporates formal and informal institutional features in its examination of the distribution of power generated through both the constitutional-legal policymaking framework, as well as the practical outcomes produced by the realities of electoral politics. It concludes that the South African case has been characterised by a concentrated state structure throughout the period under examination, in contrast to Brazil’s diffuse structure. The specification of this variation in terms of the independent institutional variables is subsequently followed by

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<sup>20</sup>Even though they are in practise often subject to significant conceptual overlap, it is important to note the difference between institutional norms and ‘ideas’ according to this approach. Fundamentally, ‘ideas’ become norms once they are institutionally embedded and consequently approximate ‘something like basic templates upon which other political decisions [are] made’ (Steinmo 2008: 130).

the introduction of the respective social assistance policy communities, along with an explication of the available modes of interaction and actor preferences.

The final analytical phase involves the second step of the ACI procedure, which incorporates a further round of process tracing which examines the contemporary development of the two countries' social assistance systems. The narrative analysis, guided by the ACI analytical framework, thus ultimately illustrates the centrally important role played by institutional variables in shaping the differentiated development of social assistance provision in South Africa and Brazil.

## **2.5 Conclusion**

This chapter has provided a clear articulation of the study's central concepts. It initially illustrated the project's position within the greater scholarly paradigm of emerging welfare state research, followed by a conceptualisation of social assistance policies as a distinct and centrally important pillar of many nascent welfare states throughout the developing world. The chapter further sought to articulate the way in which historical institutionalism is operationalised through the ACI analytical framework in order to conduct historical process tracing, premised upon an approach which incorporates a broad definition of institutions and examines both the formal and informal features of the South African and Brazilian institutional contexts.

## Chapter 3

# Literature Review

### 3.1 Introduction

The findings produced by this study respectively draw upon and ultimately contribute to at least three distinct streams of academic inquiry. This chapter aims to elucidate the scholarly niche occupied by the project through conducting a review of the current state of the relevant literature. The first section surveys efforts to replicate in the developing world the considerable achievements of scholars in comparatively chronicling and classifying the features of different welfare state arrangements in developed countries. Overall, the literature on identifying varieties of welfare states in the developing world remains a tremendously under-researched topic in comparison to the burgeoning tomes that exist regarding their cousins in the global North. By explicitly undertaking an attempt to differentiate and categorise the features of the South African and Brazilian approaches to social assistance provision, this study thereby makes a significant qualitative contribution to the state of research in this area.

The subsequent section examines the status of current knowledge claims related to the specific practise of social assistance provision in the developing world. Exploring this budding field of research reveals that, while an impressive array of academic queries have focused on issues surround-

ing the implementation and impact of these programmes, very little is known about the underlying factors that lead to their differentiated emergence in the first place. This study thus contributes to the research on social assistance provision by taking up precisely that under-examined question.

The third part of the chapter shifts its attention towards reviewing the literature on the study's analytical framework. Relative to the other two fields this inquiry touches upon, research into the effects of institutions on policy outputs is quite sophisticated. Nevertheless, the way in which this study applies and extends a historical institutional ACI approach to the fledgling empirical field of welfare provision in the developing world means that it also adds significant new value in this regard.

The final section introduces a set of popular competing claims from the literature on the emergence of social assistance provision. Despite the highly limited number of inquiries into the development of these policies, most studies are content to simply point to exogenous functional or ideational factors in explaining the design of programme features. These claims are consequently reviewed in order to demonstrate their clear inability to account for the tremendous empirical variation that is made manifest across countries. This literature review thereby introduces the reader to the current state of scholarly understanding regarding emerging welfare states, social assistance provision and the historical role of institutions, while simultaneously illuminating the study's significant broader relevance to scholarship in these fields and setting the scene for the subsequent empirical chapters.

## **3.2 Classifying Emerging Welfare States**

Efforts to classify and interpret the nature of social welfare provision across different countries has become one of the classic occupations of social science research. Scholars have applied an impressive range of perspectives, including in fields such as sociology, history, political science, economics and gender studies, in pursuit of understanding and explaining the profound variation between the welfare regimes of different societies. This section provides an introduction to this area of inquiry

by initially examining the roots of welfare state research on the countries of the developed world. It then looks at (limited) recent efforts to extend the classificatory approach to the newly emerging welfare regimes of the developing world. It concludes by pointing to the fact that this study entails one of the very first efforts to qualitatively assess, compare and explain the specific features of two of the most prominent newly emerging welfare states.

The reference point for much of the work on welfare states in the developed world is Esping-Andersen's much celebrated book, *The Three Worlds of Welfare Capitalism* (1990). This groundbreaking treatise, premised on the classification of developed welfare state regimes into 'liberal', 'conservative' and 'social democratic' ideal-types, has become nothing short of a modern classic.<sup>21</sup> For Esping-Andersen, the principal issue distinguishing these three ideal-types from one another is the extent of decommodification inherent to each approach. Decommodification is defined as

the degree to which individuals or families can uphold a socially acceptable standard of living independently of market participation. The level of decommodification provided by a welfare state depends on the stringency of eligibility rules, on the level of income replacement and on the range of entitlements (Bonoli 1997: 353).

Esping-Andersen's analysis built upon insights and decades of research produced by a stream of scholarship that dates as far back as the 1940s, with Polanyi's seminal *The Great Transformation* setting the tone for the entire field of inquiry into social policy. This theoretical foundation was further extended through work on social citizenship by Marshall (1950; 1963; 1965; 1981), and by Titmuss on social policy and the philosophical underpinnings of the welfare state (1958; 1974). Empirically, it drew upon research carried out during the 1970s and 1980s by a range of comparativists, including Wilensky (1975); Flora and Heidenheimer (1981); Mommsen (1981); and Flora (1983; 1986) (Arts & Gelissen 2002: 138).

The popularity of Esping-Andersen's typology meant that it came under intense scrutiny, leading to criticism that the specific categories were either flawed or lacked explanatory power (Lessenich

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<sup>21</sup>See Offe (1991); Cnaan (1992); Hicks (1991); Kohl (1993); as well as Arts and Gelissen (2002: 138).

& Ostner 1998; Baldwin 1996). These criticisms subsequently engendered a number of revisions.<sup>22</sup> Its shortcomings notwithstanding, the book undoubtedly made a tremendous impact by going a long way towards definitively establishing the practise of constructing comparative typologies to make sense of the variations between different regimes of welfare provision. A host of contemporary authors have subsequently followed in these footsteps by aiming to accurately represent and explain the variations found between developed welfare states.<sup>23</sup>

The classification of welfare regimes into distinct categories has thus become a well established academic practice. Indeed,

much of the existing literature on comparative social policy has been concerned with the classification of welfare states and the identification of ideal-types of welfare provision. This is understandable: state welfare is a matter of high complexity, particularly when it comes to explaining differences between existing models of social protection. The classification of welfare states and the resulting identification of ideal-types is thus a powerful tool for comparative social policy, as it performs a significant reduction of complexity (Bonoli 1997: 351).

While much progress has therefore been made in terms of understanding the features of developed welfare states, similar efforts to interpret welfare regimes in the developing world are still in their infancy.

It is in fact only with recent work that similar analyses have been applied to emerging welfare states (Gough 2004a; Gough 2004b; Gough & Wood 2004; Rudra 2007; 2008; Haggard & Kaufman 2008; Abu Sharkh & Gough 2009; Gough 2013). The fundamental premise of this growing field of inquiry is that

existing scholarship overlooks the possibility of varieties of capitalism in the developing world.

In contrast, discussions abound regarding identifiable and systematic differences in domestic institutional arrangements within the advanced capitalist countries, particularly with respect to

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<sup>22</sup>These are contained in Esping-Andersen (1993; 1994; 1996; 1997; 1999).

<sup>23</sup>These include Pierson (2000; 2001); Huber and Stephens (2001); Arts and Gelissen (2002); Blekesaune and Quadagno (2003); Scruggs and Allan (2006); Pestieau (2006); Pfeifer (2010); as well as Bonoli and Natali (2012).

their distributional regimes. Is it feasible that distribution regimes of relatively poor countries also fall into distinct patterns (Rudra 2007: 378)?

The application of sophisticated multivariate statistical cluster analyses have led scholars to answer that question in the affirmative, concluding that ‘there is thus prima facie evidence to suggest that...[there are] distinct welfare regimes based on different institutions and cultural-historical antecedents and following different paths of development’ (Abu Sharkh & Gough 2009: 22). Two basic typological models have been produced from this largely quantitative research agenda. The first is based on work by Abu Sharkh, Gough and Wood (Gough 2004a; Gough 2004b; Gough & Wood 2004; Abu Sharkh & Gough 2009; Gough 2013), while the second stems from Rudra’s (2007; 2008) research.

The Abu Sharkh and Gough typology identifies four regime clusters in the developing world: ‘externally dependent insecurity regimes’, ‘less effective informal security regimes’, ‘more effective informal security regimes’, and ‘actual or potential welfare states’ (Gough 2004a; Gough 2004b; Gough & Wood 2004; Abu Sharkh & Gough 2009; Gough 2013). The primary measurement indicators used in these analyses relate to public spending, international aid and remittance flows, as well as welfare outcomes expressed through the Human Development Index (HDI). The accuracy of this typology has been questioned for its focus on outcomes data, as it erroneously assigns the effects of events like conflict and the HIV/AIDS epidemic to ineffective welfare provision (Seekings 2014).

In turn, Rudra’s analysis identifies ‘the existence of two ideal-types of welfare states in the developing world...[while] cluster analysis reveals a third group with elements of both’ (2007: 379). The first approach is classified as productive, in which policies are geared towards promoting the market dependence of citizens. This model shares certain elements with Esping-Andersen’s liberal model by embracing some of the ‘enthusiasm for the market and self-reliance’ (Rudra 2007: 384). Productive emerging welfare states thus emphasise the commodity status of labour. In contrast,

the protective model is aimed at protecting individuals from the market through relatively greater decommodification.

Rudra finds that protective emerging welfare states constitute ‘a curious fusion of elements of socialism and conservatism’ by incorporating a strong distrust of markets alongside a conservative emphasis on the preservation of authority (2007: 379; 384). The protective typology accordingly involves a combination of features from Esping-Andersen’s original social democratic and conservative categories, while the productive moniker strongly equates, within a different context, to Esping-Andersen’s liberal category.

The descriptive classificatory exercise undertaken in chapter five of this study builds upon this previous work through the incorporation of the conceptual categories recently developed by Rudra (2007; 2008). The key difference between this analysis and the literature cited above is that instead of taking a global perspective which examines the entire welfare state apparatuses of dozens of developing countries, the present study exclusively focuses on the single most important aspect of welfare policy in these two cases: social assistance. The resultant classification of the South African social assistance system as productive and the Brazilian approach as protective thereby amounts to the study’s initial noteworthy contribution to the existing scholarship by undertaking the first documented attempt at constructing typologies for social assistance provision in the developing world.

This descriptive procedure is followed by an in-depth qualitative evaluation of the ‘different institutions, cultural-historical antecedents and different paths of development’ that underlay their differentiated development (Abu Sharkh & Gough 2009: 22). In addition to therefore making a valuable descriptive contribution, the study also constructs a theoretically-grounded explanation for why these differences emerged in the first place. It thereby extends the proud scholarly tradition of comparative inquiry into welfare provision to these exciting and fertile new cases through a focus on social assistance provision.



### 3.3 Social Assistance in the Developing World

This exclusive focus on social assistance (as a prominent subcategory of social welfare provision in these cases) means that the analysis also ties into the related literature on the rise of social assistance CTs to the poor in developing countries. The tremendous recent proliferation of these schemes throughout the global South has been accompanied by a rush of academic interest. This interest has however been almost exclusively preoccupied with measuring the impact that these programmes have had on a dizzying range of outcomes, while research into why these schemes took on different shapes in different countries has been neglected. This section introduces the state of knowledge in these regards, while also demonstrating the present study's value by constituting one of the first attempts to actually explain why social assistance CTs took on certain specific features in the cases under examination.

The practise of scientifically measuring the effects of CTs in the developing world dates back to the 1990s, when the first of these programmes were introduced at scale. The first such evaluations were in fact carried out in Brazil by the World Bank, Inter-American Development Bank, the United Nations Development Programme (UNDP), the International Labour Organisation (ILO), UNESCO, as well as UNICEF shortly after the introduction of the country's first subnational CT schemes.<sup>24</sup> These early assessments were particularly focused on measuring the impact that conditional CTs had on school attendance and achievement.

This was followed by an explosion of similar inquiries by economists, sociologists, social policy experts and international development organisations that attempted to measure the effects of CTs on outcomes including poverty, child labour, human capital investment, schooling, nutrition, health, gender relations, crime, inequality, domestic violence and entrepreneurship.<sup>25</sup> Much of this work

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<sup>24</sup>These assessments are contained in Moraes and Santana (1997); Abramovay, Andrade and Waiselfisz (1998); Amaral and Ramos (1999); also see Buarque (2013b).

<sup>25</sup>These themes are covered in Cardoso and Souza (2004); Gertler (2004); De Janvry and Sadoulet (2005); Rawlings and Rubio (2005); De Janvry, Finan, Sadoulet and Vakis (2006); Schady and Araujo (2006); Soares, Soares, Medeiros

was carried out during the early-2000s with a regional focus on Latin America, where many of the first programmes were implemented. More recent investigations have extended the endeavour of measuring the impact of social assistance programmes to regions including Africa and the Indian subcontinent.<sup>26</sup> The vast majority of these assessments have found that CTs have a range of positive impacts. Useful overviews integrating some of the findings from this expansive body of literature are provided by Fiszbein et al. (2009); Hanlon, Barrientos and Hulme (2010); as well as by Barrientos (2013).

It is thus clear that our understanding of the impacts produced by social assistance CTs is relatively advanced. But there are as yet no systematic studies aimed at interrogating and accounting for the tremendous amount of variation that exists in how these programmes are implemented across cases. The only literature that even alludes to this variation (which includes features such as coverage, conditionality and systemic orientation) spans a total of three published journal articles and one review on the relative effects of conditional versus unconditional CTs.<sup>27</sup> But by again focusing purely on outcomes, these also do not take up the question of why such variation exists in the first place.

The scholarship on social assistance provision in the cases of South Africa and Brazil reflect this same reality. In the case of South Africa, authors have meticulously analysed the outcomes produced by the country's social assistance policies,<sup>28</sup> while a handful of studies have documented and Osório (2006); Lagarde, Haines and Palmer (2007); Fernald, Gertler and Neufeld (2008); Adato and Hoddinott (2009); Fiszbein, Schady, Ferreira, Grosh, Keleher, Olinto and Skoufi (2009); Leroy, Ruel and Verhofstadt (2009); Soares, Ribas and Osório (2010); as well as in Soares and Silva (2010).

<sup>26</sup>This includes work by Ahmed (2005); Kakwani, Soares and Son (2005); Hossain (2010); Lim, Dandona, Hoisington, Jamers, Hogan and Gakidou (2010); UKDFID (2011); Ellis (2012); as well as by Garcia and Moore (2012).

<sup>27</sup>Individual studies were carried out by Baird, McIntosh and Özler (2011); Akresh, De Walque and Kazianga (2013); as well as Robertson, Mushati, Eaton, Dumba, Mavise, Makoni, Schumacher, Crea, Monasch, Sherr, Garnett, Nyamukapa and Gregson (2013). These were subsequently reviewed in Baird, Ferreira, Özler and Woolcock (2013).

<sup>28</sup>Including Case and Deaton (1998); Duflo (2003); Woolard (2003); Samson, Lee, Ndebele, MacQuene, Van Niekerk, Gandhi, Harigaya and Abrahams (2004); Aguëro, Carter and Woolard (2006); Hall (2007); Williams (2007); UNICEF

the evolution of the system.<sup>29</sup> The same is true in the case of Brazil, where the effects produced by especially the *Programa Bolsa Família* (PBF – Family Grant Programme) have been loudly proclaimed in both the academic and popular press.<sup>30</sup> But the lack of rigorous comparative investigations into the political economy of social assistance provision means that there is very little understanding of the processes whereby the specific features of these programmes actually emerged.

The present study thus directly addresses this shortcoming by conducting a detailed comparative investigation into these two benchmark cases. While the current state of research on CTs reflects an understandable preoccupation with the social and economic consequences produced by these programmes, the time is ripe for more nuanced analyses that take up questions regarding the specific features of social assistance programmes. By doing precisely that, this study compliments the existing knowledge on programme effects by breaking new ground with an approach that explicitly focuses on the emergence of such programmes in the first place.

### 3.4 Historical Institutionalism

This inquiry adopts a historical institutional theoretical approach to explaining the variation across cases. Examining the role played by institutional configurations in shaping policy outputs is a well established approach in the political science literature. In fact, the institutional school represents perhaps the oldest theoretical tradition in the field: Plato's *Republic* investigates the role played by institutions in shaping political behaviour, while Aristotle examined the effect of institutional structures on shaping political incentives in *Politics*. These classical works went on to greatly influence social science as it began to emerge as a modern academic discipline in the late nineteenth

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(2008); Woolard, Harttgen and Klasen (2010); as well as Woolard and Leibbrandt (2010).

<sup>29</sup>See Kruger (1992); Duncan (1993); and Seekings (2000; 2007).

<sup>30</sup>Prominent examples include Medeiros, Diniz and Squinca (2006); Legido-Quigley (2009); Sedlacek, Gustafsson-Wright, Ilahi and Lannon (2001); Lindert (2006); Soares et al. (2006) Lindert, Linder, Hobbs and De la Brière (2007); Haddad (2008); Hall (2008); The Economist (2008); and Watts (2013).

and early twentieth century (Almond 1990). The earliest ‘institutionalists’ thus included celebrated theorists such as Montesquieu, Weber, Polanyi and Veblen. Much of the research carried out during this fledgling period of political science focused on the design of constitutions (Steinmo 2008: 119).

This ‘old institutionalism’ soon came to dominate the field of comparative politics. Studies largely consisted of highly detailed configurative inquiries into varying formal legal, political and administrative structures (Thelen & Steinmo 1992: 3). By strictly contrasting and comparing institutional configurations across different countries, the overwhelming majority of these studies were descriptive in nature; and often deeply normative in orientation. As a result, ‘this approach did not encourage the development of...concepts that would facilitate truly comparative research and advance explanatory theory’ (Thelen & Steinmo 1992: 3).

The social and historical context of the post-war years gave rise to deep scepticism and even hostility towards the focus on institutions, as carefully designed democratic institutions fell to dictatorship and chaos throughout the developing world. As a result, political scientists increasingly came to view institutions as mere ‘vessels in which politics took place; what mattered was what filled the vessels’ (Steinmo 2008: 119). This was further compounded by the ‘physics envy’ that emerged in the wake of the progress made by the physical sciences, as well as a related desire to move away from ‘thick description’ towards more theoretical approaches (Steinmo 2008: 120). The result was that institutional approaches largely fell out of favour, to be replaced by the rise of behaviouralism. Political science consequently witnessed the behavioural revolution in the 1950s and early 1960s as a reaction against and a rejection of the old institutionalism (Thelen & Steinmo 1992: 3).

Instead of examining the formal attributes of governmental institutions, behaviouralists postulated that politics could only be understood through analysing political attitudes, behaviours and distributions of power. The perceived atheoretical bent of the old institutionalism thus came to be replaced by the explicitly theoretical behaviouralist project (Thelen & Steinmo 1992: 4).<sup>31</sup> In

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<sup>31</sup>It is important to note that despite the general trend away from institutional analyses and towards behaviouralism, ‘dissident’ scholars such as Barrington Moore (1966) and Samuel Huntington (1968) continued to strongly incorporate

turn, by the 1970s, a clear institutionalist critique of behaviouralism had congealed around a central theme: precisely due to the fact that behaviouralist theories focused on the attitudes, characteristics and behaviours of groups and individuals in explaining outcomes, they consistently overlooked questions about why these same attitudes, behaviours and the distribution of resources between groups themselves differed between countries (Thelen & Steinmo 1992: 5).

Kenneth Shepsle provided what amounts to perhaps the most succinct critique of this approach when he stated that

the price we have paid for the methodological and theoretical innovations of the post-World War II era, however, is the inordinate emphasis now placed on behaviour. Our ability to describe (and less frequently, to explain) behaviour...has diminished the attention once given to institutional context and actual outcomes. On net, the behavioural revolution has probably been of positive value. But along with the many scientific benefits, we have been burdened by the cost of the restricted scope in our analyses (1986: 52).

The so-called neoinstitutionalism subsequently arose in response to these perceived shortcomings with the aim of producing institutionalist analyses that simultaneously contributed to theory building.

In contrast to the abstract grand theories pursued during the 1960s and early 1970s, neoinstitutionalists became focused on intermediate institutions, meso-level analysis and middle-range theory (Steinmo 2008: 123). But it soon became clear that at least two distinct strands<sup>32</sup> had emerged within neoinstitutionalism: rational choice institutionalism<sup>33</sup> and historical institutionalism. Whereas rational choice institutionalism was focused on uncovering general laws of political behaviour and action by deductively testing theoretical models, historical institutionalist scholars were more interested in explaining real world outcomes inductively (Steinmo 2001). In rational institutional variables into their work during this period.

<sup>32</sup>See Peters (2012) for a full elaboration on the different neoinstitutionalist approaches.

<sup>33</sup>Some of the foundational rational choice works include Shepsle (1986); Levi (1988); North (1990); and Bates (1981; 1989).

choice, the primary priority is creating, elaborating and refining a theory of politics; in historical institutionalism it is understanding and explaining real outcomes (Weingast 1996).

This study is situated within the historical institutionalist strand of neoinstitutionalism, with a focus on inductively explaining real world variation. It thereby draws on a stream of scholarship which argues that the role played by institutions in shaping politics is far greater than that suggested by a narrow rational choice model, with the core feature being historical institutionalism's treatment of preference formation as endogenous (Thelen & Steinmo 1992: 5). Historical institutionalism assumes that political struggles 'are mediated by the institutional setting in which [they] take place', and incorporates a definition of institutions that includes both formal organisations and informal norms that structure conduct (Ikenberry 1988; Hall 1986: 19; Thelen & Steinmo 1992: 2). In sum, for historical institutionalist scholars,

institutions are not just another variable, and the institutionalist claim is more than just that 'institutions matter too'. By shaping not just actors' strategies (as in rational choice), but their goals as well, and by mediating their relations of cooperation and conflict, institutions structure political situations and leave their own imprint on political outcomes (Thelen & Steinmo 1992: 9).

The late 1970s witnessed the first great flourishing of historical institutionalist scholarship, including groundbreaking work by Peter Katzenstein (1978); Theda Skocpol (1979); Peter Hall (1986); as well as James March and Johan Olsen (1984; 1989). This was followed by an avalanche of historical institutionalist investigations into topics as diverse as the intersections between domestic and international politics,<sup>34</sup> American politics,<sup>35</sup> the causes and consequences of revolutions and

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<sup>34</sup>See Friedberg (2000); Gourevitch (1986); Ikenberry (2001); Katzenstein (1978); Krasner (1978); and Simmons (1994).

<sup>35</sup>Examples include Skowronek (1997); and Hansen (1991).

social movements,<sup>36</sup> the origins and development of economic regimes,<sup>37</sup> transitions to democracy,<sup>38</sup> the rise and fall of authoritarian regimes,<sup>39</sup> and the role of social identity in politics<sup>40</sup> (Pierson & Skocpol 2002: 695). Of particular relevance to this study are the rigorous historical institutionalist analyses that have been carried out in accounting for the development of welfare states.

Indeed, the work by Esping-Andersen (1990) on the classification of developed country welfare states cited above represents the most famous example of an historical institutionalist approach to explaining variations in welfare provision. Other authors who have contributed to the ‘striking accumulation of knowledge’ in this field include Flora and Heidenheimer (1981); Hacker (1998); Huber and Stephens (2001); Immergut (1992); Maioni (1999); Pierson (1994); Skocpol (1992); and Steinmo (1996) (Pierson & Skocpol 2002: 695). The result of these previous inquiries has been to firmly establish historical institutionalist approaches to studying welfare policies as a legitimate and accepted scholarly practise.

The study’s specific analytical approach of ACI also belongs to this contemporary school of literature (Scharpf 1991; Mayntz & Scharpf 1995; Scharpf 1997; Scharpf 2000; Boessen 2008; Pancaldi 2012). ACI emerged during the 1990s and 2000s as a precisely operationalised framework which enables researchers to consistently define and study the processes and mechanisms whereby historical institutional factors shape policy outputs. While it consequently regards institutions as the primary force shaping such outputs, it additionally allows for the construction of a rigorous empirical picture through its incorporation of agency by regarding policy not as deterministic but as ‘intentional

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<sup>36</sup>See Goldstone (1991); Goodwin (2001); McAdam (1982); McAdam, Tarrow, and Tilly (2001); Skocpol (1979); Tarrow (1998); and Wickham-Crowley (1992).

<sup>37</sup>Important examples include Karl (1997); Richards and Waterbury (1990); Streeck (1992); Thelen (1993; 1994); Zysman (1994); and Acemoglu and Robinson (2006).

<sup>38</sup>Refer to work by Baloyra (1987); Bratton and Van de Walle (1997); Diamond (1999); Downing (1992); Gould (1999); Haggard and Kaufman (1995); Rueschemeyer, Stephens, and Stephens (1992); Yashar (1997) and Mahoney (2000).

<sup>39</sup>Examples include Doyle (1986); Ekiert (1996); Im (1987); Mahoney (2001); Snyder (1998) and Mahoney (2000).

<sup>40</sup>See Hattam (1993); Katznelson and Zolberg (1986); Kryder (2000); Lustick (1993); and Marx (1998).

action by actors who are most interested in achieving specific outcomes' (Scharpf 1997: 36).

The contribution of the present study is thus to extend what has become an accepted analytical convention into an exciting new empirical area. In keeping with established academic norms, it applies a historical institutionalist explanation (operationalised through the ACI framework) to account for the variation in social assistance provision to the as-yet unexamined cases of South Africa and Brazil. This pioneering project thereby hopes to encourage the further investigation of emerging welfare states through the application of a historical institutionalist approach. It is a field that is ripe for the picking, and institutionalist scholars are perfectly positioned to add great value to our understanding of the recent domestic emergence of welfare policies in the global South.

### **3.5 Explaining Variation in Social Assistance Provision**

Owing to the abovementioned lack of comparative inquiries into the emergence of social assistance provision in the developing world, there remains a relative dearth of theoretical claims about what accounts for the variation across cases. Despite the lack of rigorous explanatory analyses, a handful of authors (usually of descriptive studies) have nevertheless proffered two primary hypotheses for why social assistance programmes in any given country has taken on its particular shape (Graham 2002; Fiszbein et al. 2009; Hanlon et al. 2010; UNRISD 2010; Liesering & Barrientos 2013; Mothiane 2014). These exogenous claims generally either lurk below the analytical surface, or are often introduced in a rather matter-of-fact fashion without citing satisfactory supporting evidence — usually in studies otherwise devoted to exalting the benefits of social assistance. This section briefly reviews this conventional wisdom's capacity to amount to potential competing claims for the study's central institutionalist hypothesis.

The first explanation usually introduced in accounting for the emergence of social assistance systems is functional in nature, and it is nearly ubiquitous in the literature. A striking majority of evaluations appear happy to loosely argue that programme features mechanistically emerged as



a result of high levels of poverty and inequality (see, for example, Fiszbein et al. 2009: 9; Garcia & Moore 2012: 1). It is the assertion of proponents of this view that domestic social assistance programmes arose in response to ‘economic crisis, structural adjustment and global integration, where the limitations of residual, ad hoc safety nets to address the social consequences of neoliberal policies became painfully apparent’ (UNRISD 2010: 135).

A representative example is provided by one analysis on the rise of social assistance in Sub-Saharan Africa, where it is proposed that

cash transfers arose...as recognition grew that some other types of aid were not effectively achieving their goals...Increasing migration, urbanization, and the evolution of traditional family structures have also weakened traditional safety nets...The ability of informal safety nets to protect individuals has weakened considerably in the face of increased demands brought on by the HIV/AIDS crisis...These problems are compounded when considered jointly with other sources of vulnerability and poverty in the region, such as exclusion, patronage politics, insecure property rights and landlessness, environmental degradation, and conflict stemming from ethnic differences (Garcia & Moore 2012: 12).

In addition to apparently assigning explanatory power to a stunning array of factors, the crucial shortcoming of this interpretation is not that its diagnosis of social and economic challenges is factually incorrect. It is rather that this functional view is not able to analytically accommodate the empirical fact of significant variation across different countries. It paints a picture of a mechanistic and uniform policy response to a panoply of shared crises (which have often persisted for many decades prior to the adoption of social assistance) that leaves no room for nuance and is simply not borne out in reality. Based on this logic, applying the functional hypothesis to this study’s research question thus suggests that differences between the social assistance systems of South Africa and Brazil must be the result of considerable ‘objective’ differences in the underlying policy problems faced by the two countries.

The second popular claim is related to the first in that it argues that the failure of traditional

approaches to development and the consequent persistence of high rates of poverty in developing countries has led to ‘changed thinking’, with the introduction of social assistance therefore representing ‘a paradigmatic shift in poverty reduction’ (Barrientos & Hulme 2010: 4). This interpretation therefore suggests that ideational factors constitute the primary explanatory variables in accounting for the design of social assistance policies in developing countries.

Reviewing the literature on this claim suggests that it is both the ‘ideology of the state’ and ‘public attitudes’ towards social assistance provision that supposedly determines the shape of policy interventions (Mothiane 2014: 4; Graham 2002). In the simplest terms, the logic of this interpretation means that ‘differences in political attitudes about redistribution’ are decisive, with a state featuring a more ‘neoliberal’ orientation expected to yield a reduced scale of provision compared to that of a supposedly more ‘social democratic’ state and polity (Graham 2002: 2). Operationalising this approach in terms of the current study’s research question thus results in a hypothesis suggesting that any differences between the two cases must have resulted from preceding differences in their underlying ideational orientations.

While acknowledging that functional and ideational factors were certainly relevant during the policy development processes in both cases, the outcome of this study’s careful evaluation shows that these exogenous factors are not able to satisfactorily account for the variation in the approaches adopted by South Africa and Brazil. Functional and ideational factors were plainly too similar across the cases to be of any real explanatory relevance. The failure of these approaches to adequately account for the policies implemented in these two benchmark cases serves to confirm the existence of an alarming gap in our understanding of the political economy of social assistance provision in developing countries.

In addition to the extension it entails to the scholarship on the classification of emerging welfare states, social assistance provision, and historical institutionalism, addressing this explanatory void in the literature is the primary objective of this study. Proceeding inductively from the empirical

observation that ‘in developing countries, social transfer programmes show considerable innovation and diversity’ (Barrientos 2013: 6; Steinmo 2001: 571), it applies an analytical framework that emphasises endogeneity and the way in which varying historical institutional configurations influenced policy outputs by channelling functional and ideational factors through the creation of specific institutional incentives and constraints.

### **3.6 Conclusion**

This chapter has demonstrated the way in which the current study directly contributes to expanding the state of knowledge in at least three important streams of scholarly literature. It initially reviewed each of these in turn with the aim of illustrating the particular niche occupied by the project, followed by the introduction of a set of competing explanatory claims regarding the domestic emergence of social assistance provision in developing countries. The first section thus illuminated the study’s contribution to the established academic practise of classifying the features of different welfare state arrangements by qualitatively extending this endeavour to the important emerging cases of South Africa and Brazil. The significance of this contribution was emphasised by pointing to the way in which the identification and chronicling of systematic divergence in the welfare regimes of the developing world remains a hugely under-researched area.

This was followed by a section introducing the literature on the emergence of social assistance CTs throughout countries of the developing world. The review concluded that, while a great deal of scholarly interest has been directed towards examining the (important) impacts produced by the introduction of these programmes, scant attention has been paid to explaining their differentiated development in the first place. It was subsequently argued that it is crucial for analysts to compliment this descriptive knowledge by taking up explanatory questions which directly address the tremendous amount of nuanced cross-case variation in how social assistance policies are actually implemented. The contribution of this project is to do precisely that with regard to the cases of

South Africa and Brazil.

The review then shifted towards an explication of the literature on the study's analytical framework of historical institutionalism. It showed that there is a deep scholarly tradition of applying this approach to analyse questions surrounding the development of social policy. The novelty of the current study lies in its extension of this established interpretive framework — through an ACI analytical approach — to a new empirical field. This was followed by a final section introducing a set of popular competing claims aimed at accounting for the recent domestic development of social assistance systems in many developing countries. It showed that these functional and ideational explanations are often somewhat carelessly proffered, and concluded with a juxtaposition of these claims relative to the study's central institutional hypothesis. The review thereby sets the stage for the empirical analysis conducted throughout later chapters.

## Chapter 4

# Research Design

### 4.1 Introduction

This chapter introduces the study's research design and offers guidance on the analytical procedure that follows. The initial section specifies the research question and dependent and independent variables. This is followed by a discussion of the study's methodology that illustrates the suitability of the comparative case study method for addressing the research question. A subsequent section reviews the procedure that was followed throughout the process of data collection, discussing sources of both primary and secondary information. The chapter also addresses the limitations and delimitations of the present study. It articulates the procedures that were followed in overcoming the practical challenges which arose, while simultaneously clearly framing the precise themes addressed by the research. The final section reviews the ethical considerations which arose during the research process, particularly with regards to the participant interviews. The chapter thereby provides a concise overview of the primary methodological and practical aspects of the research project.

## 4.2 Methodology

As mentioned briefly in the introduction, the study’s research question is: what accounts for the differences between the South African and Brazilian social assistance systems? In effect, the analysis aims to explain why South Africa adopted a productive social assistance regime, while Brazil implemented a protective approach. These typologies, summarised in table 4.1 below as the study’s dependent variables, are operationalised along three dimensions: coverage, conditionality and orientation. The subsequent explanatory endeavour is conducted according to the independent variables identified in table 4.2.

<b>Variable</b>	<b>South Africa</b>	<b>Brazil</b>
<b>Policy Regime</b>	Productive	Protective
	Coverage: Limited	Coverage: Universal
	Conditionality: Unconditional	Conditionality: Conditional
	Orientation: Individualist	Orientation: Familial

Table 4.1: Dependent Variables

<b>Variable</b>	<b>South Africa</b>	<b>Brazil</b>
<b>Institutionalisation of Norms</b>	High	Low
<b>Concentration of State Structure</b>	High	Low

Table 4.2: Independent Variables

As hinted at by the nature of the theme under investigation, the study adopts a qualitative orientation to answering the research question. The rationale for undertaking a qualitative inquiry is fundamentally related to the way in which this allows for the interpretation of phenomena within their overall contexts (Denzin & Lincoln 2005: 3). As such, the research was premised upon ‘the collection of data in a natural setting sensitive to the people and places under study, and data analysis that is inductive and establishes patterns and themes’ (Creswell 2007: 37). Further

justification for the suitability of a qualitative orientation aimed at developing hypotheses emerged from the preceding review of the literature, where it was clearly established that ‘existing theories do not adequately capture the complexity of the problem we are examining’ (Creswell 2007: 40).

Having settled upon a qualitative orientation, the next methodological consideration was to decide upon a specific approach out of what initially appears to be a ‘baffling number of choices’ (Creswell 2007: 6). Creswell’s exhaustive survey on the nature of qualitative inquiry assisted greatly in this pursuit, as it fundamentally narrowed the amount of options down to a limited number of qualitative approaches that feature ‘systematic procedures for inquiry’ (2007: 9-10). Yin (2003) further introduces the matrix depicted in table 4.3 to assist in identifying an appropriate research method.

<b>Method</b>	<b>Form of Research Question</b>	<b>Requires Control of Behavioural Events?</b>	<b>Focus on Contemporary Events?</b>
<b>Experiment</b>	how, why?	yes	yes
<b>Survey</b>	who, what, where, how many, how much?	no	yes
<b>Archival Analysis</b>	who, what, where, how many, how much?	no	yes/no
<b>History</b>	how, why?	no	no
<b>Case Study</b>	how, why?	no	yes

Table 4.3: Relevant Situations for different Research Methods (Source: Yin 2003: 111)

He goes on to note that choosing the case study method

depends in large part on the research question. The more that the question seeks to explain some present circumstance (e.g. ‘how’ or ‘why’ some social phenomena works), the more that the case study method will be relevant. The method also is relevant the more that your questions require an extensive and ‘in-depth’ description (2003: 85).

This study's research question deals with precisely these themes. It firstly contains a distinct and in-depth descriptive ('how?') element in terms of articulating the cross-case variation. When combined with the explanatory ('why?') essence of the research question, the comparative nature of the study, the fact that behavioural control was not required, as well as the contemporality of the inquiry, it became abundantly clear that the case study method was ideally suited for addressing the subject matter of the research.

The use of this strategy is a well-accepted convention in the quest to 'understand the complex social phenomena' constituted by social welfare provision (Yin 2003: 2). A detailed recent review concluded that the practise of employing case studies in social science research is in fact 'solidly ensconced and, perhaps, even thriving' (Gerring 2004: 341). It is a particularly useful method when a holistic and in-depth examination is required, as with the present topic (Feagin, Orum & Sjoberg 1991). Case studies can however be further subdivided into three distinct types: exploratory, descriptive and explanatory (Yin 2003: 102).

The present study is y-centred and explanatory in nature, with a secondary descriptive element, as it firstly attempts to identify 'patterns of association within the data, [combined with an] attempt to account for why those patterns occur' (Ritchie & Lewis 2003: 215). It incorporates multiple cases into the subject, thereby constituting cross-case analysis. The study is carried out on the macro level through the investigation of the policy regimes of two cases (the units of analysis): South Africa and Brazil. The analysis is conducted on the basis of a parallel study, as the timelines utilised for examining the cases run concurrently from approximately 1990 to the present (Thomas 2011: 517).

The study incorporates an inductive approach in carrying out the case analysis. The process initially involved an observation of the empirical world through measuring the differences between the cases. This was followed by 'thinking in increasingly more abstract ways, moving toward theoretical concepts and propositions' (Neuman 2005: 60). The analysis of each case takes the form of a historical process tracing narrative, guided by the effects produced by the independent vari-



ables. Systematisation is achieved through the application of the historical institutionalist analytical framework of ACI. This approach is ideally suited to account for the differentiated developmental processes due to its focus on the role played by specific institutional incentives and constraints in the course of policy formulation, enabling a parsimonious exposition of the underlying processes.

### 4.3 Data Collection

The application of the case study method often calls for the assembly of a large amount of data. In order to increase the validity of the findings, every attempt was made to obtain data from a multiplicity of sources. This list ultimately included scholarly publications (books and journal articles), information sourced through the popular press, statistical records, government documents and regulations, annual reports, records of parliamentary proceedings as well as participant interviews. This diverse set was comprised of both primary and secondary sources. The initial part of the research process was focused on reviewing the existing literature on the emergence of social assistance provision in the developing world. This phase, which was principally carried out based on secondary data from books, journal articles and working papers, allowed for the initial identification and refinement of the study's research question.

It was also during this period that the shortcomings of existing accounts on the development of specific programme features were first identified. It became clear that most analyses were only interested in examining the effects produced by these policies, while largely ignoring the significant cross-country variation with regards to programme implementation. Accounts of the emergence of the policies were usually limited to sweeping statements premised on functional or ideational interpretations. The identification of South Africa and Brazil as the most suitable candidates for an analysis premised on the MSSD approach was followed by intensive research into the specific details of social assistance provision in these two countries. Working papers from research institutions and think tanks, as well as governmental information portals, statistical reports and legal regulations

proved critical in this regard.

The data gathered through these secondary sources were subsequently complimented by interviews with policymakers, civil society actors and social policy experts. In-depth interviews with South African actors were carried out during a fieldwork trip to that country in November and December 2012, while interviews with Brazilian policy actors were conducted during a research stay in Brasília from October to December 2013. Given the intensive nature of the interviews carried out for this study, as well as the generally small network of actors involved in social assistance policy development, a relatively small group of 17 actors were ultimately interviewed.<sup>41</sup>

In the case of South Africa, the first interviewee was the head of a prominent government commission on social assistance, while the first participant identified for the Brazilian interviews was the instigator of the initial programmes in that country. This was followed by a procedure of purposive and snowball sampling, where the predetermined list of participants was complimented through interviewees providing links to other potential informants. At the same time, these formal data gathering exercises were supplemented by the invaluable informal dialogue fostered through participation in internships at the South African Parliament and the UNDP's International Policy Centre for Inclusive Growth in Brazil.

The final phase of the data collection process involved the triangulation of data from these different sources. Information collected through document analysis, press clippings and interviews were combined in order to 'clarify meaning by identifying different ways in which the phenomenon is being seen' (Stake 1995: 97). Discussions with numerous experts in the policy community as well as the feedback generated through presentations at a range of academic conferences further strengthened these efforts. The result is that sources have been drawn from as wide a spectrum as possible, while every attempt was made to confirm and validate the narratives and findings produced by this study.

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<sup>41</sup>See Appendices A and B for more information on the interviewees.

## 4.4 Limitations and Delimitations

The nature of qualitative research implies a number of inherent limitations that must be acknowledged. Despite the fact that a rigorous procedure was followed to assure the validity of the findings, a methodology premised on written sources and participant interviews automatically raises questions regarding sample selection. With regards to the interviews and given the specificity of the topic, it was determined that representative or randomised sampling approaches would not be appropriate. The theme of the research necessitated discussions with very specific groups of policy actors.

Drawing from general precedent, the decision was made to follow a method that combined purposive and snowball sampling. In general, the main potential limitation of this approach is that participants are largely drawn from the same network. However, the limited size of the social assistance policy communities meant that in-depth interviews with a small group of interrelated actors were deemed appropriate. Nevertheless, a keen awareness of this potential limitation meant that additional purposive steps were taken to gather the views of actors from different networks, including government, civil society, academia and opposition parties. Despite these efforts, it is nevertheless still possible that important potential participants were simply unavailable during the roughly two months spent conducting fieldwork in the respective countries.

A further practical limitation worth mentioning concerns the data gathered from various written sources on the Brazilian case. In spite of the generous assistance received from colleagues and the utilisation of the latest translation software, it is possible that some important Portuguese language sources were omitted. The widespread global coverage of Brazilian social assistance programmes however offered a partial remedy to this, as it was generally not significantly more problematic to gather relevant information on this case than it was for South Africa.

It is also important to note a few facts regarding the delimitations of the project. In contrast to the vast majority of work on this topic, this study does not undertake an evaluation of the effects

produced by social assistance interventions in these two cases. Neither does it explicitly argue that one approach is necessarily normatively superior to the other. This is in spite of the fact that the analysis shows that the Brazilian system qualitatively fosters somewhat greater decommodification and provides greater redistributive coverage than its South African counterpart. It is however up to the reader to judge the normative implications of the described variation.

Even though the study examines the effects produced through path dependence (or the lack thereof), it is also not primarily concerned with examining the reasons for certain practices and norms being transferred (or not) into the institutional-legal configurations of the countries following their transitions to democracy. This would entail an examination of constitution-making processes, an endeavour which falls outside the scope of the present inquiry. The focus is instead on illustrating the effects that these configurations had on subsequently shaping social assistance policy outputs. The general point to keep in mind is that this study is aimed at explaining variation in terms of a set of clearly defined outcome variables.

While it is forthrightly acknowledged that social assistance provision touches upon and is intimately related to a number of other policy arenas that ultimately shape a country's distributional regime, this study does not address policies related to social insurance, labour protection, healthcare or any other fields traditionally associated with welfare provision. It is instead resolutely focused on one crucially important but specific aspect of welfare policy: programmes that transfer cash to beneficiaries on a non-contributory basis. While it is certainly hoped that this strict focus and the results produced thereby will spur similar comparative studies into additional aspects of redistributive policies in newly emerging welfare states, this study presently occupies itself only with this one specific theme.

## 4.5 Ethical Considerations

The process of carrying out the research did not present any extraordinary ethical quandaries. The nature of the project meant that the primary consideration was ‘ensuring that [interview] participants are not harmed, privacy is maintained, and the participants have provided informed consent’ (Lichtman 2013: 51). These conditions were all met, including the crucially important issue of informed consent. All participants agreed to conduct the interviews on the record, including recording of the audio for subsequent transcribing purposes. Publications that emerged during the research process were sent to all cited participants for verification.

In addition to meeting these specific requirements, the research procedure adhered to all the requirements of good scholarly practise. Throughout the research process, the author was certainly ‘as concerned with producing an ethical research design as [with] an intellectually coherent and compelling one’ (Bloomberg & Volpe 2008: 76). No aspect of the inquiry necessitated formal intervention by an institutional review board. The research thus conforms with standards of ethical scholarly conduct.

## 4.6 Conclusion

This chapter has introduced the reader to the primary methodological and practical considerations relevant to the project. In addition to specifying the research question and variable sets, it expounded upon the study’s methodology with a particular focus on illuminating the rationale behind conducting comparative case studies. This was followed by a discussion on the data collection procedure, information on the steps that were taken to address potential limitations, as well as a clear delimitation of the themes under examination. The final part of the discussion addressed the ethical implications of the research procedure. The outcome is a chapter which effectively deals with the relevant methodological and practical aspects of the research project.

## Chapter 5

# Comparing Social Assistance in South Africa and Brazil

### 5.1 Introduction

This chapter is oriented towards addressing the study's descriptive objective concerning the qualitative features of, and differences between, the South African and Brazilian systems of social assistance. This initially involves a conceptual specification of each country's social protection framework, as well as detailed technical analyses of the exact features that constitute the social assistance systems in South Africa and Brazil. This section includes a focus upon the coverage of the systems through the prism of lifecycle risks, the legal and institutional frameworks governing them, the individual programmes that constitute the two approaches, benefit levels, targeting and eligibility requirements, the delivery of benefit payments and possible conditionalities.

Moving from a technical to an abstract discussion, the subsequent section of the chapter undertakes a direct comparison that identifies significant variation across the cases in terms of systemic coverage, the enforcement of conditionalities and orientation. These differential features are subsequently synthesised into two distinct typologies, where it is argued that South Africa has

implemented a productive social assistance system, while Brazil's approach is classified as protective. This synthesis of the key variations into distinct typologies — which constitute the study's dependent variables — sets the stage for the following chapters analysing the development of both systems. The chapter therefore plays a crucial role in defining the exact parameters of the ensuing investigation through inductively specifying the dependent variables and addressing the descriptive research objective.

## 5.2 Social Protection in South Africa

In terms of the conceptual approach outlined in chapter two, the South African social protection framework is composed of a labour regime governed through legislation such as the Labour Relations Act (RSA 1995a), the Basic Conditions of Employment Act (RSA 1997a), and the Employment Equity Act (RSA 1998), as well as a large social assistance system and a relatively small social insurance system.<sup>42</sup> These three components are in turn composed of various different individual programmes, statutory bodies and enforcement mechanisms. While the focus here is evidently on the social assistance aspect, figure 5.1 below introduces a brief conceptualisation of the overall social protection framework, including the relevant funding mechanisms.

A crucial feature of this framework is the way in which it approaches eligibility. By definition, labour protection is only applied to workers in the formal economy, leaving those in the informal economy exposed. Social insurance funds, both statutory and voluntary, overlap to a large degree with those people who are formally employed and covered by labour regulations, due to the fact that eligibility is determined on the basis of previous contributions. This leaves social assistance as the only part of the South African framework that supports those people who do not contribute to, and are therefore ineligible for, social insurance.

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<sup>42</sup>When measured in terms of the relative number of beneficiaries supported.

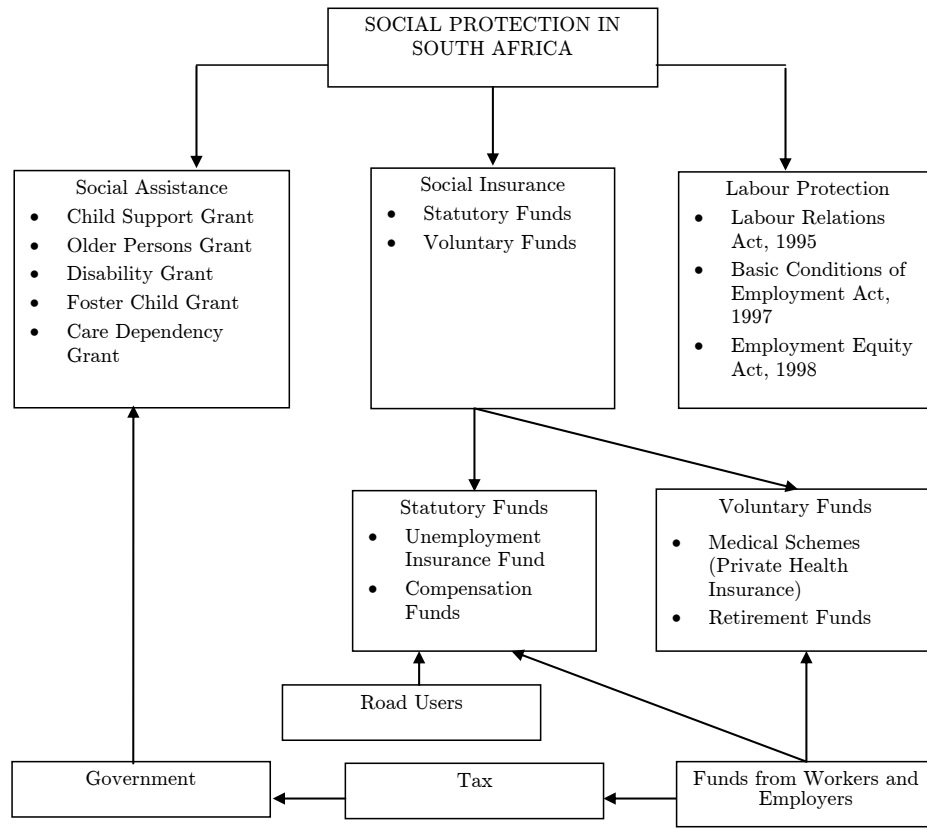


Figure 5.1: Social Protection in South Africa (Source: Adapted from NPC 2011: 329)

### 5.2.1 Social Assistance in South Africa

Having contextualised the position of social assistance within the general social protection framework, this section will focus exclusively on social assistance programmes in an attempt to specify the exact contours of these policies in South Africa. It carries out an in-depth review of the system’s principal features, including its coverage, legal and institutional framework, the individual programmes that constitute the system, benefit levels, targeting and eligibility requirements, the delivery of benefit payments and possible conditionalities.



## Coverage

An important initial approach to conceptualising the system involves examining it through the prism of lifecycle risks. This entails mapping the social assistance framework in accordance with the various life stages and their associated basic risks, in order to assess the extent of overall coverage; figure 5.2 below provides such an overview.<sup>43</sup>

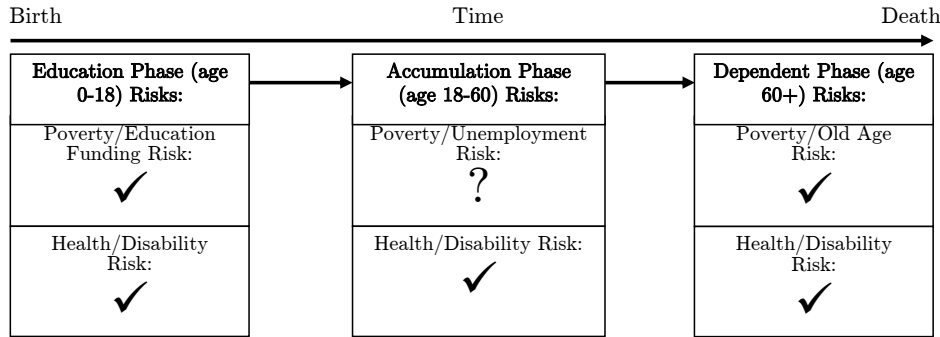


Figure 5.2: South African Lifecycle Risks (Source: Adapted from Smith 2011)

This figure reveals that

there [is a] critical gap [in the South African social assistance system, through] the lack of protection for many working-age people. . . For those who are willing and able to work, but who are locked out of the economy, there is no meaningful level of social protection (NPC, 2011: 331).

The Unemployment Insurance Fund (UIF – a contributory social insurance programme) provides some support to workers who have lost their sources of income; in 2010/11 average monthly benefits

<sup>43</sup>A checkmark indicates that there is a programme in existence aimed at addressing a particular risk, while a question mark indicates that there is no programme protecting against a specific risk. In the education phase, the programmes providing support are the Child Support Grant and the Foster Child Grant (poverty; education funding risk), as well as the Care Dependency Grant (health/disability risk). During the accumulation phase there is no social assistance programme aimed at the poverty/unemployment risk, while the Disability Grant covers the health/disability risk. Finally, for the dependent phase, there is the Older Persons Grant (poverty/old age risk and health/disability risk).

amounted to R466.8 million paid to 207 646 beneficiaries (NPC 2011: 331). However, this figure represents only a fraction of the total unemployed, which stood at between 4.6 million and 17.7 million by the end of 2013 (Stats SA 2013: XI). As a result, only 3 percent of the unemployed have access to these unemployment benefits at any given time (Klasen & Woolard 2008). This is due to the fact that fully 55 percent of the unemployed have never worked and, by implication, have never contributed towards the UIF, while 44 percent of unemployed people who have previous work experience have been unemployed for more than a year and ‘would have exhausted their benefits if they were ever eligible for them’ (NPC 2011: 331).

This means that there is a yawning gap right in the middle of the South African social assistance system, as there are no non-contributory programmes aimed at supporting able-bodied unemployed adults. In effect, once you turn 18 years old in South Africa, you are ‘on your own’ (Ulriksen 2014: 30). The implications are significant, as this shifts the considerable burden of unemployment onto workers and those lucky enough to have access to social grants<sup>44</sup> meant for other purposes, as the able-bodied impoverished have no choice but to depend on ‘goodwill transfers’ from them. This in turn dilutes the anti-poverty effects of social assistance and exacerbates existing wage pressures, pushing households that are already financially constrained even further into poverty (NPC 2011: 332-333).

In lieu of implementing social assistance schemes to support this vulnerable societal group, South Africa has instead created the Expanded Public Works Programme (EPWP). The creation of a large, national public employment programme<sup>45</sup> is relevant here because many of the people

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<sup>44</sup>Social assistance programmes are commonly known in South Africa as ‘social grants’, and ‘social assistance programmes’ is used interchangeably with this term throughout the study.

<sup>45</sup>The EPWP aims to create 4.5 million short-term ‘work opportunities’ between 2009 and 2014 (DPW 2012: 4). The programme has been severely criticized because it does not create any ‘real’, permanent jobs (and income) for beneficiaries and offers only meagre, short-term employment to those lucky enough to be enrolled (Meth 2011; McCord 2012). Its potential in providing any kind of safety net to the unemployed is further diminished due to the fact that it is not an employment guarantee scheme, and therefore does not provide income security through a guaranteed minimum

who end up working on EPWP projects are precisely those who would otherwise have been eligible for support through social assistance. The state has thereby effectively chosen to focus its anti-poverty efforts in relation to poor adults on public works programmes which supposedly provide the poor with the ‘dignity of work’ (Seekings 2008: 33). The design of the South African social assistance system thus reflects a ‘classic northern conception of desert...[that] those poor who are unable to work should be assisted, but those of working age must go out and earn a living (or be dependent on a breadwinner, for example, through marriage’ (Seekings 2008: 33).

The lack of universality in the South African system has two very important implications. The first is that in spite of one of the world’s highest rates of unemployment, all adults who are physically able are compelled to rely on selling their labour to earn an income through working (Seekings 2008: 33). The second, related, implication is that some people — adults who are unable to find work — should be allowed to live in poverty. Thus emerges the first important feature of the South African system: the coverage gap resulting from the lack of any social assistance programmes supporting able-bodied unemployed adults.

## **Legal and Institutional Framework**

Moving beyond these key framing contours, it is important to identify the legal and institutional framework governing the administration of social grants. This is derived from provisions contained in the following set of laws and regulations: sections 27 (1) (c) and 27 (2) of the Constitution of the Republic of South Africa (RSA 1996a); the Social Assistance Act, as amended (RSA 2004); the South African Social Security Agency Act (RSA 2004); the Department of Social Development’s (DSD) Regulations (RSA 2009); the Promotion of Access to Information Act (RSA 2000a); the Promotion of Administrative Justice Act (RSA 2000b); the Promotion of Equality and Prevention of Unfair Discrimination Act (RSA 2000c); the Unemployment Insurance Act (RSA 2001); and the Unemployment Insurance Fund Act (RSA 2001). The number of days of work for the unemployed (Mpedi 2014: 32). These features further underscore the fact that the implementation of the EPWP instead of a social assistance programme aimed at working age adults constitutes a significant systemic feature.

of Unfair Discrimination Act (RSA 2000c); and the Public Finance Management Act (RSA 1999a).

The social assistance system is centrally administered by the national DSD, which is responsible for formulating policies, regulations and guidelines. However, a subsidiary of the department, the South African Social Security Agency (SASSA), is the implementing agent. SASSA is a section 3 (a) entity under the Public Finance Management Act, and its stated aim is to ‘[pay] the right social grant, to the right person, at the right time and place’ (Interview 2; SASSA 2014). Prospective beneficiaries therefore have to apply for grants at local SASSA (not departmental) offices. In addition to the head office in Pretoria, SASSA currently has 902 service points, 335 local offices and 9 937 pay points spread throughout a total of 44 districts across the country, with more than 8 000 staff members (Interview 2).

### Individual Programmes

This institutional overview sets the scene for an introduction of the individual social grants which constitute the system, as administered by the DSD through SASSA. Table 5.1 provides information on the respective grants, the beneficiaries and age brackets they target, their monthly monetary value, and the total number of beneficiaries currently benefiting from each programme.

Grant Name	Target Group	Age Bracket	Monthly Value	Beneficiaries
Child Support	Impoverished Children	0-18	R300 (US\$30) (max 5)	10 898 923
Foster Child	Foster Children	0-18	R800 (US\$80)	478 781
Care Dependency	Disabled Children	0-18	R1 270 (US\$127)	119 575
Disability	Impoverished Disabled Adults	18-59	R1 270 (US\$127)	1 208 301
Older Persons	Impoverished Elderly Persons	60+	R1 270/R1 290 (US\$127/US\$129)	2 938 693
Total	-	-	-	15 644 273

Table 5.1: Social Grants in South Africa (Source: RSA 2014; SASSA 2013)

Social assistance in South Africa is composed of five<sup>46</sup> primary social grants currently paid out to 15 644 273 total beneficiaries on a monthly basis (SASSA 2013). The system can broadly be divided into providing support for children on the one hand, and the elderly and disabled on the other. The first element of the social assistance system is the Child Support Grant (CSG), which forms the single biggest social assistance intervention with almost 11 million beneficiaries (SASSA 2013). It currently pays R300 (US\$30)<sup>47</sup> per child on a monthly basis to the caregivers of children younger than 18 who annually earn less than R34 800 (US\$3 480) if single, or R 69 600 (US\$6 960) if married for a maximum of six children.

The state also provides a Foster Child Grant (FCG) of R800 (US\$80) per month and a Care Dependency Grant (CDG) of R1 270 (US\$127) to the caregivers of foster and disabled children (younger than 18). The other end of the spectrum provides for the elderly and disabled adults. The Older Persons Grant (OPG) targets the first group. It is available to all citizens above the age of 60 earning less than R49 200 (US\$4 920) per year and who own assets worth no more than R831 600 (US\$83 160) if single, or, if married, less than R99 840 (US\$9 984) and R1 663 200 (US\$16 6320), respectively. The grant value is R1 270 (US\$127) per month, with 2.9 million recipients (SASSA, 2013). Finally, a Disability Grant (DG) for adults is available in the amount of R1 270 (US\$127) per month.

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<sup>46</sup>Two additional niche grants are not explicitly listed here: the so-called Grant-in-Aid (GIA) and the War Veterans Grant (WVG). The GIA is only available as a 'top up' in the amount of R300 (US\$30) per month to severely disabled people who are already receiving another social grant (SASSA 2013). For the purposes of this analysis it has thus been incorporated into the DG. The WVG (which has a mere 479 recipients) is subsumed under the Older Persons Grant, as it is essentially an identical social pension for war veterans above the age of 60 (SASSA 2013).

<sup>47</sup>Current exchange rates are calculated according to the average for the third quarter of 2013: USD1.00 = ZAR10.00; USD1.00 = BRL2.30. All exchange rates are based on data from Feenstra, Inklaar & Timmer 2013.

## Eligibility

Each of these grants is by definition non-contributory in nature, with eligibility being determined on the basis of need. However, a specific set of targeting requirements ultimately determines whether any given individual is eligible.<sup>48</sup> The most significant aspect determining eligibility involves means testing, where the income of an individual (or household) needs to be lower than a specified threshold in order for that potential beneficiary to qualify for enrolment into the programme. The means test essentially ‘defines [the] criteria of a target group. Ideal-typically the means test selects a group of people who are identified as being in need and, in order to be cost efficient, the means test is supposed to exclude those who do not need support’ (Haarmann 1998: 178). Table 5.2 introduces the means test thresholds for each type of grant.

Grant Name	Individual Means Test Threshold
Child Support	Single: R34 800 (US\$3 480) Married: R69 600 (US\$6 960)
Foster Child	N/A
Care Dependency	Single: R151 200 (US\$15 120) Married: R302 400 (US\$ 30 240) Not applicable to foster parents
Disability	Single: R49 200 (US\$ 4 920); assets worth less than R831 600 (US\$83 160) Married: R98 840 (US\$9 884); assets worth less than R1 663 200 (US\$166 320)
Older Persons	Single: R49 200 (US\$4 920); assets worth less than R831 600 (US\$83 160) Married: R99 840 (US\$9 984); assets worth less than R1 663 200 (US\$166 320)

Table 5.2: South African Means Test Thresholds (Source: RSA 2014)

<sup>48</sup>An exhaustive list of the full set of eligibility requirements for each grant is attached in Appendix C.

## **Orientation**

These registration requirements make it clear that the orientation of the South African system is individualist in nature. This is in contrast to a familial orientation, where the means and eligibility of beneficiaries are assessed based upon their position within defined family or household structures. Instead, the South African system identifies and assesses each beneficiary as an individual.<sup>49</sup> This becomes especially clear with regards to the CSG, where the focus is explicitly on ‘following the child’ by simply identifying the child’s ‘primary caregiver’, independent of familial or household composition (Lund 2008). This ‘accommodates the mobility of [individual] children moving between different households’ (Patel 2011: 371; Lund 2008: 53). An individualist orientation is another important feature of the overall South African approach.

## **Appeals Mechanism**

There are two sequential remedial options available to applicants who have had their social grant applications rejected. The first is through an internal reconsideration in terms of section 18 (1) of the Social Assistance Act, which stipulates that

if an applicant or a beneficiary disagrees with a decision made by the Agency in respect of a matter regulated by this Act, that person or a person acting on his or her behalf may, within 90 days of his or her gaining knowledge of that decision, lodge a written application to the Agency requesting the Agency to reconsider its decision in the prescribed manner (RSA 2010: 3).

This is an internal application handled by SASSA through its Internal Reconsideration Mechanism (IRM), and the official reconsidering the application must be of a higher rank than the official who initially rejected it. SASSA must inform the applicant within 90 days about the outcome of

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<sup>49</sup>This is true even though the means test does make provisions for assessing the income and/or assets of individuals who are married. However, this is achieved by simply doubling the means test’s income threshold, and crucially does not involve a means assessment based on per capita ‘family’ or ‘household’ income. The means test regards beneficiaries as individuals, independent of their family or household situation.

reconsideration.

Should an applicant disagree with the outcome of internal reconsideration, their next option is to lodge an external appeal in terms of section 18 (1) (a), which specifies that

a person or a person acting on his or her behalf may, within 90 days of his or her gaining knowledge of that decision, lodge a written appeal with the Minister against that decision, setting out the reasons why the Minister should vary or set aside that decision. (2) The Minister may — (a) upon receipt of the applicant's or beneficiary's written appeal and the Agency's reasons for the decision confirm, vary or set aside that decision; or (b) appoint an independent tribunal to consider an appeal contemplated in subsection (1) (a) in the prescribed manner and that tribunal may, after consideration of the matter, confirm, vary or set aside that decision. (3) If the Minister has appointed an independent tribunal. . . all appeals contemplated in subsection (1) (a) must be considered by that tribunal. (4) Notwithstanding subsection (1) (a), the independent tribunal may in the prescribed manner condone any late application by an applicant or a beneficiary (RSA 2010: 3-4).

The tribunal alluded to in the legislation is the Independent Tribunal for Social Assistance Appeals (ITSAA), which is composed of legal practitioners. SASSA must abide by any ruling made by the ITSAA within 14 days.

## **Delivery**

Once beneficiaries have been enrolled onto the system, the next step in the administrative process involves delivering the actual cash payments. This is another core competency of SASSA. However, this phase of the procedure is currently executed by a private contractor through a R10 billion (US\$1 billion) government tender that will expire in March 2017, with SASSA aiming to take over full control and administer payments in-house from that date onwards (Monama 2013). Beneficiaries have three options in collecting their monthly grant payments: through having it uploaded onto a SASSA biometric Electronic Bank Card (EBC) for withdrawal at selected financial institutions;



through collection at a one of 9 937 pay points across the country; or through delivery to the homes or institutions for the aged and infirm (SASSA 2012).

### **Conditionality**

SASSA also has the authority to conduct periodic reviews regarding the medical and financial status of grant beneficiaries. The decision to review is based upon ‘evidence [existing] that changes in the medical or financial circumstances [of a beneficiary] may have occurred’ (RSA 2009). The agency must inform any beneficiary who is up for review three months in advance of the date on which the review is scheduled to take place. SASSA conducts two basic types of reviews; a medical review where medical proof of continued disability must be submitted, and an administrative review where financial documentation and a life certificate (proof that the beneficiary is still alive) is reviewed.

Additionally (and if applicable), beneficiaries who receive their grant payments through a bank or similar institution are required to fill out a life certificate for their children at SASSA offices every year (RSA 2014). Although the review process (and anti-fraud measures) specify the circumstances under which a grant may be terminated, it is important to note that the South African system does not enforce any conditionalities. This is especially noteworthy with regards to the CSG, as the norm throughout most of the developing world in relation to child-focused CTs is to place certain concomitant responsibilities upon beneficiaries in order for them to continue qualifying.

## **5.3 Social Protection in Brazil**

This section shifts the focus towards the Brazilian case. The first step in this endeavour involves the introduction of the country’s basic social protection framework. The labour regime component of the Brazilian social protection framework is largely governed through the *Consolidação das Leis do Trabalho* (CLT – Consolidation of Labour Laws), as amended (FRB 1943). In addition to the respective statutory bodies and enforcement mechanisms, social insurance is divided into three

pillars, encompassing private sector, public sector as well as complimentary funds (MPS 2009: 13). In turn, social assistance is composed of two overarching programmes. Figure 5.3 provides a conceptual overview of social protection in Brazil.<sup>50</sup>

Similar to the case of South Africa, the unemployed and workers in the informal economy are left vulnerable by a labour protection regime that largely applies to the formal economy, while eligibility for social insurance benefits depends on previous contributions. This means that, just as in South Africa, social assistance is the only component of the Brazilian framework which provides significant protection to people who are not eligible to be supported through formal, contributory programmes and policies.

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<sup>50</sup>The official name for the General Social Security fund is *Regime Geral de Previdência* (RGPS); for the Public Servants' Social Security fund it is *Regime Próprio de Previdência Social* (RPPS); and for the Complimentary Social Security fund it is *Regime de Previdência Complementar* (RPC).

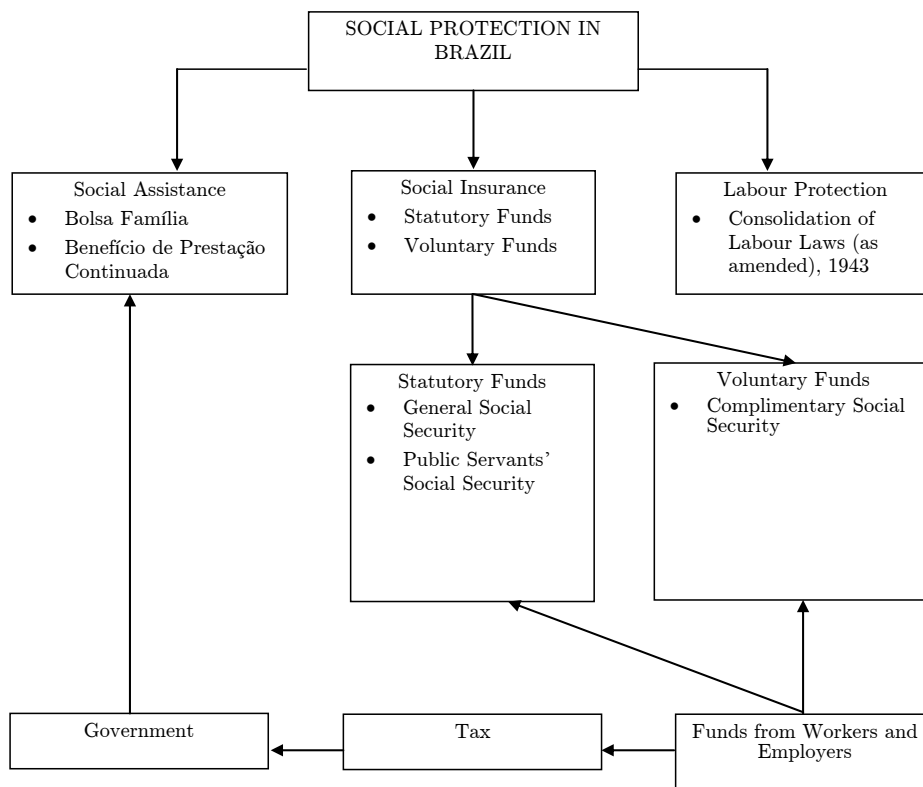


Figure 5.3: Social Protection in Brazil (Source: Adapted from NPC 2011: 329; MPS 2009: 13)

### 5.3.1 Social Assistance in Brazil

This initial contextualisation now allows for the introduction of the precise technical features of the Brazilian social assistance system. This involves an examination of systemic coverage, the legal and institutional framework, the individual programmes comprising the system, the benefit levels of these programmes, their targeting and eligibility requirements, delivery mechanisms as well as relevant conditionalities.

## Coverage

It is highly instructive to map the Brazilian system in a similar way to the South African one in terms of lifecycle risks, in order to gain a better understanding of the overall approach to coverage. This is done in figure 5.4 by assessing whether there is a social assistance programme in existence aimed at protecting against each of these basic risks.<sup>51</sup>

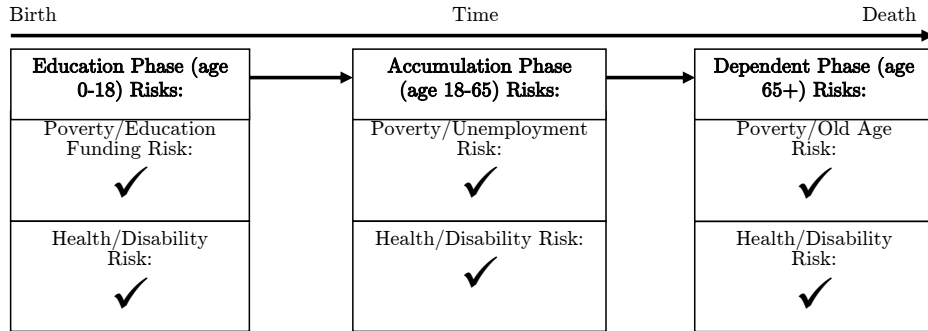


Figure 5.4: Brazilian Lifecycle Risks (Source: Adapted from Smith 2011)

This figure reveals that, in contrast to South Africa, the Brazilian social assistance system does provide coverage throughout the entire lifecycle. Importantly, this includes a basic social assistance benefit protecting able-bodied unemployed adults. Indeed, a full 15 percent of PBF beneficiaries are impoverished adults who do not have any children (Interview 12).

The *Plano Brasil Sem Miséria* (PBSM – Brazil Without Extreme Poverty Plan) further illumi-

<sup>51</sup>A checkmark indicates that there is a programme aimed at addressing a particular risk, while a question mark indicates that there is no programme in existence protecting against a specific risk. In the education phase, the programmes providing support are the basic, variable 1 and variable 2 *Programa Bolsa Família* benefits (poverty/education funding risk) and the *Benefício de Prestação Continuada* (health/disability risk). During the accumulation phase the basic *Programa Bolsa Família* benefit is aimed at poverty/unemployment risk, while the *Benefício de Prestação Continuada* covers the health/disability risk. Finally, for the dependent phase, the *Benefício de Prestação Continuada* covers both the poverty/old age risk and the health/disability risk.

nates the the system's approach through instituting a 'residual' benefit<sup>52</sup> which is explicitly aimed at making sure that all social assistance beneficiaries live above the extreme poverty line, while prioritising the inclusion of all eligible families by mandating that the state actively search for unregistered potential beneficiaries (FRB 2011b). The universality of the system, as well as the stated focus on using it to eliminate extreme poverty,<sup>53</sup> means that the Brazilian regime has some very different implications from the South African approach.

The first is that able-bodied adults should not be left solely to rely on selling their labour to earn an income. The second implication is that no person should be allowed to live in 'extreme' poverty. In fact, Brazil was the first country in the world to adopt legislation towards the implementation of a Basic Income Grant (BIG), which would guarantee a minimum basic income to every citizen regardless of need. President Luiz Inácio 'Lula' da Silva signed the bill establishing the BIG into law on 8 January 2004 (FRB 2004a). The law envisions a progressive rollout of the policy, with the focus initially being on those most in need of income support. Some within the government in fact regard the PBF to be the first step towards the full-scale implementation of a universal BIG in Brazil (Suplicy 2008: 4). The fact that coverage is universal across the lifecycle, as well as the implications flowing from this, therefore constitutes the first important feature of the Brazilian system.

## **Legal and Institutional Framework**

The analysis now turns towards the legal and institutional framework, with the following set of laws and regulations governing the overall system: articles 203 and 204 of the Constitution of the Federative Republic of Brazil (FRB 1988); the *Lei Orgânica de Assistência Social* (LOAS – Organic Social Assistance Law), as amended (FRB 1993; 2011); the Regulations as set forth in decree number

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<sup>52</sup>See table 5.3.

<sup>53</sup>There is some controversy over the (inherently political) ways in which the extreme poverty line is determined in Brazil, with the current level of R\$70 having been set in July 2009 (Interview 12).

6.214 (FRB 2007); the *Política Nacional de Assistência Social* (PNAS – National Social Assistance Policy) (FRB 2004b); and the ‘Bolsa Família Law’ number 10.836, as amended (FRB 2004c).

Overall coordination responsibility for the decentralised social assistance system is situated within the national *Ministério do Desenvolvimento Social e Combate à Fome* (MDS – Ministry of Social Development and Hunger Alleviation) through the *Sistema Único de Assistência Social* (SUAS – Unified Social Assistance System). However, the ministry has no field offices and only coordinates and transfers funds to states and municipalities, who are then responsible for disbursing the funds.

### **Individual Programmes**

This institutional structure governs the individual programmes that constitute the Brazilian system. Table 5.3 introduces these programmes, and provides information on the target groups and age brackets, monthly monetary value as well as the means test thresholds for each programme. The Brazilian system, with more than 54 million total beneficiaries, can be meaningfully divided into a system of support for older and disabled people on the one hand, and all other households on the other.

The first social assistance programme to be implemented in post-authoritarian Brazil was the *Benefício de Prestação Continuada* (BPC — Continuous Cash Benefit), which was effected in 1995. It is the direct result of constitutional article 203 (5), as it transfers a monthly cash amount equal to the minimum wage (currently R\$677 or US\$294) to disabled individuals of any age and to those above the age of 65 whose household per capita income is less than one quarter of the minimum wage (R\$169 or US\$73) per month. By September 2013, the BPC went to 3.9 million elderly and disabled beneficiaries, making it a core element of the overall social assistance system (MPS 2013: 11).

The other major component of Brazilian non-contributory income support is the PBF. The PBF was created in January 2004 through the merger of four smaller pre-existing programmes

<b>Programme</b>	<b>Target Group</b>	<b>Ages</b>	<b>Monthly Value</b>
Bolsa Família (Basic)	Households in extreme poverty	All	R\$70 (US\$30)
Bolsa Família (Variable 1)	Households in poverty (R\$70- R\$140/capita) with children	0-16	R\$32 (US\$14) per child (max 5)
Bolsa Família (Variable 2)	Households in poverty (R\$70- R\$140/capita) with adolescents	16-18	R\$38 (US\$17) per adolescent (max 2)
Bolsa Família (Residual)	Households still in extreme poverty (<R\$70/capita) after receiving other PBF benefits	All	Per capita value of residual extreme poverty gap
Benefício de Prestação Continuada (Disability)	Impoverished and disabled	All	R\$677 (US\$294)
Benefício de Prestação Continuada (Old Age)	Impoverished elderly	65+	R\$677 (US\$294)

Table 5.3: Social Assistance Programmes in Brazil (Sources: CEF 2014; MPS 2013: 11)

which were all aimed at supporting families earning less than half the minimum wage. The PBF therefore initially represented a consolidation of the social assistance administration targeted at those citizens not covered by the BPC (Bither-Terry 2013: 114). It has since undergone continued expansion and maturation, with a total of 13.8 million families (representing more than 50 million individuals) currently enrolled (FRB 2013). This makes it the largest CT programme in the world.

The programme consists of a fixed and a variable component. The first is a basic monthly benefit of R\$70 (US\$30) paid to households in extreme poverty, defined as a monthly income of less than R\$70 (US\$30) per capita (this applies to all households, even those without children or youths). The second component is a variable benefit, which is paid to poor families with children who have monthly earnings between R\$70.01 (US\$30) and R\$140 (US\$61) per person. For families with children younger than 16, the benefit amount is R\$32 (US\$14) per child, up to a maximum of five children. For households with children aged 16 or 17, the benefit is R\$38 (US\$17) for a maximum of two children (CEF 2014).

The residual benefit is aimed at all households that are still in extreme poverty even after receiving the PBF's other benefits. This means that if a family's per capita income is still below R\$70 (US\$30) per month after receiving the variable PBF benefit, the household will additionally receive the residual benefit equal to the remaining 'extreme poverty gap'. For example, if a family's per capita income is equal to R\$42 (US\$18) per person after the PBF's variable benefit, the household will receive an additional R\$28 (US\$12) per capita to bring income levels above the extreme poverty line (Osório & Ferreira de Souza 2013).

The existence of this benefit highlights the dual nature of the PBF. On the one hand there is an explicit focus on the PBF's role as a vehicle for universally eliminating extreme poverty in Brazil through the unconditional transfer of cash (via the basic and residual benefits) to all families living in extreme poverty. On the other hand there is an additional emphasis on breaking the intergenerational cycle of poverty through the conditional variable benefits aimed at children and adolescents (Fiszbein et al. 2009). The combination of these elements has led some analysts to regard the PBF as an 'unconditional CT nestled within a conditional CT' (Interview 12).

## **Eligibility**

The Brazilian system also incorporates means testing, with a specific set of eligibility requirements for each programme. The means test threshold for each individual programme is introduced in table 5.4.<sup>54</sup>

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<sup>54</sup>Refer to Appendix D for a list of additional requirements.



Grant Name	Individual Means Test Threshold
Bolsa Família (Basic)	Up to R\$70 (US\$30)
Bolsa Família (Variable 1)	Between R\$70.01 (US\$30) and R\$140 (US\$61)
Bolsa Família (Variable 2)	Between R\$70.01 (US\$30) and R\$140 (US\$61)
Bolsa Família (Residual)	Below R\$70 (US\$30) even after receiving other Bolsa Família benefits
Benefício de Prestação Continuada (Disability)	R\$169 (US\$73)
Benefício de Prestação Continuada (Old Age)	R\$169 (US\$73)

Table 5.4: Brazilian Means Test Thresholds (Sources: CEF 2014; FIAP 2011)

## Orientation

In contrast to South Africa, the requirements related to eligibility highlight the fact that the orientation of the Brazilian system is familial in nature, because ‘the [fundamental] assistance unit is the family’ (Lindert et al. 2007: 54). The LOAS law clearly specifies that social assistance is aimed at supporting those people who do not have the ‘means to provide maintenance of their own or have it provided by their family’ (FRB 2011a). Indeed, ‘the concept of family was first defined in [article 20] of the LOAS as a “mononuclear unit, living under the same roof, which is maintained by its members’ contributions”’ (Legido-Quigley 2009: 5). Subsequent amendments have slightly altered the definition, with it currently reading that the ‘family consists of the applicant, [their] spouse or partner, parents and, in their absence, a stepmother or stepfather, unmarried siblings, unmarried children and stepchildren, provided they live under the same roof’ (FRB 2011a).

The result is that eligibility is determined through measuring the per capita income of the entire household (total household income divided by the total number of family members). This is distinct from an individualist orientation, where only the individual income of the applicant or primary caregiver (and his or her spouse, if applicable) is taken into consideration when applying

the means test, with total household income and family composition not featuring at all. This familial orientation is a further important characteristic of the Brazilian system.

### **Appeals Mechanism**

Turning to the issue of controls and appeals in Brazilian social assistance, it is important to note that qualification for PBF benefits does not automatically guarantee that an applicant will receive them, as the PBF is technically not a social right (Interview 12). However, an applicant is still allowed to lodge a complaint or appeal against rejection. The inherent decentralisation of the system means that municipalities are the primary entities responsible for handling complaints and appeals, and they must communicate decisions on outcomes within 15 days to appellants (Lindert et al. 2007: 54; 79). It is only in cases where the municipalities are unable to resolve a dispute that the matter is escalated to the MDS. BPC applicants have 15 days to appeal against a rejection and — unlike the PBF — an applicant does have the option of going to court in order to have an appeal overturned, because the BPC is considered to be a constitutional right (Legido-Quigley 2009: 5; Interview 12).

### **Delivery**

The process of delivering the payments for the PBF and BPC takes place through the regular banking system, with some branches also operating in post offices, lottery agencies and commercial establishments (Medeiros, Diniz & Squinca 2006: 4). While the procedure for the BPC is managed by the *Instituto Nacional do Seguro Social* (INSS – National Institute for Social Security), it follows the same pattern as the PBF. In the case of the PBF, the *Caixa Econômica Federal* (CEF – Federal Savings Bank) credits payments to beneficiaries' EBCs on a monthly basis. Although the payments are implemented by the CEF, the process is overseen by the MDS. The ministry firstly validates the monthly beneficiary list and then sends a financing proposal to the Treasury for approval. The CEF then generates the monthly payroll and, following approval by the Treasury, issues a bank order and transfers funds from a Treasury account located at the Central Bank to the CEF's PBF

account. The final step in the process then involves the crediting of beneficiary accounts (Lindert et al. 2007: 51-52).

Beneficiaries can withdraw this money from any of the 2 000 CEF branches and 30 000 other participating locations throughout the country. Fully 97.8 percent of beneficiaries use the EBC to withdraw their monthly benefits, with 65 percent preferring lottery points, 30 percent using automated teller machines<sup>55</sup> and 5 percent making withdrawals from stores or supermarkets. The remaining 2.1 percent who do not use EBCs withdraw their benefits from CEF agencies. Beneficiaries have 90 days to withdraw the funds, after which time it is returned by the CEF to the original ministerial account (Lindert et al. 2007: 52-53).

### **Conditionality**

While beneficiaries are re-evaluated every two years, the BPC is an unconditional programme. In fact, it can be regarded as more than that, as its constitutional position enshrines it as a universal citizenship right that cannot be denied and ‘any individual who meets the eligibility criteria can receive the benefit and might demand it judicially’ (Medeiros, Britto & Soares 2008: 2). This is in contrast to the child-focused components of the PBF, where conditionality is deeply enshrined as part of the programme’s operation. Here the Brazilian system stands in sharp contrast to its South African counterpart (the CSG), as the PBF endows beneficiaries with a set of responsibilities which they must fulfil in order to continue receiving the benefit payments.

These include an 85 percent school attendance requirement for children between six and 15 years old and 75 percent for 16 and 17 year olds; prenatal monitoring of pregnant and lactating mothers between 14 and 44; immunisation and growth monitoring for children between zero and seven; and an 85 percent attendance rate of socio-educational services by children and adolescents up to 15 years of age who are at risk or have been liberated from child labour (Jaccoud, Hadjab & Chaibub 2010: 12). Failure to adhere to these conditions initially results in an intervention by

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<sup>55</sup>Beneficiaries are however not required to have a bank account.

a social worker, temporary suspension of the benefit and ultimately, following a third instance of non-compliance, permanent cancellation. This therefore highlights a further important feature of the Brazilian social assistance system: the incorporation of conditionalities in programmes aimed at supporting children and adolescents.

## 5.4 Comparing Social Assistance Systems

It is clear from this technical discussion that a number of similar fundamental features emerge across the cases. However, these similarities are all related to the basic composition of social assistance as a distinct category within social protection. The fact that both systems are non-contributory CTs where eligibility is determined on the basis of need only tells us that they are in fact both social assistance regimes, and does not tell us anything about different policy choices or dissimilar overall approaches to social welfare.

The previous sections therefore set the scene for a more abstract extrapolation of the different approaches taken by South Africa and Brazil. This section will undertake such an extrapolation by directly contrasting the relevant features. This involves an assessment of possible differences regarding the overall benefit values of the systems, their overall coverage, conditionality and systemic orientation. The analysis indicates that there are no significant differences in terms of overall value, while vitally important differences emerge with regards to coverage, conditionality and orientation.

### Comparing Value

Perhaps the most intuitive area to commence with a direct comparison of the two systems is assessing their overall value. Significant differences in the amount of money that actually ends up in the hands of beneficiaries would clearly constitute an important feature in need of explication. The same applies to significant differences in targeting through means test thresholds. However, an analysis based upon the available data suggests that the overall benefit and targeting levels of the

South African and Brazilian systems are quite similar.<sup>56</sup>

A headline figure which is often used to assess and compare spending levels across countries is total social assistance expenditures as a percentage of GDP. In 2008, this figure (calculated on the basis of spending reported by individual countries to the World Bank) stood at 1.4 percent for Brazil, while the corresponding number for South Africa was 3.2 percent (Weigand & Grosh 2008: 7). While this seemingly indicates a notable difference between the two countries, there are myriad problems with simply using this all-encompassing figure as the basis for analysis.

This includes the fact that there are no comparable data available on what fraction of these figures are purely administrative and other spending. Some countries may include social service provision under social assistance spending, while others do not. Another obvious problem is the fact that different countries (especially ones with different institutional structures) can have vastly different reporting frameworks and definitions. In sum, concentrating only on this expenditure would be misleading, as ‘not all spending counts equally’ and ‘expenditures are epiphenomenal to the theoretical substance of welfare states’ (Esping-Andersen 1990: 19). The result is that this simple figure does not tell us much about the strictness of targeting or the amount of money that beneficiaries actually receive.

The only way to determine whether there are significant differences between benefit and targeting levels is therefore to directly compare the actual value of social assistance benefits, as well as the relative severity of the means tests. This is achieved through the construction of a weighted value measure which takes into account both the benefit amounts paid to beneficiaries as well as the relevant means test thresholds, to enable a viable side-by-side comparison of the cases. The first step in compiling this measurement involves calculating the composite benefit values paid out to beneficiaries. Figure 5.5 indicates that the weighted average monthly benefit value paid out per beneficiary is US\$39.50 in Brazil and US\$57.98 in South Africa.<sup>57</sup>

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<sup>56</sup>See figure 5.7.

<sup>57</sup>Calculating these figures involved weighting each individual social assistance programme through multiplying the number of beneficiaries that receive it by its benefit value. This procedure was repeated for each programme,

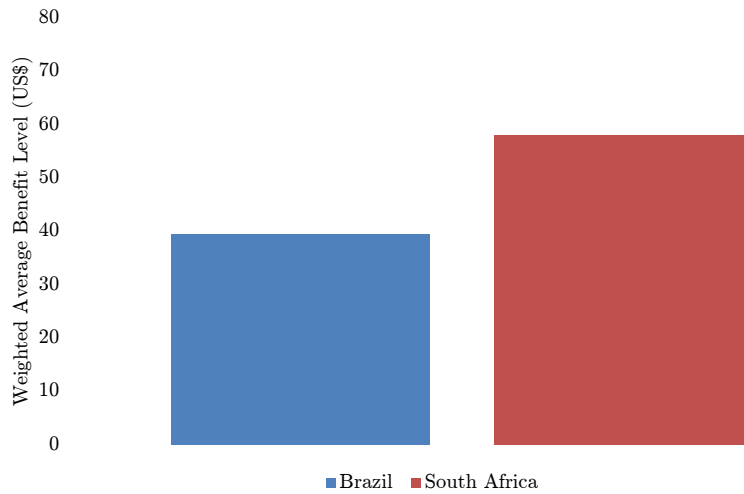


Figure 5.5: Composite Average Benefit Level

A higher level in figure 5.5 indicates higher payout amounts, with composite benefit levels therefore being slightly higher in South Africa. But this is only one element in the overall measurement of programme value. The second feature to take into account is the strictness of the respective means tests. A direct comparison of the rigidity of means test thresholds is introduced in figure 5.6; it indicates that the composite average means test threshold in Brazil is US\$57.50 and US\$55.71 in South Africa.<sup>58</sup>

producing a final figure encompassing the total expenditure on social assistance benefit payouts every month by each country. The corresponding amount for Brazil is US\$21 292 560 54 and US\$907 078 561 for South Africa. These totals were then divided by the total number of beneficiaries paid each month (53 907 804 in Brazil and 15 644 273 in South Africa) to produce a weighted average of US\$39.50 received per beneficiary in Brazil and US\$57.98 in South Africa.

<sup>58</sup>Calculating these composite averages involved a slightly more complicated procedure than the one that was required to produce figure 5.5. The complication stems from the different orientations inherent to the systems. Whereas Brazil’s familial orientation measures eligibility in terms of total monthly per capita household income, South Africa’s individualist approach only assesses the income of individual beneficiaries without regards to household structure. The only workable solution in enabling a meaningful comparison thus involves firstly converting the South African means test into one similar in shape to its Brazilian counterpart. This is achieved by firstly dividing the means

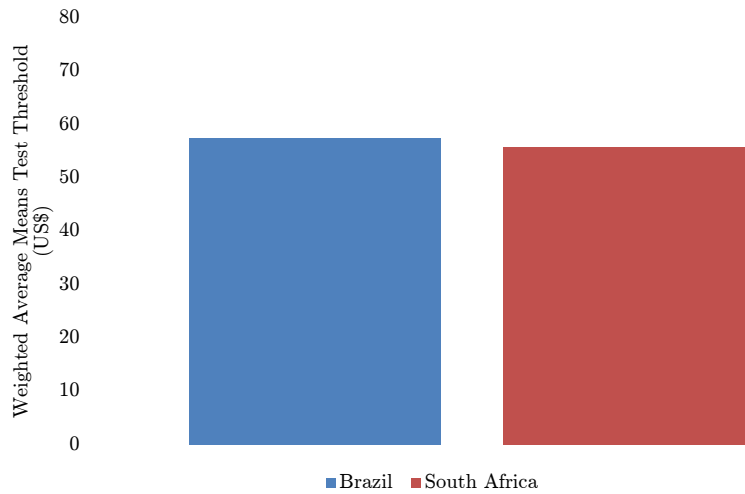


Figure 5.6: Composite Means Test Threshold

As with figure 5.5, a higher level in figure 5.6 indicates a more generous means test threshold. The result is that in this case Brazil has a slightly more generous approach. However, the only way to draw any concrete conclusions from this comparison is by constructing a composite measure of overall value by combining both benefit levels and means test thresholds into one weighted average test thresholds indicated in table 5.2 by 12 to produce a ‘monthly means test’ figure for South Africa. The next step entails a further division of this figure based upon the average household sizes of social grant beneficiaries. Research into the household composition of social grant recipients in South Africa indicates that the average household size for beneficiaries of the CSG is 6.4, while the corresponding figure for OPG beneficiaries is 5 (DSD et al. 2012: 15; Ambler 2011: 54). These are the household sizes that were applied to the respective grants in the conversion of the South African means tests. Once this conversion was achieved to enable direct comparison, the same basic procedure as the one employed in figure 5.5 was followed. This involved weighting each individual social assistance programme by multiplying the number of beneficiaries that receive it by its means test threshold. This procedure was repeated for each programme, producing a final figure encompassing the combined value of monthly means test levels in each country. These totals were subsequently divided by the total number of beneficiaries paid each month (53 907 804 in Brazil and 15 644 273 in South Africa) to produce a composite average means test threshold of U\$57.50 per beneficiary in Brazil and US\$55.71 in South Africa.

value measurement. This measure is introduced in figure 5.7, which indicates that the composite average value of the Brazilian system is US\$48.50 per beneficiary, while the corresponding figure is US\$56.85 for South Africa.<sup>59</sup> This analysis of the benefit levels and means test thresholds of all

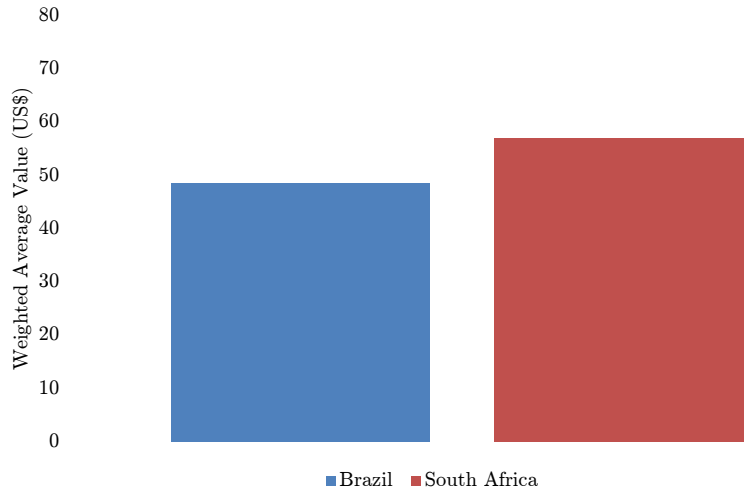


Figure 5.7: Composite Value

social assistance programmes in South Africa and Brazil thus indicates that the overall values are similar. The only conclusion to be drawn from this is that there is fundamentally no real variation in the overall benefit values of the two systems.

### Comparing Coverage

The first important feature where significant contrasts do emerge is in relation to the issue of which people are actually covered by the social assistance systems in both countries. The mapping of basic lifecycle risks indicates that both countries have provisions to support children, disabled people of all ages, as well as the elderly. An important contrast however emerges regarding the issue of impoverished able-bodied adults. Whereas Brazil provides some support to such families who live

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<sup>59</sup>This consolidated measurement of overall generosity is created by adding the weighted average benefit value (figure 5.5) and the weighted average means test threshold (figure 5.6) together, and dividing the resulting number by two.



in extreme poverty through the PBF's basic and residual benefits, South Africa's system offers no such protection.

This leads to some very different implications: while the South African approach implies that able-bodied adults should solely rely on selling their labour to earn an income, its Brazilian counterpart implies that those people should not solely rely on earning an income through the labour market; and while the Brazilian approach conceptually emphasises that no person who qualifies for social assistance should be allowed to live in extreme poverty, the South African system accepts that at least some people should be allowed to live in extreme poverty. This is very significant, as it means that between 4.6 million and 17.7 million impoverished people are left unprotected in South Africa (Stats SA 2013: XI). This distinction alludes to fundamentally dissimilar policy choices in each country, constituting the first major feature in need of explanation: why is it that the social assistance system provides universal<sup>60</sup> coverage in Brazil, but only limited coverage in South Africa?

### **Comparing Conditionality**

Another important element of social assistance policy design relates to conditionality. South Africa — dissimilarly from the approach taken by a number of its peers — does not implement any social assistance conditionalities. And while conditionalities do not feature in relation to programmes aimed at the elderly and disabled in Brazil, they form an integral part of the PBF's variable benefits aimed at supporting children and adolescents. As mentioned above, these conditions include that children between six and 15 years of age must achieve an 85 percent school attendance rate; 16

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<sup>60</sup>The characterisation of a welfare system as 'universal' is traditionally employed in debates to indicate a system where everyone, regardless of income level, receives regular income support. It is usually contrasted to a 'targeted' approach where means testing is used to identify the 'deserving poor'. This is not the context of its usage in this study. Instead, a social assistance system is characterised here as 'universal' if some support is available across the entire lifecycle, regardless of the fact that such support may be means tested (as is the case in Brazil). This stands in contrast to a 'limited' approach, where certain segments of the poor are entirely excluded from even means tested income support (as is the case with unemployed able-bodied adults in South Africa).

and 17 year olds must achieve a 75 percent attendance rate; prenatal monitoring of pregnant and lactating mothers between 14 and 44; immunisation and growth monitoring for children between zero and seven; and an 85 percent attendance rate of socio-educational services by children and adolescents up to 15 years of age who are at risk or have been liberated from child labour (Jaccoud et al. 2010: 12).

This marks a vital point of distinction between the two approaches, as the literature overwhelmingly treats this incorporation of conditionalities as a transformative difference distinguishing a straightforward ‘income transfer’ from a ‘transfer plus interventions aimed at human...capital accumulation’ (Barrientos, Niño-Zarazúa & Maitrot 2010: 7). Others argue that the incorporation of conditionalities means that, in contrast to unconditional programmes, conditional CTs address both ‘present and future poverty’ through attempting to additionally break the ‘intergenerational cycle of poverty’ by ‘encouraging investment in human capital’ (Das, Do & Özler 2005; Lindert et al. 2007; Fiszbein et al. 2009; Santos, Paes-Sousa, Miazagi, Silva, & Da Fonseca 2011). The scope of these claims means that this constitutes another significant point of differentiation between the two policy regimes.

### **Comparing Orientation**

A final interesting area of contrast emerges with regards to systemic orientation. This involves the ways in which the societal position of beneficiaries are defined. Are beneficiaries defined based on their positions within a specific household or family unit, or are they strictly defined as individuals regardless of household context? In practical policy terms, the implication of this fundamental distinction is between providing family-based income support and individual-based support (Lund 2008: 53).

While ‘the five major social assistance policies in [South Africa] focus only on specific individuals’, Brazil’s emphasis on families is made explicit even by its incorporation of the word ‘family’ into the title of the PBF (RSA 2012: 7). Through the preceding examination, it becomes clear that

South Africa has adopted an individualist approach, while Brazil follows a familial orientation. The issue of systemic orientation therefore constitutes another significant differentiating feature between the cases.

## 5.5 Dependent Variables and Social Assistance Typologies

This section synthesises the insights generated throughout the preceding parts of the chapter by identifying and consolidating cross-case differences as the study’s dependent variables. It essentially categorises the variation across the cases in terms of coverage, conditionality and systemic orientation into distinct typologies which serve as the study’s dependent variables. The construction of these typologies is informed by the existing literature, resulting in the South African case (as outlined in section 3.2.1) being regarded as a protective social assistance system, while Brazil (section 3.3.1) is classified as a productive system.

### 5.5.1 Dependent Variables

Addressing the descriptive research objective thus leads to the multi-dimensional identification of a number of contrasting features regarding the social assistance systems of South Africa and Brazil. Variation in terms of these features — coverage, orientation and conditionality — are consolidated into the policy regime typologies which constitute the study’s dependent variables, as indicated in table 5.5. The aim of subsequent chapters is thus to account for the emergence of the variations in these features through examining the development of the social assistance systems in South Africa and Brazil.

<b>Variable</b>	<b>South Africa</b>	<b>Brazil</b>
<b>Policy Regime</b>	Productive	Protective

Table 5.5: Dependent Variables

### 5.5.2 Typologies of Social Assistance

Crucially, these differences are not merely isolated contrasts nestled within contexts of otherwise overwhelming similarity. Instead, variation on such profoundly important aspects as systemic coverage, conditionality and orientation are unambiguous indicators that these cases constitute two different ideal-types of developing country social assistance provision. This section therefore consolidates the variations in terms of the dependent variables into coherent classification typologies in an attempt to make analytic sense of this significant cross-case variation and enable a subsequent analysis of the development processes that led to their emergence.

The ideal-types introduced in chapter three provide the basis for classifying the two cases. Rudra's (2007; 2008) work forms the foundation of this endeavour, and it is worth recalling that her analysis identifies the existence of two ideal-types of welfare states in the developing world. The first, the productive variant, features efforts 'primarily directed towards promoting the market dependence of citizens' and shares 'certain elements with [Esping-Andersen's] liberal model...by embracing...enthusiasm for the market and self-reliance' (Rudra 2007: 379). The particular property of the liberal paradigm which ultimately distinguishes this productive typology is the way in which it serves to strengthen 'the commodity status of labour' (Rudra 2007: 379). The second variant is the protective approach, which amounts to a 'curious fusion of elements of socialism and conservatism...[featuring] a strong distrust of markets' (Rudra 2007: 384).

By applying this typological framework to the cross-case variation in terms of coverage, conditionality and orientation, it becomes clear that the South African social assistance system best fits the productive classification, while Brazil reflects the logic of a protective system.<sup>61</sup> An examination

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<sup>61</sup>It is important to note that this classification not only involves borrowing terminology from Rudra (2007; 2008), but also entails a modification of the features used to classify a system as productive or protective. This is because her focus is upon the overall distributional regimes, while the focus of this study is only upon one aspect of the distributional regimes, namely the social assistance element. The different scope involved thus means that, while the logic and titles of the typologies are preserved, they are strictly applied only to the social assistance aspects of each

of the system's features reveals that the South African productive approach certainly contains (in a different overall context) features of the original 'liberal' category, wherein

the progress of social reform has been severely circumscribed by traditional, liberal work-ethic norms: it is one where the limits of welfare equal the marginal propensity to opt for welfare instead of work, [and where] the state encourages the market (Esping-Andersen 1990: 26).

The classification of the South African system as productive is based upon the fact that it assumes that people should rely solely on selling their labour to earn a minimum income and that at least some people should be allowed to live in extreme poverty through providing only limited coverage. In a reflection of eminently liberal 'work-ethic norms', South Africa in fact actively 'pushes' impoverished people out of the social assistance system and into the realm of the labour market and its associated policies through highly limited public works schemes such as the EPWP, which supposedly provides them with the 'dignity of work' (Seekings 2008: 33). South Africa has furthermore adopted a more traditionally liberal approach in not prescribing behavioural conditionalities and strictly defining beneficiaries as individuals without regards to family structure, as well as by 'switching from biological parent to practical carer'<sup>62</sup> in terms of its 'follow the child' policy (Lund 2008: 64).

In contrast to this, Brazil's system is classified as protective. Consistent with the above definition, it certainly involves a 'curious fusion of elements of socialism and conservatism'. It can be convincingly argued that by not assuming that people should solely rely on selling their labour to earn a minimum income and emphasising that no person should be allowed to live in extreme poverty through providing universal coverage (as well as at least legally adopting a BIG), the Brazilian system reflects a certain 'distrust of markets'. An interesting conservative element also emerges in the Brazilian case, as the state both actively intervenes in the choices made by beneficiaries through

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country's overall distributional regime.

<sup>62</sup>Lund explicitly expresses concern about the reaction from conservatives to these liberal policies, who may regard them as undermining family life (2009: 64).

its conditional approach and defines beneficiaries in terms of their family structure. Both of these features reflect Esping-Andersen's original 'conservative' model,<sup>63</sup> which is 'strongly committed to the preservation of traditional family-hood' (Esping-Andersen 1990: 27). Brazil's system is therefore indeed an interesting mixture of social democratic and conservative essentials, in accordance with the protective model.

Esping-Andersen argues that

the outstanding criterion for social rights must be the degree to which they permit people to make their living standards independent of pure market forces. It is in this sense that social rights diminish citizen's status as 'commodities' (1990: 3).

The analysis suggests that the South African approach certainly permits people to 'make their living standards independent of pure market forces' *to a lesser extent*<sup>64</sup> than in Brazil. This comparatively lesser decommodification in South Africa is complemented by liberal policies with regards to autonomous decision making and defining beneficiaries as individuals. This enables classification of the South African social assistance regime as productive. In contrast, the social democratic element in Brazilian policy is complemented by a conservative streak concerned with modifying behaviour through conditionalities and defining family structures, thus allowing it to be classified as a protective developing country social assistance regime. This synthesis of the different policy outputs regarding coverage, conditionality and orientation is summarised in table 5.6.

This analysis thus serves to integrate the variations which were inductively identified throughout previous sections of this chapter into distinct social assistance typologies, which in turn constitute the study's dependent variables. This inductive approach to classifying the dependent variables enables a focus in subsequent chapters on addressing the explanatory research question: what

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<sup>63</sup>Although clearly in a very different context from the developed welfare states he examined.

<sup>64</sup>There are certainly no developing countries that achieve levels of decommodification comparable to those achieved by some OECD nations, meaning that there are no developing countries where people can truly 'make their living standards independent of pure market forces'. However, some are comparatively more decommodifying than others.

<b>Feature</b>	<b>Productive (South Africa)</b>	<b>Protective (Brazil)</b>
<b>Coverage</b>	Limited	Universal
<b>Conditionality</b>	Unconditional	Conditional
<b>Orientation</b>	Individualist	Familial

Table 5.6: Typologies of Social Assistance Policy Regimes

accounts for these differences between the South African and Brazilian social assistance systems?

## 5.6 Conclusion

The focus in this chapter has been on addressing the study’s descriptive objective concerning the qualitative features of, and differences between, the South African and Brazilian systems of social assistance. The process involved an initial contextual overview of social protection in South Africa and Brazil, followed by a subsequent in-depth discussion on the precise features of social assistance in each country. This discussion included a focus upon a range of fundamental elements, including an examination of coverage, benefit levels, the legal and institutional frameworks governing each system, the individual programmes that constitute the two approaches, targeting and eligibility requirements, the delivery of benefit payments and possible conditionalities.

The final sections of the chapter moved away from technicalities towards an abstraction of the cases by specifying divergence in terms of coverage, conditionality and systemic orientation. These differences were consequently incorporated into the construction of distinct typologies, with the South African social assistance system being classified as productive, and the Brazilian system as protective. The empirical fact of these qualitatively distinct policy typologies constitute the study’s dependent variables. By undertaking this descriptive overview, the chapter has thus contributed towards the identification of important variations across the cases. The focus in subsequent chapters shifts towards explaining the emergence of these different typologies and their associated features through addressing the explanatory research question.

## Chapter 6

# The Development of Social Assistance in South Africa

### 6.1 Introduction

This chapter addresses the explanatory research question for the South African case. As such, it aims to account for the emergence of a productive social assistance system in South Africa through undertaking an in-depth process tracing examination of policy development. This examination is carried out inductively, guided by the study's analytical framework of ACI. Figure 6.1 describes the ACI analytical procedure for the South African case. The application of this approach initially entails a detailed examination of the institutional context according to the two independent variables. This is followed by an examination of the ways in which the resulting institutional configuration channelled interactions among policy actors into concrete policy outputs. Figure 6.2 introduces the overall explanatory framework.

The chapter commences by addressing the first independent variable through analysing the historical emergence and institutionalisation of social assistance norms in South Africa. It examines both the historical process that initially led to the entrenchment of a productive approach to social



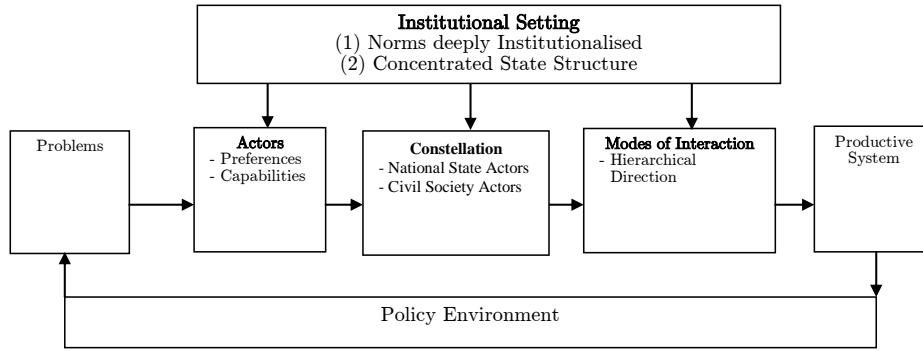


Figure 6.1: Actor-Centred Institutionalism – South Africa (Source: Adapted from Scharpf 1997: 44)

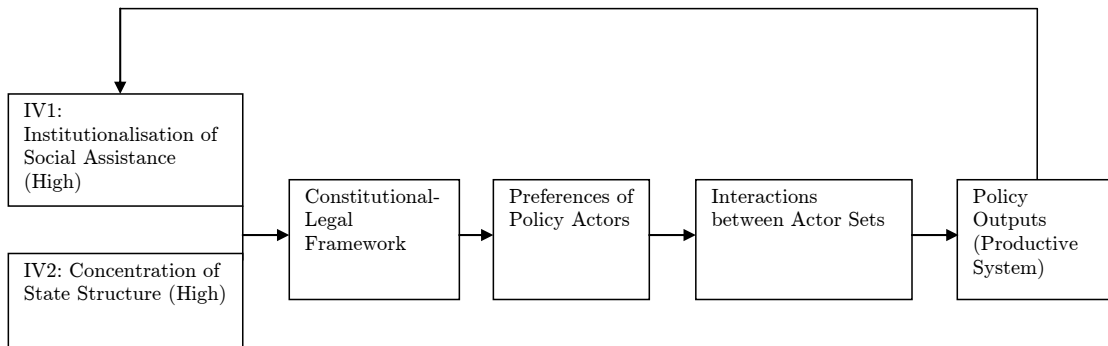


Figure 6.2: Explanatory Framework – South Africa

assistance, as well as the way in which this approach and its associated norms were subsequently constitutionally transferred into the political economy of the post-apartheid state. It is essentially an eight decade story of path dependence which saw the survival and entrenchment of productive social assistance norms codified during the transition to democracy in the early 1990s. This is followed by an examination of state structure as the second independent institutional variable. The discussion focuses on both the formal institutional construction of the state and the distribution of political power during the period under examination. It concludes that South Africa featured a

highly concentrated social assistance policymaking structure, with the capacity to formulate and implement policy having been entirely centralised. Analysing these two independent variables therefore effectively maps the South African institutional context.

The subsequent section proceeds to examine the way in which interactions between actors from the policy community, embedded within the previously specified institutional context, effected the distinctive policy outputs constituting the contemporary South African social assistance system. In accordance with the ACI analytical framework, this is achieved through specifying actor preferences and analysing the way in which interactions between different actor sets determined the shape of the country's social assistance policies. The chapter thus demonstrates that an examination of institutional structure is able to account for the fact that post-apartheid South Africa features a productive social assistance system.

## **6.2 Deep Institutionalisation of Social Assistance Norms**

This section initially conducts an overview of the emergence of distinct social assistance norms in South Africa following unification in 1910. The analysis shows that by the time of the transition to democracy in the 1990s, institutional norms regarding limited coverage, an unconditional approach and an individualist orientation had become deeply entrenched in the South African political economy. This is followed by an examination of the extent to which these norms were subsequently legally codified and institutionalised through the current Constitution and other pieces of flagship social welfare legislation. The section thus addresses the first independent variable by analysing the historical emergence and institutionalisation of distinct social assistance norms in South Africa.

### **6.2.1 Social Assistance before 1994**

By the time of South Africa's transition to democracy in the 1990s, social assistance policies had become deeply institutionalised in the country's overall political economy (Kruger 1992; Duncan

1993; Van der Berg 1997; Seekings 2000; 2006; 2007). In fact, already as early as the 1930s, ‘South Africa had developed a welfare state that was remarkable in terms of both the range of risks against which it provided and its coverage of the poor’ (Seekings 2006: 1). Even more remarkable were the specific features of this welfare state, as ‘unusually in the world, and exceptionally in the global South, South Africa developed in the course of the twentieth century a public system based primarily on social assistance rather than social insurance’ (Seekings 2007: 376).

An overview of social assistance since the unification of South Africa can be meaningfully divided into three main epochs: an initial period seeing the introduction and elaboration of the first programmes: the OPG,<sup>65</sup> DG and State Maintenance Grant (SMG); followed by the introduction of apartheid and the associated reracialisation and retrenchment of social assistance programmes; as well as a period of later apartheid featuring systemic expansion and reduced inequality. This subsection carries out a review of the pre-1994 period in order to demonstrate the extent to which certain features became deeply entrenched in the country’s approach to social assistance. These features subsequently played a crucial role in shaping the institutional context and preferences held by policymakers during the contemporary period.

### **First Steps and Consolidation**

The scarcity of historical examinations into the provision of social assistance (and social security more broadly) in pre-colonial Africa is a serious shortcoming which hampers attempts at analysing their potential path dependence effects. While the absence of formal institutions in pre-colonial Africa certainly does not preclude the presence of strong, informal institutions catering for impoverished people, it does make it very difficult ‘to trace the development of [social assistance] before the arrival of formal institutions from Europe and has made it necessary to start in the...Eurocentric way with the first European settlement at the Cape in 1652’ (Kruger 1992: 108).

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<sup>65</sup>For much of its life, this grant was known as the Old Age Pension. The name was changed to Older Persons Grant after 1994.

The early period of European settlement<sup>66</sup> during the 17th and 18th centuries featured very little in the way of even rudimentary ‘poor relief’<sup>67</sup> and social services, with provision being dominated by the *Nederduits Gereformeerde Kerk* (NGK – Dutch Reformed Church), and the state only featuring in a minor piecemeal capacity (Van der Berg 1997: 485). What little role there was for the state was dominated by extremely modest and stigmatising poor relief along the British model, including both outdoor relief (grants in cash or in kind) which was often also administered by churches even when funded by the state, and indoor relief in the shape of almshouses (Seekings 2007: 380). Additionally, the common law made children directly responsible for maintaining aged and indigent parents (Seekings 2007: 379). This situation largely persisted for most of the first two decades following the formation of the Union of South Africa in 1910, as ‘poor relief [remained] the most important state programme in the social welfare field until about 1928’ (Kruger 1992: 157).

In 1913 the Union government introduced the Children’s Protection Act (USA 1913). While the Act ‘gave the powers to refer children to institutions and appropriate care’, it did so without making provision for the financial implications of such referral (Kruger 1992: 161). Such provisions only emerged in 1921 through the Children’s Protection Amendment Act, which authorised and introduced the payment of the SMG in South Africa (USA 1921; Kruger 1992: 162; Haarmann 1998: 82). The SMG was payable to mothers, stepmothers and grandmothers who were taking care of a child who had been committed into their care under the Act, if she was a widow, or if the child’s father was unable to care for the child due to reasons beyond his control (Kruger 1992: 162). The SMG can therefore be regarded as the first modern social assistance programme in South Africa, and its aim was largely to ‘protect white family life’ (Lund 2008: 15).

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<sup>66</sup>By definition, this entire review of the pre-democratic era focuses on the role of a state where only whites (initially only men) were enfranchised with political and voting rights, while all other groups were practically excluded from the political process.

<sup>67</sup>This term has become almost synonymous with paternalistic, stigmatising and generally inadequate patterns of social welfare provision, taking its name from the 1662 enactment of the ‘Poor Relief Act’ by the British Cavalier Parliament (Spicker 1984).

In a sign of things to come, the grant was only paid in support of black children under exceptional circumstances. Black people living in rural areas were entirely excluded, while the law stipulated that all other avenues, such as the ‘repatriation’ of children to relatives in the rural areas or the provision of day-care services, had to be exhausted before an application for an SMG could be considered in respect of an urban black child (Kruger 1992: 162). The introduction of the SMG was followed in 1924 by the proposals contained in the Collie Memorandum. This document featured the results of an investigation into old age pension schemes and signalled a shift towards the acceptance of state responsibility in the provision of welfare. The acceptance of this situation was deemed necessary by the government primarily due to the extent of the problem of ‘poor whites’,<sup>68</sup> as well as the fear of the so-called *swart gevaar* (black danger) (Seekings 2007).

The early 1920s was a period of intense social, class and racial conflict in South Africa that saw the initial emergence of poor whites: high levels of unemployment and poverty among white people, a situation which affected about 10 percent of the white population (USA 1922; 1925; 1929; Berger 1983; Davie 2005). The period also featured a relaxation of the strict racial hierarchy<sup>69</sup> through a weakening of the ‘colour bar’,<sup>70</sup> and the associated practice of job reservation, due in large part to the demand for black labourers on the gold mines of the Witwatersrand (Seekings 2007). The result was that some rural white people had become impoverished, while some urban blacks had become

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<sup>68</sup>The pre-apartheid, apartheid as well as post-apartheid period sees the classification of the South African population into different racial groupings, and the use of these terms is relevant to the subject of this study. The terms ‘black’, ‘coloured’ (people of mixed race and/or descendants of former Malay slaves), ‘Indian/Asian’ and ‘white’ are therefore used throughout in this context. The terminology has been standardised where other authors have used different terminology to refer to these population groups. Poor whites were ‘far from being the poorest people in South Africa, but they were poor in the sense that they were poorer than growing numbers of [non-whites]’ (Seekings 2007: 381).

<sup>69</sup>This racial hierarchy was effectively defined as 1) whites, 2) coloureds, 3) Indians and 4) blacks.

<sup>70</sup>The colour bar was a systematic definition of racial hierarchy mainly expressed through the practise of job reservation. It principally emerged from the 1911 Mines and Works Act, where skilled jobs were reserved for whites and, in some cases, coloureds (USA 1911).

richer (in spite of pervasive economic and social restrictions).

In turn, this led to protests from white workers in favour of stricter job reservations, with tensions being further exacerbated through a sharp drop in the gold price in late 1921 (Krikler 2005). The situation finally exploded during the insurrectionary Rand Revolt of 1922, where white workers attacked blacks but were in turn the victims of state repression (Krikler 2005). The Collie investigation into old age pensions (and subsequent legislation) can therefore be regarded as having essentially formed part of the government's response to the crisis and the problem of poor whites, as the elderly and invalid comprised 'the most pressing category of "deserving poor"' (Seekings 2007: 384).

The Collie Memorandum explicitly made the conceptual distinction between contributory and non-contributory models of old age pension provision, setting out eight possible non-contributory schemes for South Africa. While men and women would receive equal benefits and all of the proposals covered non-white groups, they also discriminated in terms of benefit levels (Seekings 2007: 384). The government did not immediately act upon these recommendations. But further investigations by a departmental committee examining unemployment and poor relief, as well as by the Economic and Wage Commission, continued to argue that prevailing welfare provision for the (white) elderly and disabled was inadequate (USA 1924: 201; 1925: 112; 339).

This emerging consensus around the need for greater welfare measures led to the formation of the Commission on Old Age Pensions and Social Insurance in February 1926. It was chaired by senior National Party (NP) Member of Parliament (MP) Ben Pienaar and came to be known simply as the Pienaar Commission. Its mandate featured a call to investigate 'the payment of pensions by the state to necessitous aged and permanently incapacitated persons who are unable to maintain themselves and for whom no provision at present exists' (USA 1927). The final recommendations of the Commission featured two significant differences from all eight of Collie's suggested schemes: it made no provision for blacks, while the pension benefit level was set at a much lower level that

amounted to only £26 per year — lower than the wages paid to many black labourers (Seekings 2007: 386). The programme would also be means tested, and the Commission estimated that old age pensions would be paid to 15 500 whites and 14 000 coloureds and Indians (Seekings 2007: 386).

In July 1928 the government officially enacted the Old Age Pension Act. It generally accepted the recommendations of the Pienaar Commission, setting benefit levels for whites at £30 per year, which was slightly higher than the £26 recommended by the Commission. Coloured pensioners would receive £18 per year, while blacks and Indians were excluded. The programme was to be means tested, with the age of eligibility set at 65 for both men and women, who were to receive equal benefit amounts (Seekings 2007: 387). Very significantly, the law did not take into account familial circumstances. If an applicant's child 'was in a position to maintain the applicant, then the Commissioner of Pensions might recover from the child part or all of the pensions paid to the parent, but this *would not preclude the initial payment of a pension* (emphasis added)' (Seekings 2006: 6). The South African OPG, which would go on to become a deeply institutionalised feature of social assistance in the country, was subsequently introduced on 1 January 1929.

The purposive enactment of a non-contributory programme in the face of the government's knowledge about contributory alternatives meant that 'the [social] insurance option was, quite explicitly, rejected in South Africa with respect to old age pensions' (Seekings 2007: 387). There were essentially two reasons for this fateful choice of social assistance over social insurance: the perceived urgency of assisting poor elderly white people and the difficulty entailed in establishing insurance schemes that were racially discriminatory (Seekings 2007: 388). A social insurance approach would have meant that the country would need to wait as beneficiaries first accumulated (contributory) benefits, which would have caused a significant delay in implementation while impoverished elderly (white) people continued to suffer. It would also have been significantly more expensive to exclude black workers from a contributory scheme, while simultaneously raising the cost of employing white workers.

These problems did not arise under a social assistance rubric, as ‘non-contributory pensions made it easier to establish a clear and unambiguous racial hierarchy’ (Seekings 2007: 388). As a result, the implementation of a social assistance-based OPG partly reflected the urgency of addressing white poverty in order to ‘raise all white people to “civilised” standards of living’ (Seekings 2007: 378). This entailed a clear response to the voting power of whites, who were the only enfranchised group in the country. But it also revealed ‘the urgency of re-establishing a racial hierarchy [in response to fears of the *swart gevaar*] by raising the incomes of white (and coloured) people whilst excluding black (and Indian) people’ (Seekings 2007: 378).

The next significant step in the institutionalisation of social assistance in South Africa was the set of five reports produced in 1932 by the non-governmental Carnegie Commission of Inquiry into *The Poor White Problem in South Africa*. The Commission was funded by the Carnegie Corporation of New York, and was composed of academics, civil society groups and representatives of the NGK. Their work built upon prior inquiries into the poor white problem and focused renewed attention on it,<sup>71</sup> inaugurating a period of accelerated state social spending which featured the expansion of existing social assistance programmes and the introduction of new ones (Seekings 2006: 19).

The expansion of the social assistance system was further propelled by the realities of the Great

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<sup>71</sup>Seekings challenges this popular interpretation by pointing out that many of the Carnegie Commission’s proposals amounted to ‘a deeply conservative reaction against the modernising impulses represented by the Pienaar Commission and the Old Age Pension Act’ (2006: 12). As such, he regards it as an ‘emphatic backlash against the existing programmatic, state-based responses to poverty among white South Africans’ (Seekings 2006: 6). Whereas the Pienaar and Economic and Wage Commission investigations of the 1920s interpreted the problem in structural terms, the Carnegie Commission’s analysis was essentially psychological, as it stated that the redress of poverty would require ‘eliminating vice and ignorance’ among poor whites (Seekings 2006: 7). This approach was opposed by a civil society coalition led by Hendrik Verwoerd and the *Afrikaanse Christelike Vrouevereniging* (ACVV – Afrikaans Christian Women’s Organisation). Seekings further notes that, by the late-1930s, the head of the Department of Social Welfare ‘became convinced that the ACVV and Verwoerdian proposals were better than those of the Carnegie Commission and NGK’ (Kruger 1992: 167; Seekings 2006: 25). The result was the consolidation of the emerging programmatic system.



Depression, a significant improvement in public finances and a change of government in 1933. The onset of the Great Depression fuelled the growth of poverty among ‘morally upstanding’ and ‘hard-working’ families, which had the effect of undermining arguments about their ‘moral inferiority’ as causes of poverty. This effect was further enhanced through the concerns it generated in South Africa about the security of white supremacy and national decline (Klausen 2004: 23). Somewhat paradoxically, the improvement in public finances during this period was greatly facilitated by the rise in the gold price following the collapse of the gold standard (Seekings 2006: 27).

These developments were finally consolidated by the incoming ‘fusion government’<sup>72</sup> in 1933, which saw the responsibility for social welfare designated to Jan Hofmeyr, who would go on to play a decisive role in further systemic expansion (Seekings 2006: 30). The effects of the Great Depression therefore generated a consensus on the need for a programmatic approach to social assistance, while the government had the surplus money to spend as a result of the rise in tax revenues generated by spiking gold prices. When combined with the incoming government Ministers’ deeper commitment to programmatic reform, it becomes clear that this was the perfect political recipe for the expansion of the fledgling social assistance system (Seekings 2006: 27).

This resulted in the introduction of a means-tested grant for blind coloured and white people older than 19 in 1936; the extension of this DG to physically disabled whites in 1937; the introduction of war veterans’ pensions and ‘cost-of-living allowances’ to protect the beneficiaries of the OPG against rising war-time inflation in 1941; as well as ‘a number of measures... which to some extent implied an awareness by the authorities of family poverty and poverty among working people’ (Kruger 1992: 169). In 1937 the state also lowered the OPGs eligibility age to 60 years for women (while it remained 65 for men) (USA 1937a). In addition to thus generally beginning to provide for more contingencies, the first step towards broader population coverage was also taken in 1937 with the replacement of the 1921 Children’s Act.

The Act made the SMG payable under wider conditions that left more room for administrative

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<sup>72</sup>This period saw the ‘fusion’ of the South African Party and the National Party into a new United Party.

discretion, as the SMG could now be paid for ‘the maintenance of any child by any person in whose custody the child has been placed under this Act or by its parent or guardian’ (USA 1937b). Administration of the SMG was furthermore transferred from the Department of Education to the newly established and autonomous Department of Social Welfare in 1937 (Kruger 1992: 170). While the SMG system was still highly racially discriminatory — with 13 276 white, 5 816 coloured, 3 034 Indian and only 190 black children receiving benefits in 1942 — the amendments and administrative consolidation broke the traditional approach where services for blacks were provided separately through the Native Affairs Department (Iliffe 1987: 141). Kruger regards this move as inaugurating ‘a period of more coordinated, ambitious and equalizing action in the provision of social [assistance]’ (1992: 159).

Perhaps the most important step in this regard was the de jure deracialisation of the OPG and the DG by the government of Jan Smuts. This entailed the legislative extension of pensions for the blind and aged to blacks and Indians<sup>73</sup> in 1944, while the DG was subsequently extended to all disabled groups through the Disability Grants Act in 1946 (USA 1946; Kruger 1992: 171). By 1947/48, the OPG was being paid to 196 846 black people, while 49 128 were receiving a DG (Kruger 1992: 171). Despite the fact that this signalled the legal inclusion of all population groups in the social assistance system for the first time, benefit levels and means test thresholds were still highly discriminatory.

In general, the ‘means test was stricter and benefits lower for the other races than for whites’ (Kruger 1992: 171). Indeed, in 1947 the maximum monthly OPG benefit for coloureds and Indians was 54 percent of the level for whites, while the maximum benefit level for blacks was a mere 33 percent; the corresponding ratios for the SMG stood at 34 percent and 25 percent respectively (Pollak 1981: 157). Additionally, benefit levels were lower for rural inhabitants than for urban beneficiaries in terms of both the OPG and SMG. While racial discrimination thus persisted, the

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<sup>73</sup>Although ‘non-statutory payments’ were already being paid since 1935 to the Indian ‘aged, infirm and blind’ and to blacks who were blind or war veterans (USA 1944: 56-57).

1940s was nevertheless a period of expansionary reform.

This leads to the conclusion that

social citizenship in South Africa thus has its origins in the period immediately prior to the NP's electoral victory in 1948... because the state had... accepted some responsibility for the welfare, broadly understood, of the black population. It was in the early and mid-1940s that the state first assumed this responsibility, with a series of reforms that established a multi-racial welfare system... Some of these reforms were undone after 1948, but others (including especially the OPG) survived (Seekings 2000: 5).

As a result, South Africa had created the 'basis of a remarkable welfare state' by the late 1940s (Seekings 2006: 2). The fledgling social assistance system covered all population groups (albeit in a highly discriminatory manner) and was composed of the SMG to support children, the DG to support the disabled and the OPG to support the elderly. All programmes were unconditional, their orientations were individualist through defining beneficiaries without regard to familial circumstances, while overall coverage was strictly means tested and limited to the 'deserving poor'<sup>74</sup> and excluded impoverished people of working age.

### **Early Apartheid, Reracialisation and Retrenchment**

The trend towards increasing deracialisation and consolidation that had clearly emerged towards the end of the 1940s came to an abrupt halt with the electoral victory of the NP in 1948, and the resulting implementation of apartheid. The period was 'characterised by a direct and purposeful assault on aspects of the new fragile welfare construction that had begun to emerge during the previous decade' (Bromberger 1982: 175). In terms of social assistance, the assault was expressed principally through increasing racial inequalities and a general contraction in coverage.

Means testing and benefit levels became more potent tools in the government's quest to increase racial discrimination (Kruger 1992: 175-176). Indeed, in 1944 the means test threshold for social

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<sup>74</sup>In effect this was impoverished children, as well as the disabled and elderly poor.

pensions in terms of coloured and Indian beneficiaries was 60 percent that of the white level, while the figure stood at 40 percent for blacks. By 1966 this ratio was further reduced to 50 percent for coloureds and Indians, and to 12.5 percent for blacks (Kruger 1992: 175). As noted above, in 1947 the maximum monthly OPG benefit for coloureds and Indians was 54 percent of the level for whites, while the benefit level for blacks stood at 33 percent. By 1960 these maximum levels had been reduced to only 40 percent for coloureds, 35.9 percent for Indians and 14.9 percent for blacks (Pollak 1981: 156-158). In terms of average monthly OPG payouts, by 1962 whites received R267.19, while coloureds were paid R118.01, Indians R102.24 and black people a mere R25.57 (Kruger 1992: 175). This trend held true for the SMG and DG as well (Kruger 1992: 175).

This systemic contraction and increase in discrimination was further enhanced through the return to the 'self-balancing principle'<sup>75</sup> in welfare administration from 1948. It resulted in the racial fragmentation of service provision and attempts to eliminate or at least minimise the financial cross-subsidisation of segregated social assistance services (Kruger 1992: 175). In this regard, the logic of the apartheid political economy resulted in an attempt to move dependent blacks, including the old and infirm, out of areas under 'white administration' and to the homelands.<sup>76</sup>

The aim was to 'transfer welfare institutions and provisions to the homelands' and to organise welfare provision

along ethnic and tribal lines. The lack of effective administration and financial constraints on homeland governments led to de facto pension coverage far below what legal entitlement would indicate. The process of fragmentation of welfare provision gained further momentum after control of coloured welfare was transferred to the Department of Coloured Affairs in 1958 and responsibility for [blacks] to the Native Affairs Department in 1960. The involvement of other

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<sup>75</sup>A central premise of apartheid, this principle held that 'every group should be regarded as a separate political and economic unit' (Van der Berg 1989a: 197). In practice, this meant that 'white taxes' were not to be spent on 'black services' and that administration had to be kept separated.

<sup>76</sup>Homelands, also known as Bantustans, were areas administratively designated by the government as pseudo-national countries for the black population.

population groups in the provision of black welfare was also declared as 'contrary to policy' in 1957, necessitating expensive and inefficient duplication of voluntary and state welfare structures (Kruger 1992: 176-177).

The resulting inequality was clear: by 1958 blacks composed 60 percent of the 347 000 people receiving the OPG, although they received only 19 percent of the total amount spent on the programme (Van der Berg 1997: 487).

By this time, the underlying nature of the South African social assistance system was becoming clear. As shown above, it had principally been created prior to the onset of apartheid in order to protect the white population. Given the fact that white employment was now largely secure (in contrast to the situation during the Great Depression), the need for social assistance continued to be limited to the most vulnerable groups: the elderly (the OPG), children (the SMG) and the disabled (the DG) (Van der Berg 1997: 488). The retrenchments of the early apartheid period again confirmed that despite significant poverty among particularly rural blacks in this group, social assistance would not be forthcoming to support impoverished people of working age, as there was simply no need for it amongst whites.

In addition to therefore ignoring the needs of the majority of impoverished unemployed people, early apartheid policies actively retrenched the social assistance safety net open to non-whites through increasing discrimination and a concomitant contraction in coverage. All of these developments therefore served to further reaffirm the limited nature of social assistance provision through excluding almost all but the deserving poor (here perhaps best understood simply as young, elderly and disabled whites), while the principles of unconditionality and an individualist orientation remained intact.

### **Late Apartheid, Expansion and Reduced Inequality**

Although it was not yet being reversed, the trend towards retrenchment and increasing inequality in terms of social assistance started to slow during the early 1960s. This was initially made clear

through the fact that the positions of coloured and Indian OPG beneficiaries started to improve, as benefit levels began to increase relative to whites (Bromberger 1982: 183). This was eventually followed by a similar halt in the deterioration of relative benefit levels for black OPG beneficiaries (Bromberger 1982: 183). These developments further went along with an overall increase in absolute and per capita expenditure on black people from 1962/1963 (Kruger 1992: 178). This revealed ‘the waning of determined efforts to reduce expenditures on black social services, possibly illustrating the realisation of the need for cross-subsidisation between income groups and across the racial divide’ (Kruger 1992: 177).

In spite of this implicit acknowledgement of the need for social assistance spending on all groups, the idea that ‘separateness and equality can co-exist’ remained deeply entrenched (Kruger 1992: 178). The continued salience of this approach was demonstrated through the fact that administration of ‘black areas’ was taken over by the Administration Boards<sup>77</sup> in 1972, which implied ‘an end to all direct and indirect subsidies within municipal areas and thus reflected a continued belief in the ideal of financial self-sufficiency of the different groups’ (Kruger 1992: 178).

Despite this shift, a more distinctive trend towards reincorporation and reduced inequality did start to emerge from the mid-1970s, although it developed in a highly uneven and ambivalent fashion that continued to reflect the logic of preceding periods (Bromberger 1982: 183). The trend was expressed most clearly in the area of social assistance through a reduction in OPG and DG spending differentials due to an increased awareness of poverty and the need for corrective policies (Bromberger 1982: 185-187; Kruger 1992: 179). Indeed, in 1970 the maximum benefit level for coloureds and Indians amounted to 43 percent of the level for whites, while blacks received 13 percent of the white level. By 1991, these ratios had improved to 86 percent for coloureds

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<sup>77</sup>In 1972, ‘the country was divided into twenty-two regions, in each of which an Administration Board was set up. The Boards were to take on most of the functions previously exercised by municipalities in the administration of urban [blacks]’ (Maylam 1990: 68). The Boards were expected to be financially self-sufficient (principally through controlling municipal liquor monopolies), which implied further administrative fragmentation.

and Indians, and 74 percent for blacks (Kruger 1992: 180). Furthermore, in 1978 black people accounted for 70 percent of the 770 000 pensioners and received 43 percent of the amount spent on OPG benefits. By 1990, 67 percent of the total amount spent on the OPG was going to black pensioners (Van der Berg 1997: 487).

The slow movement towards deracialisation reflected a reluctant acceptance of the fact that the apartheid fiscal paradigm, premised on features such as the self-balancing principle and limited cross subsidisation, was failing (Van der Berg 1989a: 198). This meant that ‘once it was recognised that fiscal apartheid cannot be legitimately retained in an integrated economy and society, the implication was that horizontal fiscal justice across race boundaries was required’ (Van der Berg 1989b: 9). In the area of social assistance, practical ‘horizontal fiscal justice’ entailed taking steps towards deracialisation and equalisation. Despite the clear emergence of a such a trend<sup>78</sup> in the late apartheid period, change remained highly uneven. This is reflected by the fact that despite the progress in terms of the OPG and DG, average SMG benefit levels in 1987 for blacks was still only 17 percent of the white level (Kruger 1992: 180).

Nevertheless, the trend towards equalisation demonstrated an increased awareness of poverty among all groups, with the 1976 report of the Theron Commission on Coloured Affairs being regarded as the first sign of this increased recognition (Bromberger 1982: 186). The growing protest voice of the disenfranchised poor put further pressure on the state to carefully consider the impact of social assistance policy choices (Kruger 1992: 182). However, the government’s evermore heightened concern with equality in terms of social spending did not immediately translate into abandoning the ideal of apartheid.<sup>79</sup> Indeed, it can be argued that the period featured renewed efforts to consolidate ‘separateness’ through the introduction of the Bantu Homelands Citizenship

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<sup>78</sup>Kruger rightfully cautions against over-emphasising this trend, as means tests were probably not adjusted as rapidly as benefit levels (1992: 180). The implication is thus that weighted average composite benefit and means test levels most likely remained highly unequal.

<sup>79</sup>The struggle against apartheid indeed rose to a crescendo during the 1970s and 1980s because racial discrimination remained firmly entrenched.

Act in 1970, which compelled all black people to become citizens of the homeland that purportedly corresponded with their own ethnic group, regardless of whether they had ever lived there or not. It also removed their South African citizenship (RSA 1970).

The concept of separate governance was additionally strengthened through the introduction of the Tricameral Parliament<sup>80</sup> in 1984. However, the effect of these attempts to legitimate separate governance was ironically to further equalise social assistance spending. Indeed, a major impetus for expanding social assistance resulted from attempts to politically legitimate the homeland system and the Tricameral Parliament. The social assistance funds flowing to the homelands consequently rapidly increased, especially in terms of the OPG. Both coverage and benefit values for the elderly black population increased markedly, and ‘in 1993 there were almost twice as many black pensioners inside the homelands as outside’ (Van der Berg 1997: 487). Additionally, social assistance funding directed at the coloured and Indian communities also increased rapidly, with both coverage and benefit levels improving (Van der Berg 1997: 488).

Incorporating these small and relatively marginal groups into the social assistance system throughout the 1970s and 1980s was financially manageable (Van der Berg 1997: 488). The much bigger fiscal challenge arose once the principle of parity in terms of both benefit levels and means test thresholds across all groups was accepted in the late 1980s. The situation was further complicated by the rise of neoliberal economics and the discourse of fiscal conservatism. In South Africa, this resulted in an ‘increased insistence from government sources on the need to limit and even reduce the role of the state in the economy’ — also in terms of social assistance provision (Kruger 1992: 183). This resulted in a shift towards ‘residualism’ as part of the wider strategy to reduce state expenditure and shift the burden of welfare to individual consumers (Van Niekerk 2003: 366).

Because fiscal constraints thus precluded simply increasing expenditure on black social policies to match white levels, the focus instead shifted towards reducing entitlements traditionally earmarked

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<sup>80</sup>While the Tricameral Parliament theoretically granted limited representation to coloured and Indian South Africans, it also served to further embed the approach of separate governance for different groups.



for whites. This was achieved most readily in the area of social assistance, where the number of elderly and disabled poor whites who qualified under a regime of limited coverage was politically marginal (Van der Berg 1997: 488). Equalisation in terms of the OPG was thus achieved through a combination of enhancing black benefit levels (by an average of 7.3 percent each year from 1970 to 1993) and systematically eroding white levels. While in 1980 white pensions displaced more than 30 percent of average wages and black levels only displaced 8.6 percent, pension parity was achieved in 1993 with a universal wage replacement rate of 15.5 percent (Van der Berg 1997: 488). Figure 6.3 shows the outcome of this process of equalisation for the OPG.

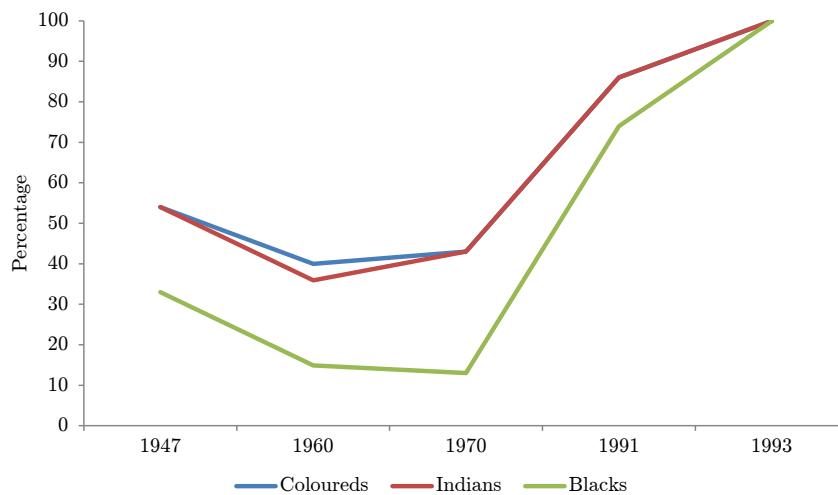


Figure 6.3: OPG Benefit Levels as a Percentage of White Level (Source: Kruger 1992; Van den Berg 1997)

The period also witnessed the introduction of two further social grants. The state created the FCG following the promulgation of the 1983 Child Care Act (RSA 1983). This grant was aimed at supporting foster parents who were caring for a child committed to their care by way of a court order (SALC 2002: 714). This was followed by the introduction of the Care Dependency Grant CDG<sup>81</sup> in terms of the Social Assistance Act of 1992, supporting the caregivers of disabled children

<sup>81</sup>Lund describes the administrative inefficiency that characterised this grant at that time by stating that ‘in 1996 it was still impossible to determine the number of CDGs. . . The CDG was applied for through the health department, but

(RSA 1992). Even with attempts to limit the fiscal impact of full equalisation and the elimination of racial barriers in terms of the OPG, the DG, the FCG, and the CDG (the implementation of the SMG meanwhile remained highly discriminatory), the effect was to rapidly increase overall social assistance spending. Spending on the OPG thus rose from 0.59 percent of GDP in 1970 (which was down from 0.8 percent in 1960) to 1.82 percent by 1993 (Van den Berg 1997: 487-488).

In spite of this development in relation to the deracialisation of some programmes, other fundamental social assistance norms that emerged during earlier periods remained wholly intact. Even as programmes were expanded to include more groups, overall coverage remained limited through not providing for impoverished people of working age, benefits remained unconditional and the orientation continued to be individualist. In fact, the process of deracialisation during late apartheid served to further embed these norms by beginning to extend them without alteration to cover the entire population.

### **Social Assistance at the End of Apartheid**

The preceding analysis demonstrates that the pre-1994 development of the South African social assistance system was inexorably tied to the overall process of state formation within a segregationist and eventual apartheid political economy. Table 6.1 provides a broad summary of the evolution of the system.

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delivered through the judicial services (magistrates' courts), and the records were held at these courts, individually, and never centralised. The welfare department simply did not know how many grants were being awarded' (2008: 19).

Period	Note
1921-1948	Introduction and fragmented expansion 1921-1936: Introduction 1936-1948: Fragmented and selective expansion
1948-1961	Contraction
1961-1994	Expansion and reduced inequality 1961-1980: Expansion 1980-1994: Deracialisation

Table 6.1: Evolution of the pre-1994 South African Social Assistance System (Source: Adapted from Driabe et al. 1995: 5)

When apartheid ended, social assistance provision had thus become

an outflow of [South Africa's] apartheid history, which allowed the tender plant of the welfare state to be artificially protected by racial barriers, and later accounted for the surprisingly rapid expansion of social security [through deracialisation] as the balance of social and political power changed (Van der Berg 1997: 500-501).

By the 1990s, many of 'the social pensions and grants which were set up to protect the white population [had] gradually expanded their eligibility rules to include all South Africans' (Lund 1993: 22). Despite this incorporation of other groups, the system nevertheless continued to reflect the underlying norms of the one originally created to protect the white population under the segregationist and apartheid paradigm. As a first step towards assessing the general landscape of social assistance at this time, table 6.2 indicates the social assistance programmes in operation by 1994. The striking conclusion is that the vast majority of the programmes in existence today were already established in the decades preceding the transition to democracy.

Name	Year Created	Target	Current Status
State Maintenance Grant	1921	Impoverished Children (0-18/22)	Defunct
Care Dependency Grant	1992	Disabled Children (0-18)	Operational
Foster Child Grant	1983	Foster Children (0-18)	Operational
Disability Grant	1936	Impoverished Disabled (18-65)	Operational
Older Persons Grant	1929	Impoverished Elderly (60+/65+)	Operational

Table 6.2: South African Social Assistance in 1994

In addition to bequeathing these programmes to the incoming government, the norm of only providing limited coverage through excluding the working age poor was also firmly entrenched during previous periods. Reconstructing South African lifecycle risks for 1994 indicates that it indeed mirrors the one currently in operation (with only slight differences in age eligibility) because it too excluded able-bodied impoverished people who were too old to receive the SMG,<sup>82</sup> and too young for the OPG.

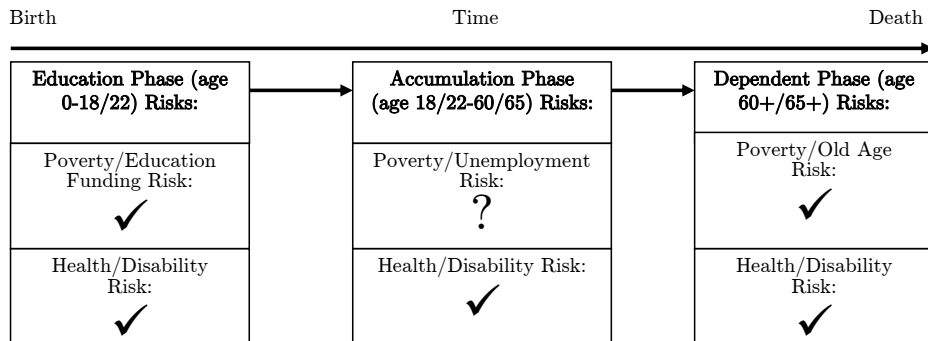


Figure 6.4: South African Lifecycle Risks in 1994 (Source: Adapted from Smith 2011)

Additionally, the core norms of unconditionally distributing benefit payments and assessing the

<sup>82</sup>While the SMG was legally available to all groups at this point, it practically remained a highly discriminatory programme that covered only a very small percentage of potential black beneficiaries

needs of potential beneficiaries through individualist means testing were also well-established during the preceding decades. Finally, despite the significant progress that had been made in deracialising the welfare state, the SMG remained a highly discriminatory social assistance programme by the end of apartheid. When democracy arrived in April 1994, South Africa had thus already constructed an elaborate social assistance system dating back some 70 years. This tumultuous historical process led to the deep entrenchment of particular social assistance norms (limited coverage, unconditionality and an individualist orientation) which would subsequently prove to have powerful path dependent effects upon the development of post-1994 social assistance policies.

### **6.2.2 The Legal Codification of Social Assistance Norms in South Africa**

The transition to democracy during the early 1990s represented a critical juncture with the potential to break the path dependent institutional stickiness that had developed through the entrenchment of productive social assistance policies and norms during previous decades. While the South African Constitution is often lauded as a highly transformative document that severed institutional ties with pre-democratic South Africa, the area of social assistance represents a clear case of institutional continuity (Sunstein 2001).

Instead of transforming them, the Constitution served to further embed productive norms into the political economy of social assistance by translating them into the country's supreme law. This process formalised institutional norms into concrete legal rules, enhancing their ultimate effect upon policy preference formation. This subsection reviews the constitutional provisions and policy White Paper related to the provision of social assistance in an attempt to illustrate the ways in which they served to embed the norms that were carried over from the pre-1994 period into the institutional framework of contemporary South Africa.

## **The Constitution (1996)**

The supreme source of institutional norms in South Africa is the Constitution, which was promulgated in 1996. Up until the adoption of this final Constitution, the country had functioned according to the provisions of a 1993 interim Constitution that arose from the negotiations between the NP and the African National Congress (ANC) to end apartheid. Negotiations and deliberations aimed at drawing up the text for the final Constitution continued after the overwhelming electoral victory of the ANC on 27 April 1994 and the subsequent inauguration of Nelson Mandela as President. The task of finalising the Constitution thus fell upon the Government of National Unity (GNU),<sup>83</sup> which adopted the final text on 11 October 1996. After being duly certified by the Constitutional Court, it was signed by President Mandela on 10 December and officially proclaimed on 18 December 1996. The Constitution came into full effect on 4 February 1997.

The South African Constitution is generally regarded as one of the most progressive in existence, and has even been described as ‘the most admirable Constitution in the history of the world’ (Sunstein 2001: 261). This is because it ‘gives extensive recognition to and entrenches not only so-called first generation (civil and political rights), [but] also so-called second and third generation fundamental rights (socio-economic and environmental rights, respectively)’ (Olivier 2002: 119-120). This is especially true with regards to the Bill of Rights, which bestows extensive rights in areas ranging from labour relations, the environment, land, housing, healthcare, food and water, and with particular regard to children, education, language and cultural rights, the rights of cultural, religious and linguistic communities, and just administrative action (Olivier 2002: 119-120; RSA 1996a: chapter two, sections 23-33). A further example of the entrenchment of a socio-economic

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<sup>83</sup>The interim Constitution provided for the establishment of a GNU, whereby any party with 20 or more seats in Parliament following the 1994 election could claim one or more Cabinet portfolios in government. The main purpose of the arrangement was to adopt the final Constitution in an inclusive manner. The NP announced its withdrawal from the GNU as soon as the final Constitution was effected on 4 February 1997, although the arrangement only officially lapsed at the end of the first Parliament’s term in 1999.

right is the right to social assistance.

Section 27 in the Bill of Rights of the Constitution discusses a range of rights, including the declaration in subsection (1) (c) that ‘everyone has the right to have access to...social security, including, if they are unable to support themselves and their dependents, appropriate social assistance’ (RSA 1996a). This framing of access to social assistance as a constitutional right amounts to a codification and powerful reinforcement of the pre-established institutional norm of unconditionality in the delivery of benefits.

Reading this section in conjunction with section 2 of the Bill of Rights — which states that ‘this Constitution is the supreme law of the Republic; law or conduct inconsistent with it is invalid, and the obligations imposed by it must be fulfilled’ — justifies the conclusion that ‘the fundamental right to access to social [assistance] is enforceable, because section 2 explicitly states that duties imposed by the Constitution must be performed’ (RSA 1996a; Olivier 2002: 122). This is further ‘fortified by the constitutional provision that the state must respect, protect, promote and fulfil the rights in the Bill of Rights’ (Olivier 2002: 122). The unambiguous language in the Constitution therefore effectively prohibits the implementation of conditional social assistance programmes, as withholding welfare payments on the basis of a failure to comply with conditions would be deemed unconstitutional (Interview 11).

However, in addition to establishing a firm rights-based approach to social assistance, section 21 (1) (c) cited above also laid the initial groundwork for entrenching the norm of providing only limited coverage by declaring that everyone has the right to social assistance ‘if they are unable to support themselves and their dependents’ (RSA 1996a). This had the effect of ‘locking in’ the principle of limited coverage (Bond 2014: 7). The Constitution furthermore introduces the principle of the ‘progressive realisation’ of certain rights. Section 27 (2) specifically elaborates on the right to social assistance by requiring that ‘the state must take reasonable legislative and other measures, within its available resources, to achieve the progressive realisation of [this] right’ (RSA 1996).

In this context, progressive realisation is thus regarded as a ‘qualifying subsection’ to the right to social assistance (SAHRC, 2009: iii). The United Nations Committee on Economic, Social and Cultural Rights (CESCR) defines the concept as constituting

a recognition of the fact that full realisation of all economic, social and cultural rights will generally not be able to be achieved in a short period of time. . . It is on the one hand a necessary flexibility device, reflecting the realities of the real world and the difficulties involved for any country in ensuring full realisation of economic, social and cultural rights. On the other hand, the phrase must be read in the light of the overall objective. . . which is to establish clear obligations for states in respect of the full realisation of the rights in question (1990: para. 9).

The concept is based on the recognition that socio-economic rights would generally not be realised in a short period of time, and it thus introduces ‘an element of some flexibility in terms of the obligations of states’ (Chenwi, 2010: 19).

The Constitution therefore indicates that, alongside the right of access, ‘financial viability’ is to be regarded as a key paradigm informing the development of social assistance in South Africa (Olivier 2002: 122). While the Constitution places an obligation on the state to ensure access to social assistance, it simultaneously allows a degree of elasticity in relation to three key aspects: ‘the progressive realisation of the right, the taking of reasonable measures and the availability of resources’ (Olivier 2002: 122). When read in conjunction with section 7 of the Bill of Rights, which declares that ‘the rights in the Bill of Rights are subject to the limitations contained. . . elsewhere in the Bill’, it becomes clear that the availability of resources is to be a key factor in determining whether the state is deemed to have taken ‘reasonable measures’.

In effect, ‘resource constraints could be a basis for the state justifying its rate of progress (or lack thereof) in achieving the full realisation of social [assistance] rights’ (Olivier 2002: 122). In this way, the concept effectively becomes a limitation that is placed upon the right to access social assistance. The significance of institutionally incorporating progressive realisation as the second pillar of constitutional social assistance rights is to legally entrench, legitimate and provide



constitutional justification for the already extant institutional norm of limiting access to social assistance programmes to those deemed ‘deserving’.

The Bill of Rights’ extensive incorporation of both negative and positive rights<sup>84</sup> further results in the inclusion of strong provisions on legal and social equality. Section 9 effectively amounts to a definition of individual equality that is more detailed than the Universal Declaration of Human Rights. It asserts that

everyone is equal before the law and has the right to equal protection and benefit of the law... The state may not unfairly discriminate directly or indirectly against anyone on one or more grounds, including race, gender, sex, pregnancy, marital status, ethnic or social origin, colour, sexual orientation, age, disability, religion, conscience, belief, culture, language and birth (RSA 1996a).

Within the context of an extremely socially and culturally diverse country such as South Africa, this focus on promoting individual equality effectively discourages the conceptualisation and definition of social assistance beneficiaries in terms of family structure, as this would almost inevitably involve normative definitions involving issues of marital status, religion, conscience, belief and culture.<sup>85</sup> These provisions thus make it clear that the Constitution encourages the institutional norm of assessing the needs of beneficiaries on an individualist basis.

The popular narrative asserts that ‘the South African Constitution is the world’s leading example of a transformative Constitution. A great deal of the document is an effort to eliminate apartheid “root and branch”’ (Sunstein 2001: 224-225). While there is undeniable truth to this general statement, the effort to eliminate institutional norms originating in the apartheid and pre-apartheid era ‘root and branch’ did not fully extend to the area of social assistance. Even though complete deracialisation was to be achieved (completing a process that had already been underway

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<sup>84</sup>Negative rights generally include first generation civil and political rights and largely oblige inaction (prevents infringement upon certain rights). Positive rights usually include second and third generation rights obliging an active pursuit of the fulfilment of these rights (Sunstein 2001: 221).

<sup>85</sup>See Lund 2008: 65 for a discussion of these ‘deep level problems’.

for some time), the fundamental systemic social assistance norms survived wholly intact in the new Constitution.

In the same vein, the Constitutional Court has argued that the Constitution ‘retains from the past only what is acceptable and represents a radical and decisive break from that part of the past which is unacceptable’ (ZACC 1996). In terms of social assistance, racial discrimination was deemed to be a wholly unacceptable part of the past. However, the Bill of Rights then implicitly deems as ‘acceptable from the past’ the three core norms underwriting the social assistance system in South Africa: a structure of limited coverage, featuring an unconditional approach and an individualist orientation. The Constitution effectively codified legal and institutional norms that allowed for the further entrenchment of a productive social assistance system in the political economy of post-apartheid South Africa.

### **The White Paper for Social Welfare (1997)**

The adoption of the Constitution was followed by the publication of the White Paper for Social Welfare (WPSW) in August 1997 (RSA 1997b). The DSD describes it as ‘the primary policy document [serving] as the foundation for social welfare in the post-1994 era’ (DSD 2014). It is meant to further express the social welfare provisions introduced in the Constitution by articulating the ‘principles, guidelines, recommendations, proposed policies and programmes for... social welfare in South Africa’ (Potts 2012: 76). The way in which the WPSW builds on the abovementioned constitutional provisions further reinforces the institutional norms associated with a productive social assistance system.

In addition to the need for completing the process of deracialisation through phasing out ‘all disparities in social welfare programmes’, the document echoes the Constitution’s effective entrenchment of an unconditional approach through stating that

the government will take steps to ensure the progressive achievement of... appropriate social assistance for those unable to support themselves and their dependents... to give effect to the

constitutional right to social security (WPSW 1997: 21; 45).

In this regard, the WPSW takes ‘the lead from the [newly introduced] constitutional right of access to social security’, acknowledging the salience of this rights-based approach and the related norm of unconditionality (Lund, 2008: 13).

The WPSW further builds on the constitutional caveats of limiting social assistance to those who are ‘unable to support themselves and their dependents’ and financial viability through ‘progressive realisation’ by introducing the paradigm of ‘developmental social welfare’ to serve as the overall principle guiding policy formulation (RSA 1997b). The concept is

geared towards providing citizens with an ‘opportunity to play an active role in promoting their own well-being’. The priority on individual self-activation, under the guise of ‘empowerment’ discourse, was combined with a view of social security and social services as ‘investments which lead to tangible economic gains’. Public spending expansion was seen as dependent on economic growth in a context where ‘the high expectations of many people for the new democratic government to deliver welfare services and programmes to address pressing needs cannot be fully met in the short-term’. Market forces, productivism and individual responsibility came therefore to provide strict constraints to redistributive and decommodifying policy interventions (Barchiesi 2005: 343).

The priority assigned to providing only limited coverage through a residual system that excludes the ‘non-deserving’ poor (unemployed able-bodied people of working age) is forthrightly expressed in chapter 8 of the WPSW: ‘whilst welfare programmes should be available to all South Africans, the focus must be on the poor, those who are vulnerable and those who have special needs’ (RSA 1997b: 8.4). This approach, based on providing limited coverage, is furthermore explicitly framed in macroeconomic terms through the admission that ‘fiscal constraints’ make it impossible ‘for the welfare function to grow in real terms in the medium term’ (RSA 1997b: 8.11). The resulting ‘residualist orientation accompanied its emphasis on reducing dependence on state social assistance and increased self-reliance’ (Barchiesi 2005: 344).

The WPSW explicitly strives for the construction of a productive social assistance through framing the state as a ‘provider of last resort’, advocating for ‘more stringent and appropriate means testing and eligibility requirements’ and programmes intended to ‘divert people from the welfare system’ (RSA 1997b: 45; 22). The document

ultimately and ‘programmatically’ departs from approaches based on universalism of access and decommodification of provision, by promoting further selectivity and privatization. To reinforce the point, wage labour discipline is presented as a stark alternative to welfare ‘dependency’ (Barchiesi 2005: 345).

According to the WPSW’s logic, social assistance should be oriented to the economy’s needs — not to the needs of society (Bond 2014: 4). This rationale leaves no space for social assistance programmes to support ‘the [able-bodied] 35 to 40 percent of the working age population who cannot find work or even engage in informal entrepreneurial activity’ (Bond 2014: 4). The WPSW unambiguously sets out an institutional path towards constructing a productive social assistance system in South Africa.

### **6.2.3 Social Assistance Norms in South Africa**

This section has examined the way in which the social assistance norms associated with South Africa’s productive system came to be deeply institutionalised in the country’s contemporary political economy. It illustrates that the rudimentary origins of the current system can be traced back to the policies that were initially enacted during the period of segregationist and apartheid state construction over a period of eight decades. The principles of limited coverage, an unconditional approach and an individualist orientation all originated through this historical process.

The discussion also highlighted the fact that these norms were not discarded during the transition to democracy in the early 1990s. Instead, these principles remained unaltered as they were legally codified in the 1996 Constitution and expanded upon in the WPSW of 1997. The historical institutional context facing policy actors hoping to define the contours of social assistance in demo-

cratic South Africa was thus clear: they were operating within a policy environment where distinct institutional norms were not only historically deeply entrenched, but had also been constitutionally embedded. The effect of this high level of entrenchment was to significantly reduce the policy options available to actors through the mechanism of path dependence as they looked to define social assistance in a democratic South Africa from 1994 onwards.

### **6.3 State Structure**

In addition to the historical development and legal codification of particular norms, the institutional context facing policy actors was further shaped by contemporary South Africa's highly concentrated state structure. This section thus addresses the second independent variable through examining the way in which the centralisation and concentration of political power in post-apartheid South Africa influenced the institutional context and, ultimately, the capabilities and preferences of actors. It takes a broad approach to defining state structure, focusing both on the formal state institutions shaping policymaking capacity and the way in which political power was practically distributed.

The initial section details the formal institutional and organisational structure of the state, highlighting the way in which social assistance policymaking capacity was wholly centralised in the national DSD. This is followed by an examination of the distribution of political power in post-apartheid South Africa, a discussion which serves to highlight the extreme concentration of power in the hands of the ANC. Synthesising these two elements culminates in the conclusion that in terms of the institutional capability to formulate and enact social assistance policy, South Africa features a highly concentrated state structure. The capacity to determine social assistance policy is solely vested in the national government, while said national government has been, and continues to be, politically entirely dominated by the impressive electoral majorities of the ANC.

### 6.3.1 Concentrated Institutional Structure

The South African Constitution elucidates the organisational structure of the contemporary South African state. The country is a constitutional democracy with a three-tier system of national government and features an independent judiciary (GCIS 2012a: 286). Legislative authority is vested in the national Parliament, reflecting the fact that South Africa is governed according to a parliamentary system. Parliament itself is firstly composed of the National Assembly (NA), which constitutes the lower house.

According to section 46 of the Constitution, between 350 and 400 representatives are elected to the NA every five years through a closed party-list proportional representation system, where half of the members are proportionally elected from the nine provincial party lists and the other half are chosen from national lists (RSA 1996a). The upper house of Parliament is the National Council of Provinces (NCOP). The function of the NCOP is to ensure that provincial interests are represented during the national legislative process (Parliament 2014). Section 60 of the Constitution stipulates that the NCOP 'is composed of a single delegation from each province consisting of ten delegates', thereby giving equal representation to all provinces, irrespective of population size (RSA 1996a).

Section 91 of the Constitution further specifies that executive authority is vested in the Cabinet, which is composed of the President, Deputy President, Ministers and Deputy Ministers (RSA 1996a). The President appoints and assigns the powers of the Deputy President and Ministers, and may dismiss them. The Deputy President and Ministers (save for two) are selected from among the members of the NA. The President furthermore appoints a member of Cabinet to be the leader of government business in the NA. In turn, the President is elected from among the members of the NA (RSA 1996a: 86). Once elected President, 'a person ceases to be a member of the NA and, within five days, must assume office by swearing or affirming faithfulness to the Republic and obedience to the Constitution' (RSA 1996a: 87). The President serves a five year term of office, and 'no person may hold office as President for more than two terms' (RSA 1996a: 88).

The third tier of national government is the judiciary, with judicial authority being vested in the courts. Courts are wholly independent and subject only to the Constitution and the law, which they are required to apply impartially and without fear, favour or prejudice. Organs of state are constitutionally required to assist and protect the courts (RSA 1996a: 165). The highest court in the land is the Constitutional Court, followed by the Supreme Court of Appeal, the High Court of South Africa and the Magistrates' Courts (RSA 1996a: 166). The country features a hybrid legal system, primarily consisting of a Roman-Dutch civil law system, a British system of common law, as well as elements of African customary law (SCA 2014).

In addition to the national layer, the country also features provincial and local governmental spheres. The nine provinces have their own provincial legislatures, with members being elected through a closed party-list proportional representation system and which consist of between 30 and 80 members (RSA 1996a: 105). Provincial executive power is located in the office of the Premier and their Executive Committee. Managed according to chapter seven of the Constitution, the local government level includes 226 local municipalities and 44 district municipalities (RSA 1996a). The executive and legislative authority of a municipality is vested in its Municipal Council. Municipalities have the right 'to govern, on their own initiative, the local government affairs of its community' (RSA 1996a: 151).

Importantly, schedules four and five of the Constitution specify the areas of concurrent national, provincial and local legislative competence. Although the Constitution thus nominally contains certain weak federal elements, the country 'is largely a unitary state' (Ile 2007: 2). In fact, the South African case closely mirrors Ile's definition of a unitary state as

a type of government that seeks to concentrate power at the centre for various reasons. It may de-concentrate power to other subunits of government to enable it to achieve its objectives. This means that such governmental subunits are mere extensions of the central government or agencies of the central government (2007: 15).

This statement is particularly true in the case of social assistance policies. According to these formal

institutional arrangements, welfare (including social assistance) policymaking is strictly a national competency in South Africa.

Only the national government has the constitutional authority to design social assistance programmes (Interview 1; Interview 2). The Constitutional Court has further independently affirmed ‘that social assistance is a national government competence’ and that only a national government entity has ‘the competence to administer social assistance’ (Interview 2). SASSA was subsequently set up in the wake of this ruling as a subsidiary of the national DSD to implement all social assistance programmes, thereby further reflecting the extreme degree of centralisation of social assistance policymaking and provision in South Africa. The result is that subnational political units have no control or authority over the formulation or implementation of social assistance policies, with all such authority being vested in the national DSD.

### **6.3.2 Political Power Concentration**

This highly concentrated policymaking structure, derived from the formal institutional configuration, is further reinforced through the reality of political power distribution in South Africa. Figure 6.5 illustrates that ever since the onset of democracy, the country has been a single-party dominated state, where ‘multiple parties compete for power, but only one party wins consecutive elections’ (Wieczorek 2012: 29).<sup>86</sup>

Under the leadership of Nelson Mandela, the ANC won its first general election in 1994 with 62.65 percent of the vote (AED 2014). This increased to 66.35 percent in 1999 when Thabo Mbeki became President, followed by a showing of 69.69 percent in 2004 (enough support to achieve the

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<sup>86</sup>It is worth briefly considering the underlying reasons for this political power concentration in the hands of the ANC. The defining role played by the country’s apartheid history has resulted in a situation where politics is largely defined by racial nationalist discourse. As the party of liberation, the effect of the ANC’s nationalist legitimacy has been to entrench its political support throughout the period under examination. This resulted in the postponement of class mobilisation and the associated potential proliferation of political power, allowing the ANC to exclusively direct policy design in a top-down manner.



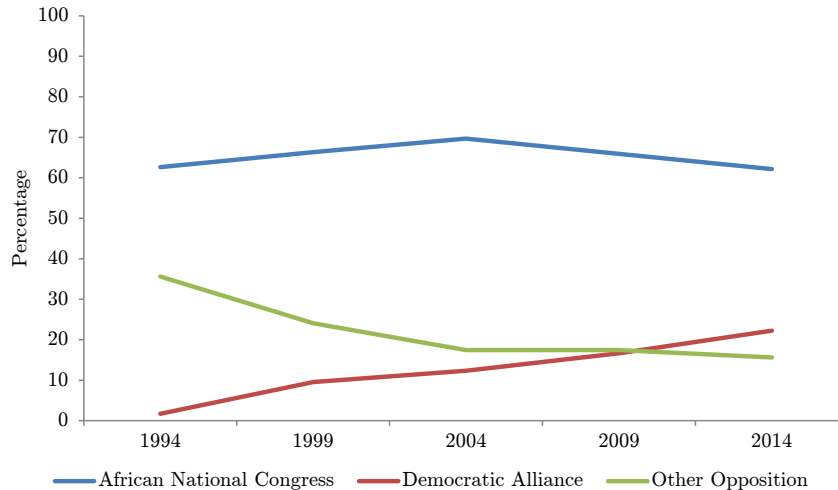


Figure 6.5: Electoral Support, General Elections (1994-2014) (Source: AED 2014)

two-thirds majority required for constitutional change) (AED 2014). The party got 65.90 percent when Jacob Zuma became President in 2009, followed by 62.15 percent in 2014 (AED 2014). The period has witnessed a small consolidation of the opposition vote, with the Democratic Alliance (DA)<sup>87</sup> being the primary beneficiary. The party managed to increase its share of the national vote from 1.73 percent in 1994 to 22.23 percent in 2014 (AED 2014).

The same one-party logic is visible in terms of provincial and local government, although opposition parties have been marginally more successful in these spheres. The ANC controlled seven out of nine provinces after the 1994 elections, eight out of nine following the 1999 election, all nine provinces after the 2004 elections, and again eight out of nine following the 2009 and 2014 general elections (IEC 2014). The party has also consistently governed more than 90 percent of the country’s municipalities since 1994 (IEC 2014). The overall conclusion suggested by the data is clear: in contemporary South Africa, political power is highly concentrated in one party and political ‘constraints on the ANC are very weak’ (Giliomee, Myburgh & Schlemmer 2001: 163). The combination of one-party dominance and the strong unitary features of the state outlined above

<sup>87</sup>The Democratic Alliance was known as the Democratic Party prior to the 2004 general election.

means that social assistance policymaking authority is thus highly concentrated in South Africa.

## 6.4 The Institutional Setting

The preceding sections of this chapter have served to outline the South African institutional context. The analysis indicates that social assistance norms regarding coverage, conditionality and orientation were historically deeply entrenched, preserved and constitutionally codified during the transition to democracy; and that both the formal institutional composition of the state, as well as the de facto distribution of political power, means that South Africa features a highly concentrated state structure — particularly in terms of social assistance policymaking capacity. Table 6.3 consequently summarises the South African case in terms of the study’s independent variables.

Case	(IV1) Institutionalisation of Norms	(IV2) Concentration of State Structure
South Africa	High	High

Table 6.3: Independent Variables – South Africa

## 6.5 Institutions, Actors and Social Assistance in South Africa

It is important to pause here and emphasise that this concludes the first part of the two-step ACI analytical procedure.<sup>88</sup> As discussed in chapter two, this framework

proceeds from the assumption that social phenomena are to be explained as the outcome of interactions among intentional actors. . . but that these interactions are structured, and the outcomes shaped, by the characteristics of the institutional settings within which they occur (Scharpf 1997: 1).

The preceding sections thus set the scene for an examination of the way in which the South African institutional setting shaped the distinct preferences of policy actors, and how these preferences were

<sup>88</sup>This section further develops and expands upon some initial insights previously published in Schreiber 2014.

ultimately translated into concrete social assistance policy outputs.

This is possible because ‘once we know the institutional setting of interaction, we know a good deal about the actors involved, about their options, and about their perceptions and preferences’ (Scharpf 1997: 41). Analysing the way in which actors embedded within the previously specified institutional setting went about the process of policy formulation initially entails articulating the relevant actor constellation and deducing their institutionally-derived preferences, followed by an empirical examination of the way in which interactions among members of this policy community ultimately determined the shape of South Africa’s productive social assistance policy regime.

The shape of the South African social assistance policy community was itself determined by the country’s concentrated state structure. Due to this institutional configuration — where only the national government had the constitutional authority to formulate social assistance policy — the primary venue for policymaking since 1994 has been the national DSD. The Department has been headed by six different Ministers since then, all from the ANC. This setting witnessed the emergence of a distinct group of actor sets comprising the social assistance policy community and driving the policy development process.

The first such set was national state actors,<sup>89</sup> composed of bureaucrats from the national DSD, national politicians and state legal advisers (Schreiber 2014: 269). Although this was undoubtedly a highly diverse group of individual actors, they are treated as a collective due to the fact that they were ‘institutionally constituted’ according to the same set of ‘pre-existing rules and that they depend on [this same set of] rules for their continuing existence and operation’ (Scharpf 1997: 39). This allows them to ‘coordinate their choices within a common frame of reference that is constituted by institutional rules’ (Scharpf 1997: 39). These actors were all operating directly under the rules of the institution that is the national government sphere.

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<sup>89</sup>For stylistic reasons, the remainder of this chapter will interchangeably refer to this group as ‘state actors’, but strictly in reference to state actors at the national level.

The second composite group of actors that featured in the policy development process were civil society actors. This actor set was composed of ‘independent experts...economists, representatives from civil society organisations and academic researchers’ (Schreiber 2014: 269). This was quite clearly also a highly diverse set of individuals, but they are treated as a composite group due to the fact that they too were governed by a common set of pre-existing rules upon which they depended for their continuing existence and operation; this group of actors all operated under the rules which guided external interaction with the national government.

Interactions within this policy community translated institutionally-derived preferences into concrete social assistance policy outputs in South Africa. The nature of these interactions was moulded by the rules governing engagements between national state actors and civil society actors. It is important to note once more that only national state actors ultimately had the authority to formulate policy. No politician from the provincial or local government sphere, or activist lobbying the national DSD, could directly determine policy outputs (Interview 2). Instead of having direct influence, the principal interaction avenue that was open to civil society actors came in the shape of central government commissions.<sup>90</sup>

Such commissions were created by the national DSD on an ad hoc basis as a formal venue for civil society actors to provide input on social policy formulation. This mode of interaction however featured highly

unequal power relations, with state actors having the upper hand. This is because civil society actors were dependent on the state actors for their legitimacy. The committees were created by the very actors who were ultimately to consider their reform suggestions. Power resided with state actors, because any particular reform recommendation made by civil society actors could not be implemented without their approval. This observation serves to emphasise the role of power relations (Schreiber 2014: 268).

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<sup>90</sup>The discussion in section 6.2 makes it clear that establishing advisory commissions composed of external ‘experts’ was a deeply engrained practise in South Africa, perhaps itself constituting an institution of sorts.

As a result, the characteristic mode of interaction in the South African case was hierarchical direction (Scharpf 1997: 171-194).

The role of the institutional setting was however not limited to shaping the interactions within the policy community; it also decisively influenced the very preferences held by actors (Scharpf 1997: 1; 21). The preceding description of the institutional framework allows us to glean a great deal of information about the preferences held by these two actor sets. At the most fundamental level, the analysis proceeds from the assumption that state actors were in all cases motivated to attain or retain power<sup>91</sup> (Davis, Hinich & Ordeshook 1970: 438). In the South African context, the overwhelming electoral majorities of the ANC however meant that these actors faced ‘little immediate electoral incentive’ (Seekings 2008: 35). They were therefore insulated to a significant extent from the pressures of electoral competition, with very little fear that they would be removed from power. In policy terms, this meant that there was no need for ANC actors to distinguish themselves from the competition, as there was no real competition.

In terms of their specific preferences, constitutional provisions firstly prioritised the process of deracialisation and equalisation of welfare programmes which had commenced during the previous decade. The language contained in the Bill of Rights was clearly incompatible with racially discriminatory policies, which meant that ‘there was a constitutional imperative that it could not only be provided for one racial group and not for the others’ (Interview 11). As outlined above, the declarations contained in section 27 of the Bill established a preference for an individualist, rights-based approach to social assistance (RSA 1996a; Interview 11). State actors were further influenced by the provisions related to ‘fiscal constraints’ and ‘progressive realisation within available resources’, as outlined in section 27 (2) of the Constitution and the WPSW (RSA 1996a; RSA 1997b: 8.11). This had the effect of creating an additional preference for fiscal restraint (Bond 2014: 10; Seekings

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<sup>91</sup>This well-established inference ‘assumes that the candidate’s objective is to maximise his plurality. Although the rewards [actors] seek vary, it is important to note that winning, at the very least, is instrumental for realising most such goals’ (Davis et al. 1970: 438).

2007: 384). The preferences of state actors thus arose in an institutional context characterized by a strict rights-based approach, fiscal restraint and individualism — premised on continued political and policymaking power concentration. This structure encouraged a top-down process of policy preservation predicated on the political insulation of national state actors.

In sharp contrast to this, the preferences of civil society actors were largely determined by functional factors. These actors repeatedly expressed a desire to ‘solve the problem’ as they saw it (Lund 2008: 25). Positioned outside the institutional constraints of the central government, the preferences of this actor set were ‘directly influenced’ by the perceived features, and functional shortcomings, of the social assistance system the country inherited from its apartheid past (Schreiber 2014: 271). The result was a thoroughgoing preference for functional effectiveness, with civil society actors agitating for the creation of a system that could above all be deemed ‘appropriate’ and ‘effective’ (Woolard & Leibbrandt 2010: 11; Schreiber 2014: 274).

The fact that national state actors and civil society actors occupied different positions within the institutional setting meant that they had different answers to the question: what should the post-apartheid social assistance system look like? State actors were primarily concerned with preserving the deeply embedded norms of limited coverage, unconditionality and an individualist orientation. In partial contrast, civil society actors were largely concerned with implementing functionally appropriate interventions. These divergent preferences, combined with the institutional rules guiding interactions within this policy community, set the scene for the interactions which would ultimately lead to the development of the country’s contemporary social assistance system.

## **6.6 The Policy Development Process**

Having specified the institutional setting, actor constellation, modes of interaction and the distinctive preferences held by different groups of actors, this subsection proceeds to empirically trace the way in which interactions between actor sets translated these preferences into concrete policy

outputs. The discussion highlights the way in which the high level of institutionalisation of norms related to social assistance, combined with a highly concentrated state structure, led to the entrenchment of a productive social assistance system in South Africa. The analysis is subdivided into three chronological parts: an initial period (1994-1999) which saw the first round of policy formulation, a second period that witnessed largely failed attempts by civil society actors to undertake comprehensive reforms (1999-2009), as well as a final section (2009-present) characterised by systemic expansion and consolidation.

### **6.6.1 Initial Policy Design (1994-1999)**

The first step in the policymaking process was taken shortly after the April 1994 elections, with the appointment of the Lund Committee on Child and Family Support (hereafter ‘Lund Committee’ and ‘the Committee’) by the Minister of Welfare and Population Development<sup>92</sup> in December 1995. The Committee was headed by Francie Lund, a leading expert in social security research, and was further composed<sup>93</sup> of economists, representatives from civil society organisations, organised labour and Non-Governmental Organisations (NGOs) (Lund 2008: 22-23). Its aim was to make

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<sup>92</sup>This is the previous name of the DSD.

<sup>93</sup>In addition to being chaired by Lund, the Committee consisted of economists Pieter le Roux and Servaas van der Berg; Laura Kganyago from the Rural Women’s Movement; Jackie Loffell of the National Committee for the Rights of Children; Marilyn Setlalentoa from the National Welfare, Social Services and Development Forum; Jean Triegaardt of the Joint University Committee for Social Work; Ndivhuho Sekhoba from the Maintenance Action Group; academic Debbie Budlender; Marj Brown of the Black Sash; Marion Stewart from the Programme for Unemployed Women with Children; and Este Lohrentz of the national Department, who was there in the role of secretariat (Lund 2008: 22-23).

recommendations for the reform of the state's family support system<sup>94</sup> (Patel 2011: 369).

The Committee's terms of reference 'can be read to signify the acceptance by the welfare ministry of the discourse of targeting and limited assistance' (Lund 2008: 25). While the appointment of the Committee signalled a certain level of trust in the expertise of external experts, the Committee 'crucially lacked any institutional and policymaking power' (Schreiber 2014: 269). The outcome of interactions between these external civil society actors and the national state actors that had appointed the Committee were to provide the first concrete social policy outputs in post-apartheid South Africa.

The Committee convened for the first time on 1 December 1995, with the first full meeting taking place on 9 February 1996 (Lund 2008: 19). Committee members largely interpreted the heart of their mandate as 'solving the problem of the SMG' (Lund 2008: 25). As outlined in section 6.2.1, racial parity had largely been achieved by 1993 in terms of individual grants, with the SMG being the primary exception. For the Lund Committee, fulfilling their mandate by 'solving the problem of the SMG' meant that the content of their reform recommendations would be determined exclusively by functional interpretations of what they concluded to be the SMG's shortcomings.

By this time, the grant had been an entrenched feature of the social assistance system for more than 70 years. Legally, it was available to a parent or guardian<sup>95</sup> living with a child younger than 18 years (this age limit was extended to 22 if the child was in secondary or tertiary education) (Haarmann 1998: 144; Lund 2008: 62). The requirements for qualification included that the parent

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<sup>94</sup>The precise mandate called on the Committee to undertake a critical appraisal of the existing system of state support, in all departments, to children and families; to investigate the possibility of increasing parental financial support through the private maintenance system; to explore alternative policy options in relation to social security for children and families as well as other anti-poverty, economic empowerment and capacity-building strategies; to develop approaches for effective targeting of programmes for children and families; and to present a report giving findings and recommendations (Lund 2008: 24).

<sup>95</sup>For most of its life span the SMG was only available to female caregivers and it was only in 1992 that it was extended to include males.



or guardian had been deserted by the spouse for more than six months; was widowed, separated or unmarried; had a spouse who had been in a drug treatment centre, prison or similar facility for more than six months; or had a spouse who had been declared unfit to work for more than six months or was receiving a social grant themselves (Lund 2008: 15). The SMG was unconditional.

It also featured a complicated two-pronged means test, with the actual cash transfer also consisting of two components. Firstly, qualification for the monthly flat rate child payment of R135 (US\$24) per child was limited to those applicants with monthly earnings below R1 118 (US\$202) for a single income and below R2 236 (US\$404) for a dual income (when one partner received a disability grant) (Haarmann 1998: 81). The child payment was traditionally available for up to four children, but in 1992 this was reduced to two (Lund 2008: 15). The second part was a caregiver allowance with a maximum pay-out of R430 (US\$78) per month (Haarmann 1998: 81).

However, this component featured another, extremely rigid means test. For every R1 (US\$0.18) earned above R258 (US\$47) per month, 50 cents (US\$0.09) was deducted from the maximum of R430 (US\$78). This continued until the minimum pay-out level of R90 (US\$16) was reached (Haarmann 1998: 144). This meant that the total value of the grant for a caregiver with a single child varied from R225 (US\$40) to R565 (US\$102) per month. Qualification for the caregiver component was further predicated upon an applicant being a single parent with a child falling within the appropriate age range. An applicant was not eligible if they received private maintenance and it had to be proven that an attempt was made to obtain private maintenance from the partner or other parent of the child through the private system.

In 1995/96, South Africa's welfare budget totalled R13.4 billion (US\$3.1 billion) (RSA 1995b: 4.10). The SMG's share of the expenditure on social grants was R1.2 billion (US\$279 million) — approximately 9 percent of the total welfare budget (Haarmann 1998: 83). It represented 84 percent of total social assistance spending directed at child and family care, indicating its undisputed position as the most significant intervention in that regard (Lund 2008: 14). Calculations for the

projected costs of maintaining the existing SMG system but extending it to the entire eligible population through deracialisation and equalisation ranged from R12 billion (US\$2.7 billion) to R13.7 billion (US\$3.2 billion) (Lund 2008: 18; Haarmann 1998: 88). The latter total would have exceeded the country's entire welfare budget.

A vital de facto feature of the SMG was that it continued to be tremendously skewed in racial terms. Indeed, 'black children [were] almost entirely outside the system, for the few who [did] receive grants, the average grant size [was] much smaller than for the other races' (Dlamini & Simkins 1992: 70). Additionally, the system of providing the SMG had become so fractured that the impression existed that 'Pretoria really did not have control over what was being implemented with regard to this particular grant' (Lund 2008: 16). Dysfunction, uncertainty and ambiguity prevailed. The implication of the priority assigned to providing the SMG principally to whites, Indians and coloureds while severely neglecting blacks, combined with the administrative chaos, was that although black children were by far the poorest and most vulnerable, very few of them actually received the SMG. This was in contrast to coloured and Indian children, who were less impoverished but constituted the biggest beneficiary pool. Some white children also qualified and got the grant, but due to much lower poverty levels among this group the demand was simply not very high.

Statistics from 1993 (the last year for which racially disaggregated welfare spending data is available) indicates that 5 percent of coloured children, 4 percent of Indian children, 1.4 percent of white children and only 0.2 percent of black children were in receipt of the SMG (Lund 2008 as cited in Woolard & Leibbrandt 2010: 8). This was despite the fact that out of all impoverished people in South Africa in 1996 (defined as less than R250 (US\$45) per month) 91 percent were black, 7 percent were coloured, 1 percent were Indian and 1 percent were white (Leibbrandt, Woolard & Woolard 2007: 15).

When this fact is interpreted in conjunction with figure 6.6 below, it meant that even though

the vast majority (91 percent) of poor individuals in South Africa were black, this group was only receiving about 1.8 percent of all funds allocated through the SMG. There was thus a complete mismatch between those in need of child-directed social assistance and those actually receiving it. This is vividly illustrated in figures 6.6 and 6.7, with figure 6.8 showing that the situation persisted for multiple decades. These features meant that the SMG was by no means a functionally effective programme.

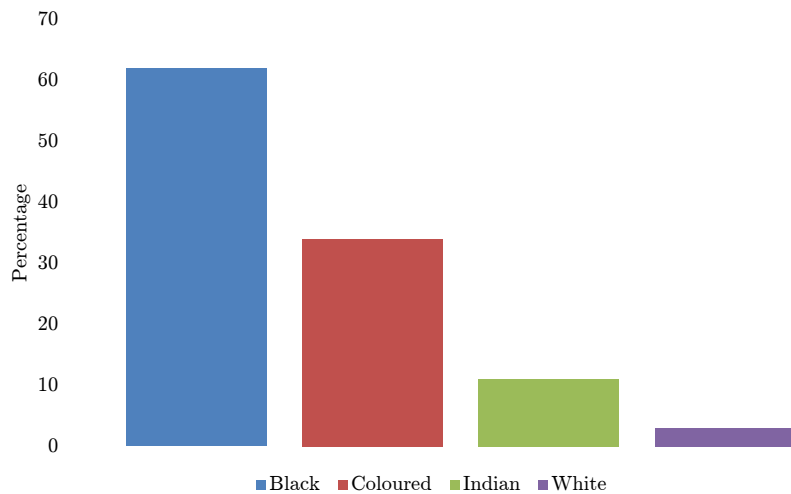


Figure 6.6: Poverty Headcount Ratio by Population Group at R250 (US\$45) per month (1996) (Source: Leibbrandt et al. 2007)

Beyond the desire to remove these racially discriminatory elements which were severely limiting the grant’s ability to combat poverty among the majority of children, the Committee further concluded that the SMG’s effects were being diluted through operational assumptions that were inappropriate in the South African context (Woolard & Leibbrandt 2010: 11). As discussed in section 6.2.1, it was originally designed in the 1920s to protect white family life (Lund 2008: 15). The focus was very much on single mothers who were widowed or had been abandoned by their spouses and excluded all other potential family scenarios. The inference of this approach was that the SMG assumed a nuclear family configuration where both a father and mother were present to be

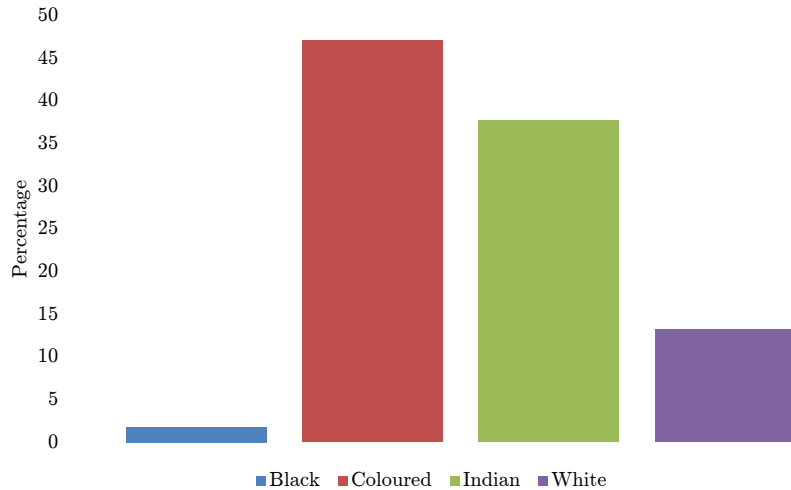


Figure 6.7: Percentage of SMGs received by Population Group (1993) (Source: Author’s calculations based on figures provided by Lund 2008 as cited in Woolard & Leibbrandt 2010: 8)

the norm, with only those ‘fringe’ cases involving widowhood or disability requiring state support.

Moreover, it clearly reflected a belief in the prevalence of near-full employment where access to paid work was typical, as evidenced by the exclusion of (paternal) unemployment and low wages as valid grounds for qualification. It assumed that unemployment and poverty was not a widespread problem and that for a (white) family to be caught in such a position was somewhat irregular. It thus clearly reflected the assumptions that — initially only within the white community — families largely consisted of a married father and mother living together and raising children; unemployment and poverty was not a widespread problem; and that support was largely needed when men were unable to provide for their families due to abandonment or disability.

Comparing these underlying assumptions to the reality of the situation throughout all communities in South Africa during the 1990s, the Committee concluded that they were entirely inappropriate and severely limiting the SMG’s effectiveness (Lund 2008: 80). The majority of households living in poverty often contained three or four generations, both in rural and urban areas. Poorer households thus tended to be much larger than richer ones (RSA 1996b). The legacy of the migrant labour

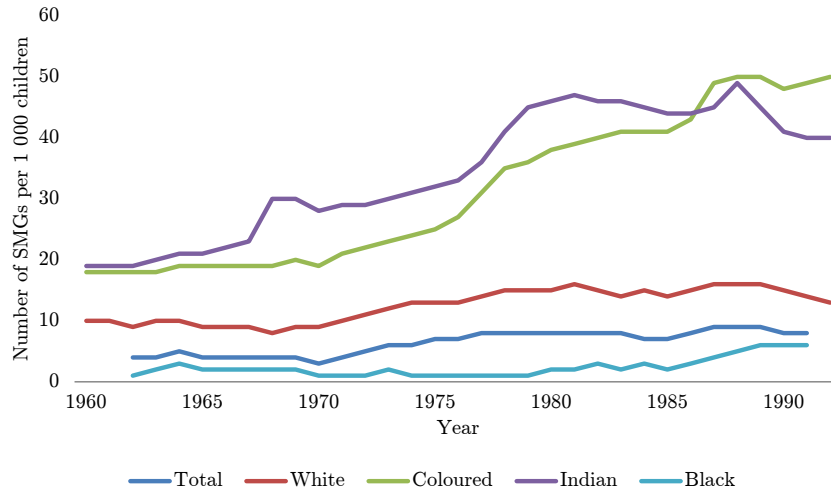


Figure 6.8: Number of SMGs per 1 000 children aged 0-17 (Source: Van der Berg 1996 as cited in RSA 1996b and Haarmann 1998)

system was also evident in these households, as the ‘middle’ generation was often missing due to the father or mother working in a different area or having died (RSA 1996b).

This problem was especially pronounced in the case of fathers, although the precise extent was unknown.<sup>96</sup> Large numbers of men established dual households: one in the traditional rural area and one in the urban centre where these labourers went to work, resulting in the eventual establishment of two permanent households (RSA 1996b). Subsequently, in 1996 the proportion of children with absent fathers who were still alive stood at 42 percent (SAIRR 2011: 2). Moreover,

a frequent occurrence [was] that a mother has a child with one partner, out of a formal union. When she has a child later with another man, he will not agree to care for another man’s child. She leaves the child or children with her own mother, or aunt, or other traditional guardian (RSA 1996b).

The outcome was that by 1995 less than half of all black children under seven years old lived

<sup>96</sup>There are various technical problems related to the process of capturing data related to this subject in surveys, including reasons for non-disclosure.

with both parents, and fully 20 percent of South African children were not living with either of their parents (Budlender 1996; SALDRU 1993). A very significant proportion of children were thus not being continuously parented by either or both of their parents (RSA 1996b). Household boundaries were extremely fluid, with family members and children themselves being moved around in search of better opportunities. While it is possible that caregivers other than parents may be able to provide quality care, the fact is that there was ‘a sequence of different caregivers, and generations of children [were] brought up with no parental role models’ (RSA 1996b).

Another prominent shortcoming of the SMG’s assumptions about family structure was a cultural one. The fact that high numbers of children were born outside formal partnerships was extremely problematic with regards to the grant’s supposition that only nuclear family structures were legitimate. The existence of different cultures and customs where betrothal is not necessarily an event but a process during which a child may be born; the birth of children culturally considered to be entirely legitimate into formal polygamous relationships; and the side-by-side existence of ‘Western’ and traditional values and systems of paternal obligations within the South African context meant that the entire concept of ‘illegitimacy’ was problematic (RSA 1996b).

The members of the Lund Committee were thus convinced that the SMG’s exclusive focus on nuclear family structures stigmatised other household forms by not incorporating such structures into the benefit, limiting its overall effectiveness (RSA 1996b). They also deemed it to be inappropriate due to the fact that it regarded problems of unemployment and poverty to be fairly limited. Statistics from the time reveal that in 1994 the official unemployment rate stood at 20 percent, one of the highest figures in the world (World Bank 2013a). Similarly, the data reveals that in 1993 the overall poverty rate was 24.3 percent (World Bank 2013b). Overall, economic and social deprivation was clearly widespread. The outcome was that the Committee not only wanted to deracialise the system of child support; they also desired a move away from the misguided assumptions that formed the basis of the SMG and led to its ineffective operation (Lund 2008: 24).

The first set of recommendations produced by the Lund Committee clearly reflected this. The proposals contained in what came to be known as the Itala Agreement followed from the Itala think tank, which was held at a game reserve in Kwazulu-Natal during May 1996. In addition to the members of the Committee, this gathering brought together a wide range of civil society stakeholders<sup>97</sup> and would prove to be a ‘defining event in the Committee’s work and in the policy reform’ (Lund 2008: 32). The aim of the think tank was to ‘have a concentrated time of learning and discussion, the outcome of which would be decisions about the main policy options and recommendations’ (Lund 2008: 32).

The Itala Agreement was thus a pure articulation of the functional reform preferences held by these civil society actors. The Agreement called for a child benefit available to all children below a defined age to replace the SMG (Lund 2008: 130). It also contained a proposal to pay the new child benefit to the ‘primary caregiver’, as well as statements calling for ‘no means testing because all the logic goes the other way’ (Lund 2008: 130). This was further underscored through the stated desire to link the grant ‘with participation in some form of health activity’ (Lund 2008: 130). The document also called for the continued implementation of the FCG and the CDG.

A mere two weeks after the Itala think tank, the government formally introduced the Growth, Employment and Redistribution (GEAR) framework to guide its macroeconomic policy. GEAR was a succinct statement of state actors’ preference for fiscal restraint, as it essentially insisted that it was largely up to the private sector to lead economic development in South Africa. Deep cuts in government spending were advocated, with the implication that social service delivery budgets needed to be reprioritised in order to address the claims of the poor. At the same time, those social

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<sup>97</sup>These stakeholders included the members of the Committee, as well as ‘the Development Bank’s social policy analyst Benny Mokaba; former Black Sash pensions worker Marj Brown, who was then co-opted on to the Committee, paediatrician Neil McKerrow, for his specialist knowledge and activism around the AIDS epidemic and children; economist John Kruger, for his knowledge of [the SMG] and welfare in general; and economist Charles Simkins, with his broad knowledge of economic and social policy’ (Lund 2008: 32-33).

services that could be undertaken more effectively by the private sector or could not be provided at all, such as social assistance grants to impoverished children, were to be scaled down or eliminated (Visser 2004: 9). The consequence of GEAR's policy orientation was that economic concerns were to crowd out social welfare concerns in cases where they were not aligned (Hölscher 2008: 116).

The formalisation of the state's preference for fiscal restraint through the introduction of GEAR on 14 June 1996 thus directly clashed with the Lund Committee's desire to eliminate means testing. In effect, the Committee's proposal challenged the preference of state actors to apply fiscal restraint (as they feared that such an approach would be significantly more expensive). Lund recounts that the Deputy Minister of Finance directly told her that the political leadership would not 'entertain' any policy recommendations which did not 'reform within the existing envelope' (Lund 2008: 30). A policy recommendation that did not take fiscal restraint seriously 'would itself not be taken seriously' (Lund 2008: 90).

The Committee consequently recognised that their interactions with these powerful state actors were exclusively premised on hierarchical direction, which created an array of possible veto points due to the fact that their recommendations would have to 'travel a political road' (Lund 2008: 90). Indeed, Committee members perceived themselves to be involved in 'a battle to preserve the R1.2 billion allocation to welfare' (Lund 2008: 86). This led them to emphasise

the functionality of the welfare system to economic growth within the GEAR framework [in order to] respond to the need of *rescuing* (emphasis added) the most advanced features of the existing system, like the [OPG] and children grants, from pressures inside the government, especially the Treasury, demanding more substantial cutbacks (Barchiesi 2005: 346).

This distress strikingly illustrates just how unevenly power was distributed during the process, as it was anticipated that state actors had the ability to block the entire reform initiative — and scrap the practice of state child support altogether — if their preference for fiscal restraint was meaningfully challenged.

The outcome was the Committee's calculation that they would have to 'strategically...work



within fiscal constraints' (Lund 2008: 30). This situation led to a vivid confrontation between the different actors during a meeting involving Committee members and government lawyers. Amidst appeals by the Committee that the desire for scrapping the means test was the 'result of a considered and purposeful policy choice', the reply of legal advisors was that 'this is just going to be another handout' (Lund 2008: 87). In an expression of the hierarchical structure of interactions, state actors proceeded to veto the proposal to scrap means testing and the Committee had to '[retreat]... into a diminished scale of provision' (Lund 2008: 87). The result was that the final report of the Lund Committee, contrary to the preference expressed in the Itala Agreement, called for means testing.

The Committee's final report was submitted to Cabinet on 5 March 1997 (Lund 2008: 128). Its proposals argued for the replacement of the SMG by the CSG, which was to be

paid to the primary caregiver of a child according to a simple means test; it should be payable from birth for a limited number of years, with the number of years used as a cost-containment mechanism; a condition for receiving the grant should be the proper registration of the birth of the child, as well as positive health-related activities (Lund 2008: 131).

It also recommended that the FCG and the CDG remain in place (Lund 2008: 131). The Lund Committee's tenure ended in March 1997 and the process of finalising the CSG's implementation details was taken forward by the Child Support Grant Task Team (CSGTT), which continued to include some of the original members of the Committee (Lund 2008: 128). But the publication of the Lund Committee's final report was not the end of the policymaking road, as state actors again deemed certain elements of these recommendations to be inconsistent with their preferences.

Principal among these was the call to create linkages between the CSG and the healthcare system. Although the Lund Committee was careful to point out that they were not in favour of conditionalities where beneficiaries could be cut-off from the grant, they did propose that the CSG be linked to the healthcare system as an incentive (Lund 2008: 68; Interview 7). This was to be achieved through suggesting that the primary caregiver needs to be in possession of a Road to Health Card. This card was already being used by 75 percent of caregivers as a way to monitor

for signs of under-nutrition in children between zero and five years old (RSA 1999b). A further possibility was to promote child immunisation by taking the child to a healthcare centre around the age of 30 months (Lund 2008: 69).

In a reflection of their preference for functional efficiency, these proposals were intended to ‘draw people administratively closer to the system’ (Interview 7). However, despite generally supporting the CSG in Cabinet, the Minister of Health vetoed these suggestions; she was unwilling to make any commitment for the cooperation of the health services in implementing the programme, thereby rejecting even these modest proposals for linking the CSG to health (Lund 2008: 70). The reason for the vetoing of this suggestion was state actors’ perception that such measures would leave them open to possible constitutional challenge, reflecting their preference for taking a strict rights-based and unconditional approach to social assistance provision (Interview 11).

The regulations which were finally passed as part of the Welfare Laws Amendment Act in 1997 to enable the introduction of the CSG and replace the SMG were thus far removed from the initial functional preferences expressed by civil society actors in the Itala Agreement (RSA 1997c). Despite the fact that the CSGTT experienced some very significant challenges during the initial process of implementing the CSG,<sup>98</sup> its fundamental features had become clearly discernible by the end of the Mandela administration’s tenure in 1999. The CSG was to be a means tested grant, initially available to children between the ages of zero and seven (up to their seventh birthday). Instead of being linked to the healthcare system through ‘soft’ conditionalities, the CSG was to be entirely unconditional. It would also take a strictly individualistic approach to the issue of orientation, premised on the notion of the primary caregiver.

By 1999, the South African social assistance system thus provided support to impoverished children between the ages of zero and seven; disabled children between the ages of zero and 18; foster children between the ages of zero and 18; disabled adults; and impoverished elderly people above the age of 60/65. Table 6.4 summarises the coverage of this productive policy regime which continued

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<sup>98</sup>See Lund 2008: 72-75 for a description of these initial challenges.

to be premised on limited provision (by excluding all but the ‘deserving poor’), unconditionality and an individualist orientation to defining beneficiaries.

<b>Name</b>	<b>Year Created</b>	<b>Target</b>
Child Support Grant	1997	Impoverished Children (0-7)
Care Dependency Grant	1992	Disabled Children (0-18)
Foster Child Grant	1983	Foster Children (0-18)
Disability Grant	1936	Impoverished Disabled (18-65)
Older Persons Grant	1929	Impoverished Elderly (60+/65+)

Table 6.4: South African Social Assistance in 1999

### 6.6.2 Attempts at Comprehensive Reform (1999-2009)

The phasing out of the SMG and the implementation of the CSG was shortly followed by the establishment of an interdepartmental task team convened by the national DSD in order to review the social security system in the country. It identified a number of inefficiencies in the system, and subsequently recommended the establishment of another national committee composed of external experts to ‘investigate a move to a comprehensive and integrated social security structure’ (RSA 2002: 2). This led to the creation of the Committee of Inquiry into a Comprehensive System of Social Security for South Africa (hereafter ‘Taylor Committee’ and ‘the Committee’), chaired by Professor Vivienne Taylor from the University of Cape Town’s Department of Social Development.

The Taylor Committee was to carry out the most comprehensive review of social security provision ever undertaken in South Africa. It was composed of an astounding array of leading national and international experts,<sup>99</sup> which meant that the Committee’s proposals amounted to a comprehensive statement on the preferences of these external civil society actors. With regards to social assistance policies, the Committee’s terms of reference called for them to evaluate ‘the entire social

<sup>99</sup>See RSA 2002: v-viii for a full list of participants.

assistance mechanism including all grants, their funding mechanisms, and the efficiency with which they achieve their goals' (RSA 2002: 2). After two years of work, the Committee submitted its final report in March 2002.

It contained a number of recommendations on reforming the social assistance system. Principal among these was the call for the introduction of a universal BIG in the amount of R100 (US\$10) per month 'as a means of providing social security to all and alleviating poverty' (Brockerhoff 2013: 25). The Committee's functional rationale was based on the belief that the BIG would overcome the fact that the UIF covered less than 40 percent of the total labour force and a mere 6 percent of the unemployed population. It was therefore essentially proposed as an effective solution that enabled the inclusion of the unemployed and those working within the informal economy in the country's social assistance system (Brockerhoff 2013: 25). The report made it clear that the recommendation to implement a BIG unambiguously reflected the preference of civil society actors for designing the most functionally effective system.

Their analysis indicated that the BIG had 'the potential, more than any other possible social protection intervention, to reduce poverty and promote human development and sustainable livelihoods' (RSA 2002: 62). It pointed towards the benefits of such an approach, including a fortification of the poor's ability to manage risk, the fostering of multiplier effects related to improved self reliance, as well as strengthening overall societal cohesiveness (RSA 2002: 62). The BIG was thus directly aimed at plugging 'the coverage gaps within South Africa's social [assistance] system', thereby making it 'a general social assistance grant for all South Africans' (RSA 2002: 326-327). The Committee recommended that the BIG be financed through progressive tax reforms (RSA 2002: 327).

The recommendations proposed that the BIG be phased in over a period of 13 years, from 2002 to 2015 (RSA 2002: 65). The first step in this process involved changing the name of the CSG in order for it to be called an 'income support grant', thereby reflecting the desire to establish

universalism (RSA 2002: 343). This remodelled CSG was then to be expanded to cover all children up to the age of 18, before it was transformed into a BIG that made social assistance available to destitute people of all ages. After extensively examining the effect of means testing, the Committee also called on the state to ‘simplify the means tests where they obstruct equity, administrative justice and are costly to implement’ (RSA 2002: 64).

But members of the Committee were well aware that national state actors did not necessarily share their preferences, and that they operated in an environment where interactions were premised on hierarchical direction. In recognition of this fact, the Committee’s report noted that these national state actors could instead prefer to maintain the status quo

based on the view that...income poverty interventions cannot be accommodated due to inflexible fiscal constraints...There will probably be considerable support for this option, particularly from those mainly concerned about possible financial implications of any proposed interventions. The Committee, however, is of the view that this would be an ultimately short-sighted position (RSA 2002: 63).

It turned out that these fears were well-founded. The Committee’s reform suggestions amounted to an attempt at fundamentally transforming the deeply embedded institutional norm of providing only limited social assistance coverage in South Africa. This directly clashed with the preferences of national state actors.

Given their position within the institutional context, these state actors continued to have very little incentive to radically reform the country’s productive approach to social assistance provision. Their political power was completely consolidated, having won more than 66 percent of the vote in the most recent national election (AED 2014). They also perceived the suggestions of implementing a universal BIG and removing the means test as being completely at odds with their preference for fiscal restraint. Instead of adopting these measures aimed at relatively greater redistributive decommodification, the ANC’s 2002 national policy conference ‘placed a major emphasis on the creation of short-term employment in the form of public works programmes for the sake of “pride

and self-reliance of communities”’ (Barchiesi 2006: 16).

In his 2003 *State of the Nation Address*, President Mbeki

reaffirmed that the task of his government is to ‘reduce the number of people dependent on social welfare, increasing the numbers that rely for their livelihood on normal participation in the economy’, while Minister of Finance, Trevor Manuel, lambasted the BIG as an ‘unsustainable’ and ‘populist’ idea. ANC ideologue and government spokesperson Joel Netshitenzhe argued that the best form of social inclusion for South Africans remains to ‘enjoy the opportunity, the dignity and the rewards of work’ (Barchiesi 2006: 16).

In a further reflection of the institutionally-derived power configuration, the Taylor Committee’s proposals were ‘essentially forestalled by the intensifying hostility of the government and the ANC’ during the remainder of the Mbeki presidency (Barchiesi 2006: 15).

The only element of the recommendation that was ultimately adopted was the gradual extension of the CSG to children older than the age of seven — to nine years old in 2003; 11 in 2004; 14 in 2005; 15 in 2008; and 18 in 2009 (DSD et al. 2012: 2). This continued to reflect the state’s preference for a rights-based approach, as the country’s legal framework defined a child as ‘a person under the age of 18 years’ (RSA 2005). Not providing the CSG to children older than seven thus left the state vulnerable to constitutional challenge. This was the only part of the recommendations to be adopted because it was the only reform suggestion which aligned with the preferences of national state actors. The rest of the Taylor Committee’s social assistance policy suggestions were all vetoed.

State actors saw this preference for a rights-based approach and the concomitant fear of Constitutional Court challenge strengthened in 2006, when the government was sued for gender and age discrimination in terms of the OPG. Up until the point of the court challenge, the OPG had been provided, since 1937, to women from the age of 60, and for men from the age of 65. In *Roberts and Others versus the Minister of Social Development and Others*, the Constitutional Court ruled that this age discrimination violated section 27 (1) (c) of the Constitution on the right to social assistance, and consequently struck it down (Seekings 2008: 49). As admitted by the DSD, this

served to further emphasise the preference for narrowly following the rights-based approach of the Constitution (at least when it came to the ‘deserving poor’), as ‘Constitutional Court rulings have made clear’ (Seekings 2008: 37).

This period additionally marked the start of the government’s embrace of public works programmes, as the EPWP was also formally adopted in 2003. This occurred ‘despite the fact that the Taylor Committee had rejected the idea of public works programmes as ill-suited for tackling South Africa’s unemployment problem’ (Brockerhoff 2013: 27). State actors thus explicitly rejected the Taylor Committee’s proposals for universalism in social assistance policy in favour of intensifying wage-centred commodification through public works schemes. This

story of the struggles and debates on the BIG in post-apartheid South Africa reveals to what extent the government’s wage-centred social policy has marginalised fiscal transfers and social grants [which are independent from] individual employment, despite the many signals on the growing inadequacies of wages to keep citizens out of poverty (Barchiesi 2006: 17).

By the end of the two Mbeki and brief Motlanthe<sup>100</sup> administrations in 2009, the country had thus strongly reaffirmed its commitment to a productive social assistance regime. Despite the challenge mounted to the underlying norms of this system by external civil society actors in the shape of the Taylor Committee, interactions based on hierarchical direction with powerful national state actors and their conflicting preferences meant the even stronger entrenchment of limited coverage, unconditionality and an individualist orientation.

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<sup>100</sup>Following the ANC’s ouster of Mbeki at its Polokwane conference, Kgalema Motlanthe was South African President from 25 September 2008 to 9 May 2009 as a ‘placeholder’ for Jacob Zuma.

Name	Year Created	Target
Child Support Grant	1997	Impoverished Children (0-18)
Care Dependency Grant	1992	Disabled Children (0-18)
Foster Child Grant	1983	Foster Children (0-18)
Disability Grant	1936	Impoverished Disabled (18-65)
Older Persons Grant	1929	Impoverished Elderly (60+)

Table 6.5: South African Social Assistance in 2009

### 6.6.3 Consolidation (2009-present)

The period since Jacob Zuma assumed the presidency in 2009 has been characterised by the consolidation of this system. It has featured no further significant practical policy changes, and has been primarily marked by a continued growth in take-up rates and enhancing administrative efficiency, particularly in terms of the role of SASSA as the implementing agent. One interesting development that did however take place during this period is related to a somewhat schizophrenic ideational shift by the DSD on the issue of conditionalities.

Regulations introduced on 31 December 2009 stipulated that beneficiaries of the CSG must ensure that children between the ages of seven and 18 are enrolled at and attending school (RSA 2009). It further called for beneficiaries to provide ‘proof of school or an educational institutional enrolment and attendance’ within one month of their initial participation in the programme, as well as the submission of their child’s signed school report card to the DSD every six months. In the case of a CSG beneficiary’s child not attending school, the regulations required that ‘appropriate steps’ be taken to ensure that the child is enrolled at and attending school (RSA 2009).

As noted at the time by the Deputy-Director General of the DSD, these ‘provisions are not of a punitive nature. Where a child does not attend school, the grant is not going to be stopped’ (PMG 2010). Despite the language contained in the regulations clearly appearing to approximate conditionality, he also insisted that ‘condition is too strong a word, but [this is] rather a provision



that provides for an incentive that caregivers ensure that their children attend school' (PMG 2010). The Minister of Social Development at the time, Edna Molewa, further emphasised this by stating that 'proof of school enrolment is not a condition for the Child Support Grant'.

In a turn of phrase that echoes the sentiments of one of the early architects of the Brazilian system,<sup>101</sup> the Deputy Minister (and current Minister) Bathabile Dlamini argued that this provision would 'help us towards ensuring...that we use education as an instrument for fighting poverty' (PMG 2010). The DSD had clearly warmed to the idea of educational conditionalities. But, as Dlamini herself noted in response to a later parliamentary question, they soon found that they were prohibited from actually implementing them because 'the Constitution provides for the right of access to social [assistance] without necessarily providing for a condition of school attendance' (GCIS 2012b). The result was that the CSG remained unconditional, while the 2009 regulations were not enforced (GCIS 2012b; DSD 2012b).

In 2010, the Zuma administration launched yet another central government commission, the National Planning Commission (NPC). It was tasked with taking a 'broad, cross-cutting, independent and critical view of South Africa' in order to produce clear recommendations for government (NPC 2014). This mandate culminated in the publication of the National Development Plan (NDP) in November 2011, which sought to offer a 'vision for 2030' in 'the process of charting a new course for [the] country' (NPC 2011: 1). In sharp contrast to both the Lund Committee in 1995 and the Taylor Committee in 2002, the NPC was primarily composed of national state actors (chaired by Deputy President Cyril Ramaphosa and Minister in the Presidency Jeff Radebe), while Vivienne Taylor (the former chair of the Taylor Committee) was the only social policy expert on the Commission.

The NPC thus had much less political independence than either of its predecessors. Its mandate was clearly also much broader. This came to the fore vividly in terms of the NDP's recommendations regarding social assistance policies. It noted the functional problem that

there [is a] critical gap [in the South African social assistance system, through] the lack of

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<sup>101</sup>See section 7.5.1.

protection for many working-age people. . . For those who are willing and able to work, but who are locked out of the economy, there is no meaningful level of social protection (NPC, 2011: 331).

But despite reaching this conclusion, neither the BIG nor any other of the Taylor Committee's proposed changes to the social assistance system are even mentioned in the document's 430 pages.

Instead, it again emphasised the government's commitment to the EPWP due to its view that it 'provides people with...the dignity of being productive, rather than dependent...[which allows] unemployed people to become a productive part of the economy' (NPC 2011: 334). The recommendations contained in the NDP, which the ANC government regards to be its 'blueprint' for the country's future, thus clearly reflected the preferences of national state actors. While it is safe to assume that certain members of the NPC (as well as external experts providing inputs) lobbied for undertaking reforms that mirrored their own functionalist preferences, the policy recommendations contained in the NDP make it clear that those suggestions were again vetoed by powerful national state actors. The above quotation on the EPWP in fact neatly captures the essence of the country's productive approach to social assistance provision.

The system has thus undergone little real change during the Zuma administration, with minor adjustments to benefit levels announced in the annual budget being the only practical modifications currently being made (Gordhan 2014). As indicated in table 6.6, the outcome is the policies currently being implemented in South Africa: a productive social assistance system that continues to be structured around the provision of limited coverage, unconditionality and an individualist orientation.

Grant Name	Target Group	Age Bracket	Monthly Value	Beneficiaries
Child Support	Impoverished Children	0-18	R300 (US\$30) (max 5)	10 898 923
Foster Child	Foster Children	0-18	R800 (US\$80)	478 781
Care Dependency	Disabled Children	0-18	R1 270 (US\$127)	119 575
Disability	Impoverished Disabled Adults	18-59	R1 270 (US\$127)	1 208 301
Older Persons	Impoverished Elderly Persons	60+	R1 270/R1 290 (US\$127/US\$129)	2 938 693
Total	-	-	-	15 644 273

Table 6.6: South African Social Assistance in 2014 (Sources: RSA 2014; SASSA 2013)

## 6.7 Conclusion

This chapter has undertaken a thorough review of the development of social assistance policies in South Africa. The analysis was carried out according to the ACI analytical framework, proceeding in two phases. The first involved a detailed specification of the institutional context. The discussion was initially guided by the study's first independent variable, namely the institutionalisation of specific social assistance norms. It showed that norms regarding limited coverage, unconditionality and an individualist orientation were historically deeply entrenched and constitutionally codified during the transition to democracy in the early 1990s. This was followed by an examination of state structure as the second independent variable. Following an exposition of the formal institutional policymaking structure and the practical distribution of political power, this section concluded that South Africa features a highly concentrated state structure with social assistance policymaking being entirely centralised.

This specification of the institutional configuration set the scene for the second analytical step, which involved an examination of the ways in which the institutional setting introduced during

the first part of the chapter shaped both the preferences held by different groups of actors, as well as their interactions. Finally, a discussion on the process whereby interactions between actor sets within the social assistance policy community ultimately shaped policy outputs empirically traced the development of social assistance policies in South Africa. The investigation indicates that policy outputs were profoundly shaped — through the mechanism of path dependence and preference formation — by the institutional configuration, which featured high levels of norm institutionalisation and a highly concentrated state structure. It showed that, despite the existence of different possible choices on multiple occasions, the state repeatedly preferred not to embark on alternative policy paths.

Following the transition to democracy, the functional recommendations of numerous government committees indeed repeatedly called for a shift towards precisely such alternative paths. But through interactions premised on hierarchical direction, their proposals were consistently rejected by powerful national state actors facing little incentive for reform by virtue of their operation within a context of high norm institutionalisation and a concentrated state structure. In this way, the analysis is thus able to account for the implementation of a productive social assistance system in post-apartheid South Africa.

## Chapter 7

# The Development of Social Assistance in Brazil

### 7.1 Introduction

This chapter extends the analytical endeavour to the Brazilian case study, with its core aim being to account for the emergence of a protective social assistance system in the country. This entails undertaking a thorough examination of the policy development process, guided by the analytical approach of ACI. Figure 7.1 illustrates the analytical procedure to be carried out for the Brazilian case study. This two-step process firstly entails a detailed explication of the institutional configuration according to the study's two independent variables. This information is subsequently used to introduce actor preferences, followed by an analysis of the ways in which strategic interactions between these actors transformed institutionally-derived preferences into tangible policy outputs. Figure 5.2 outlines the analytical structure of the chapter.

Examining the institutional context initially involves addressing the first independent variable by discussing the historical emergence and institutionalisation of social assistance norms in Brazil. The discussion highlights the fact that such programmes were not deeply entrenched by the time of

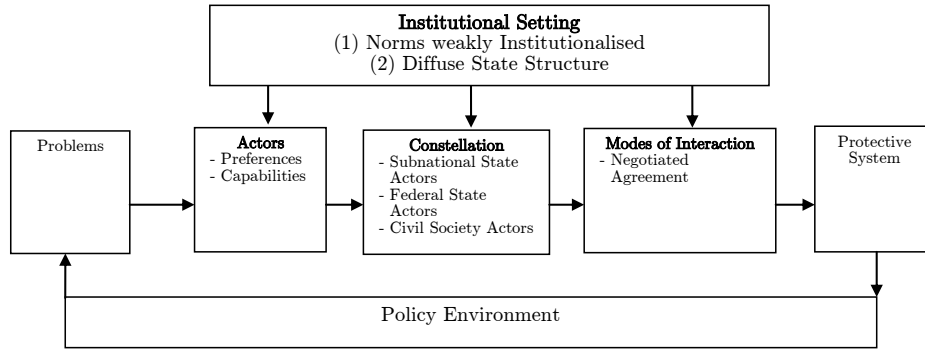


Figure 7.1: Actor-Centred Institutionalism – Brazil (Source: Adapted from Scharpf 1997: 44)

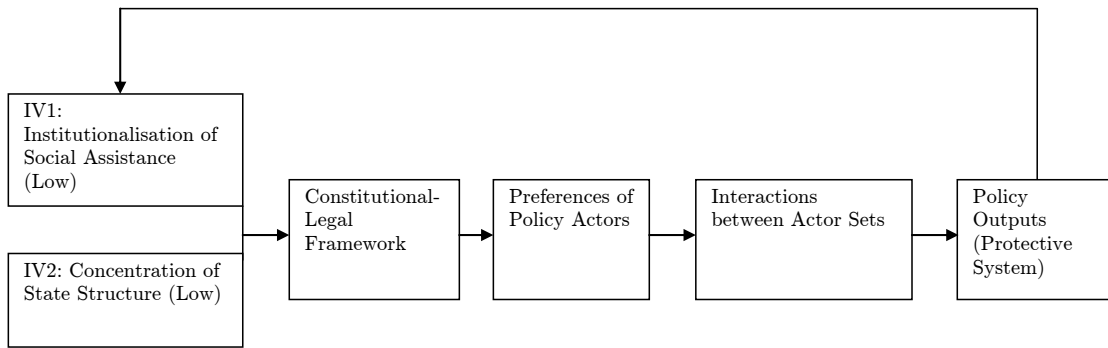


Figure 7.2: Explanatory Framework – Brazil

the country’s transition to democracy, producing relatively weak path dependence effects and providing policymakers with a comparatively clean institutional slate. This is followed by a subsection analysing Brazilian state structure as the second independent variable. Through an examination that is focused upon both the formal policymaking structure and the practical distribution of political power, the discussion shows that Brazil featured a diffuse social assistance policymaking structure. The result is that policymaking capacity was decentralised.

The final section carries out the second step in the ACI procedure by investigating the ways

in which interactions premised on negotiated agreement between the relevant actor sets within the Brazilian social assistance policy community led to the emergence of the policy outputs that constitute the contemporary social assistance system in that country. This is achieved through empirically tracing the process of policy development. Through an examination of the decisive role played by institutional structure, the chapter is thereby able to account for the emergence of a protective social assistance system in Brazil following democratisation.

## **7.2 Weak Institutionalisation of Social Assistance Norms**

The initial part of this section undertakes an overview of the provision of social assistance in Brazil prior to democratisation in the late 1980s. The key insight produced by the analysis is that specific institutional norms regarding social assistance were only weakly entrenched in the Brazilian political economy. Indeed, prior to the 1970s, non-contributory social assistance programmes were wholly absent in the country, and it was only during the final decades leading up to democratisation that such policies slowly began to emerge. This historical examination is followed by an analysis of the legal norms constitutionally codified during the democratic transition. The section is therefore aimed at addressing the first independent variable by analysing the historical emergence and institutionalisation of social assistance in Brazil.

### **7.2.1 Social Assistance before 1990**

By the time that Fernando Collor became Brazil's first directly elected democratic President since the military seized power in 1964, the country had followed a very different historical trajectory from South Africa in terms of the development of its social welfare regime. In keeping with the general trend throughout Latin America, Brazilian social welfare was historically designed according to Bismarckian principles (Schwarzer & Querino 2002; Amann & Barrientos 2014). In effect, this meant that social security provision was overwhelmingly dominated by the construction of contributory

social insurance schemes, while social assistance provision was practically non-existent (Schwarzer & Querino 2002: 3).

The initial part of the examination reveals the historical lack of development of social assistance in Brazil where, prior to the 1970s, social assistance did not feature on the policy agenda at all. This is followed by a discussion on the introduction of the first de facto social assistance scheme by the military dictatorship, the *Renda Mensal Vitalícia* (RMV – Lifetime Monthly Income), which targeted impoverished people over the age of 70. The subsection thus traces the historical process in order to illustrate the way in which social assistance norms were only weakly institutionalised by the time of the transition to democracy. In turn, this state of affairs played a decisive role in shaping the institutional setting which ultimately led to the construction of the contemporary Brazilian system.

### **Welfare without Social Assistance**

As is the case in much of the colonial world, a dearth of historical data on the provision of social security in Brazil prior to the arrival of European colonists does not necessarily entail a complete absence of strong informal institutions. But it does mean that this review must commence with the arrival of Pedro Álvares Cabral and his fellow Portuguese settlers in 1500. In general, the colonial and imperial periods<sup>102</sup> in Brazil were characterised by the way in which the provision of care for the poor was considered a matter of Christian charity, particularly through the introduction and growth of charitable hospitals known as *Santas Casas de Misericórdia* (Hospitals of Mercy) (Schwarzer & Querino 2002: 2).

In this case it was largely the Roman Catholic Church that provided ad hoc poor relief, with the first organised welfare scheme during the 17th and 18th centuries being an insurance plan granting

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<sup>102</sup>The colonial period lasted from 1500 until 1808, when the Portuguese royal court fled from Napoleon's invasion and moved the imperial government to Rio de Janeiro. This inaugurated the imperial period, which featured the declaration of independence by Dom Pedro I in 1822 and lasted until the republican coup of 1889.



pensions to the dependent widows and children of deceased navy officers (MPS 2009: 7). A decree issued by Dom Pedro I in 1821 is recognised as the ‘first legal text that registered the issue of social welfare in Brazil’ (MPS 2009: 7). But concern with assisting the poor remained almost entirely absent during the transition from a society based on labour coercion and slavery (which lasted until 1888) to a system of waged-based employment (Schwarzer & Querino 2002: 2).

Where ad hoc arrangements did exist, they were frequently ‘reduced to a scheme of local poverty management with patronising characteristics’ (Schwarzer & Querino 2002: 2). The rupture with the Old Republic and the emergence during the 1930s of the *Estado Novo* (New State), with its more centralised power structure, allowed for the implementation of national (instead of regional and ad hoc) policies (Driabe, Castro & Azeredo 1995: 3). The first modern social protection law institutionalising social insurance was the Eloy Chaves Law, introduced in 1923 (MPS 2009: 7; McGuire 2010: 159). This law initially granted contributory pension and health coverage to railroad workers and certain other private sector employees.

The following decade saw this insurance system evolve into a ‘very fragmented, company-based, low coverage set of isolated programmes, operating under a full capitalisation regime’ (Beltrão, Pinheiro & Oliveira 2002: 3). The fledgling system was eventually consolidated into sector-wide institutes during the first Vargas period of the *Estado Novo* (1930-1945) (Beltrão et al. 2002: 3; Schwarzer & Querino 2002: 2). These moves coincided with initial efforts to undertake industrialisation, as well as with the tentative emergence of the labour movement (Beltrão et al. 2002: 3). Although this movement was often repressed, members of the new urban working classes nevertheless joined trade unions and pushed the federal government throughout the 1920s, 1930s and 1940s for social security provision. The resulting programmes were all based on contributory insurance principles (Schwarzer & Querino 2002: 3).

Schwarzer and Querino further conclude that

the concentric expansion of social security coverage under the populist governments of those decades had much to do with the political power enjoyed by a particular social/professional

group or with the potential threat it may have represented (2002: 3).

In a similar vein, Hunter notes that during the corporatism of the Vargas period social policy's foundation rested upon occupational status, and was segmented accordingly (2014: 18). By providing benefits exclusively to the civilian and military bureaucracy, as well as to the most well-organised and strategic sectors of the working class, the state revealed its motive: to pre-empt the development of an autonomous and militant working class (Hunter 2014: 18).

By the end of the 1940s, this strategy resulted in there being ten times more insured members than in 1934 (MPS 2009: 8). Despite this expansion, social insurance provision remained qualitatively and quantitatively extremely unequal throughout the period — while social assistance continued to be entirely absent (MPS 2009: 8). In what can be regarded as a striking indication of the low priority assigned to social security provision in general, vast resources from the social insurance institutes were used to finance President Juscelino Kubitschek's vision of 'fifty years of prosperity in five' during the 1950s. Through the 'biggest real estate investment in their existence', these institutes effectively financed a significant portion of the costs related to the construction of the new capital city, Brasília, from 1956 to 1960. This was done without any 'guarantee of necessary remuneration' (MPS 2009: 9).

By the end of the so-called Second Republic in 1964, Brazil had thus constructed the very rudimentary foundations of a welfare state. Unlike in South Africa, Brazil's approach was entirely based upon a Bismarckian system reliant on contributory social insurance. This meant that the weakest social groups who lacked political power, including rural workers, the indigenous population, as well as urban informal and domestic workers, were effectively not considered for social security coverage (Schwarzer & Querino 2002: 3). The result was that social assistance was totally absent, with no support available for people who were locked-out from the formal, contributory system. This also meant that no specific institutional norms had emerged in terms of social assistance provision during this period.

## Military Dictatorship and a Tentative First Step: The RMV

It was only following the 1964 coup d'état establishing the military dictatorship that a comprehensive *Lei Orgânica da Seguridade Social* (LOSS – Organic Social Security Law) was adopted (FRB 1964). After 14 years of debate in Congress, this law finally unified the costing and benefit schemes across the various social insurance institutes (Beltrão et al. 2002: 4). This was followed by the creation of the *Instituto Nacional de Previdência Social* (INPS – National Social Security Institute) in 1966 to unify and consolidate the management of social insurance by incorporating the revenues, expenditures, assets and liabilities of the respective institutes (MPS 2009: 10; Beltrão et al. 2002: 4). Although the majority of urban workers were theoretically covered by the system by the mid-1960s, in practice coverage was still below 50 percent even for the wage-earning, employed population (Beltrão et al. 2002: 4).

The focus throughout the 1970s was on the further administrative consolidation of welfare provision with the founding and expansion<sup>103</sup> of the *Sistema Nacional de Previdência e Assistência Social* (SNAPS – National Social Welfare and Assistance System), which was aimed at integrating the provision and maintenance of benefits, rendering services, funding activities and programmes, as well as administrative and financial management (MPS 2009: 9). Steps to incorporate the rural population into the social security system also commenced during this decade with the introduction of the *Programa de Assistência ao Trabalhador Rural* (FUNRURAL – Rural Workers' Assistance Programme) in 1971. Effective insurance coverage for this group was achieved by 1974, with a

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<sup>103</sup>The period saw the further introduction of the *Instituto Nacional de Assistência Médica da Previdência Social* (INAMPS – National Institute of Medical Assistance of Social Welfare), the *Instituto de Administração Financeira da Previdência e Assistência Social* (IAPAS – Institute of Financial Administration of Social Welfare and Assistance), the *Central de Medicamentos* (CEME – Centre for Medication), the *Empresa de Processamento de Dados da Previdência Social* (DATAPREV – Social Welfare Data Processing Company), the *Fundação Nacional do Bem-Estar do Menor* (FUNABEM – Foundation of Minors' Welfare) and the *Legião Brasileira de Assistência* (LBA – Brazilian Legion of Assistance) (MPS 2009: 9-10).

benefit equal to half the minimum wage being made available to the rural disabled and workers older than 65 (Beltrão et al. 2002: 6). The inclusion of this relatively marginal political group signalled an important directional shift that would subsequently lead to the establishment of the first programme resembling a social assistance intervention.

The establishment of FUNRURAL was thus shortly followed by the introduction of the RMV in 1974 (FRB 1974). Assessing the nature of the programme is somewhat problematic, as it was technically classified as a social insurance programme aimed at impoverished people over the age of 70<sup>104</sup> (both rural and urban) who had made at least 12 contributions to the social security system during their lifetimes (FRB 1974; MDS 2014a; Beltrão et al. 2002: 6). Beneficiaries had to earn less than 60 percent of the minimum wage, and the RMV's value was equal to half the minimum wage (FRB 1974). The requirement for prior contributions was however rarely enforced, resulting in the RMV being implemented in a way more akin to a social assistance benefit (Interview 12).

Following administrative adjustments in response to the intense fiscal and popular pressures of the 1980s, Brazil's social welfare system was further elaborated under the technocratic authoritarian regime installed in 1964. These reforms defined the core of state intervention, the centralised apparatus to support this intervention was established, the required funds and resources were aligned, the principles and operational procedures were defined, as well as the rules of social inclusion and exclusion (Driabte et al. 1995: 4). The initial establishment of a system entirely premised on social insurance during the 1930s thus culminated in the consolidation of the Brazilian welfare state by the mid-1970s.

Instead of granting social protection to all citizens, this arrangement was characterised by the nearly exclusive extension of social protection to urban workers formally participating in the labour market, as well as to segments of the corporatively organised middle class. It featured highly fragmented access which was 'associated positively with systems of force, bargaining, and privileges,

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<sup>104</sup>This high age threshold was very exclusionary as, by 1980, average life expectancy in Brazil was still only 63 years (World Bank 2014b).

and negatively with low levels of universality and uniformity of social benefits' (Driabe et al. 1995: 1). The military regime elaborated a system premised almost solely on social insurance, with the only programme even resembling a social assistance scheme being the belatedly-introduced RMV. The result was that specific norms regarding the operation of social assistance continued to be largely absent.

### **Social Assistance at the End of Military Rule**

This historical discussion highlights the way in which welfare provision in Brazil emerged within its own particular historical political economic context. It was initially closely tied to the process of state formation following the end of the Old Republic and the emergence of the *Estado Novo* in the 1930s. The initial introduction of a purely Bismarckian insurance-based system was expanded during the subsequent periods, particularly during the phase of military rule. By the late 1980s, Brazil had very little experience with social assistance provision. A broad overview of the (limited) development of the system prior to 1990 is introduced in table 7.1.

<b>Period</b>	<b>Note</b>
1974-1990	Introduction
	1974: Introduction of the RMV
	1977-1985: Administrative adjustment
	1985-1990: Progressive reformulation attempts

Table 7.1: Evolution of the pre-1990 Brazilian Social Assistance System (Source: Adapted from Driabe et al. 1995:

5)

The lack of social assistance therefore stands out when assessing the social welfare landscape at this time. Table 7.2 shows that social assistance consisted exclusively of the RMV (which itself was legally established as a contributory insurance scheme). This means that, in sharp contrast to South Africa, no programme currently in existence in Brazil originated in the period prior to

democratisation. The fact is therefore that social assistance was not historically entrenched in Brazil. Apart from the principle hesitantly embodied by the RMV that the impoverished elderly and disabled were entitled to some modicum of de facto non-contributory support, social assistance norms were not historically institutionalised. Constructing Brazilian lifecycle risks for 1990 in figure 7.3 confirms that there were serious coverage gaps in the system at that time.

Name	Year Created	Target	Current Status
Renda Mensal Vitalícia	1974	Impoverished Elderly (70+)	Defunct

Table 7.2: Brazilian Social Assistance in 1990

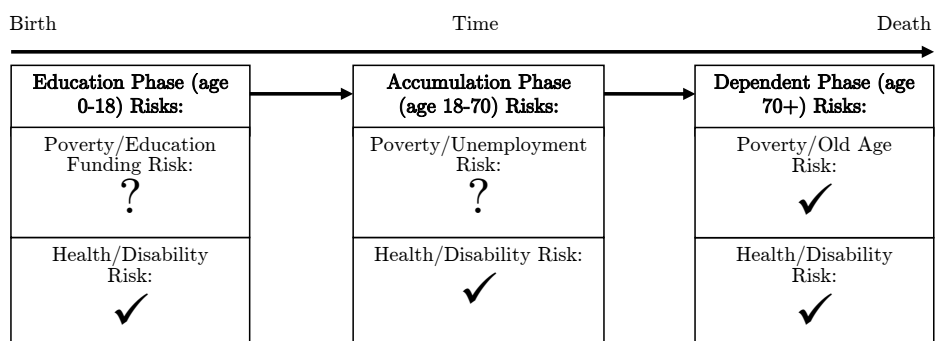


Figure 7.3: Brazilian Lifecycle Risks in 1990 (Source: Adapted from Smith 2011)

When full democracy was established in 1990, Brazil had largely failed to construct a social assistance system. Instead, through its own particular historical process primarily propelled by the political economy of the *Estado Novo* and the military dictatorship, the country had built a welfare system almost entirely predicated on social insurance. The general absence of social assistance norms patently meant that there was subsequently much less potential for the manifestation of path dependent institutional stickiness.

## 7.2.2 The Legal Codification of Social Assistance Norms in Brazil

This state of affairs went on to have an important impact on the subsequent development of social assistance policies in a democratic Brazil. In a similar vein to South Africa, the 1988 Constitution was to lay the basis for the construction of a new state. But instead of being constrained by a set of deeply institutionalised social assistance norms, the drafters of the Brazilian Constitution had a relatively blank slate to work with (Interview 12). This subsection reviews the relevant provisions of the Constitution and the LOAS in order to illustrate the way in which they reflected this shallow institutionalisation of norms, placing significantly less constraints on social assistance policymakers than their South African counterparts.

### The Constitution (1988)

Following a ‘lost decade’ in the 1980s marked by recession, stagflation and civil unrest featuring demands by Brazilians to directly elect their leaders,<sup>105</sup> the transition to democracy got underway in earnest in 1985. The first move was the indirect election of Tancredo Neves as President by the Electoral College, an institution that was then still dominated by the military (Zaverucha 1997: 5). In a dramatic turn of events adding further uncertainty to an already volatile situation, Neves collapsed and died the night before his inauguration. He was consequently replaced by his running mate and Vice-President, José Sarney. Sarney thereby became ‘the President of a government tasked with leading the transition from authoritarianism to democracy’ (Zaverucha 1997: 7).

The government subsequently passed a constitutional amendment calling for elections for a National Constituent Assembly (NCA). One of the leaders of the resistance movement, Ulysses Guimarães, was elected to preside over the NCA, which was granted full powers to draft and enact a new democratic Constitution. The NCA was in session from February 1987 until October 1988, while the military was ‘able to negotiate the terms of its disengagement from the government with

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<sup>105</sup>Principally through the *Diretas Já* movement.

civilians' (Zaverucha 1997: 7). During these 20 months, 'Congress and Brasília was the centre of Brazilian life' (Souza 2005: 81). The Constitution was eventually ratified and adopted on 5 October 1988 by the NCA.

Similar to its South African correlative, the Brazilian Constitution is generally quite detailed and articulates an array of social and economic rights (Souza 2005: 82). But it is again instructive to examine the specific language when it comes to social assistance provision. Unlike the South African Constitution, the Brazilian document draws a clear distinction between social insurance<sup>106</sup> and social assistance. Title 8 of the Constitution deals with the 'social order', with section III being solely dedicated to social insurance provision (FRB 1988). This is followed by section IV, where the framework for social assistance is introduced. Instead of enshrining access to social assistance as a fundamental right, article 203 simply states that 'social assistance shall be rendered to whomever may need it', followed by a list of 'objectives' (FRB 1988).

The only social assistance right directly entrenched is in article 203 (V), which guarantees a monthly benefit equal to one minimum wage to those elderly and handicapped who are able to prove their incapability of providing for themselves or having support provided for by their families (FRB 1988). The inclusion of this section in the Constitution represents an 'evolution of the RMV' and was eventually to lead to the creation of the BPC (Interview 12). It is no coincidence that the only de facto social assistance programme that existed prior to the transition to democracy in Brazil was directly carried over into the new Constitution. This serves to further affirm the power of pre-existing institutional norms in shaping subsequent policy outputs.

Apart from the section guaranteeing the BPC, the Brazilian Constitution thus does not enshrine the provision of social assistance payments as a fundamental right (Interview 12). The implication is that the government has much greater discretion in designing the parameters of such programmes, especially in terms of linking them to conditionalities. The Constitution does not guarantee general access to social assistance, and leaves space for the denial of benefit payments through conditional-

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<sup>106</sup>Under the heading of 'social security' in section III of title 8.



ities (Interview 12).

The document also introduced significant measures to potentially insulate welfare spending from discretionary budget cuts. Article 195 calls for the establishment of a separate social welfare budget that is ‘not part of the budget of the Union’ (FRB 1988).<sup>107</sup> As set out in section II, the social welfare budget pertains to ‘all direct and indirect administration entities or bodies connected with social security, as well as funds and foundations instituted and maintained by the government’ (FRB 1988). In short, ‘government actions in the area of social assistance shall be implemented with funds from the social welfare budget’ (FRB 1988). These funds were to be collected from payrolls and earmarked taxes on the gross turnover (*Contribuição para o Financiamento da Seguridade Social* – COFINS) and net profits (*Contribuição Social sobre o Lucro Líquido* – CSLL) of enterprises, in addition to other minor sources (Schwarzer & Querino 2002: 4).

The process laid out in the Constitution resulted in the Brazilian budget being very rigid.<sup>108</sup> It directly mandates a vast array of expenditures and earmarks tax revenues to specific uses, designating them as mandatory. The effect is to insulate a very large part of the budget from scrutiny and potential cuts. In fact, estimates indicate that over 90 percent of the annual budget is subject to such rigidities (Blöndal, Goretti & Kristensen 2003: 101-102). This situation is further complemented by the abovementioned practice of tax earmarking spending on the social sectors (Blöndal, Goretti & Kristensen 2003: 101-102). Most fundamentally, the Brazilian Constitution did not con-

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<sup>107</sup>Instead of a single integrated budget, the Constitution calls for the creation of three distinct budgets: ‘the fiscal budget regarding the powers of the union, their funds, bodies and entities of the direct and indirect administration, including foundations instituted and maintained by the government; the investment budget of companies in which the union directly or indirectly holds the majority of the voting capital; [and] the social welfare budget, comprising all direct and indirect administration entities or bodies connected with social security, as well as funds and foundations instituted and maintained by the government’ (FRB 1988).

<sup>108</sup>Part of the reason for this rigidity is itself historically rooted, as ‘during Brazil’s high inflation years, it was essentially meaningless to have a specific appropriation in the budget in nominal terms. By linking expenditures with a revenue source, it was possible to “insure” the expenditures against the effects of inflation, as the revenues would rise in line with inflation’ (Blöndal et al.: 2003: 102).

tain any reference to the notion of ‘progressive realisation’ of rights and the implied primacy of fiscal restraint.

The diversification of the financing of contributions and taxes was in fact one of the guiding social policy principles of the Brazilian Constitution, constructed with the goal of ‘increasing the stability of social policy funding’ (Schwarzer & Querino 2002: 4). The effect of this was to make it harder for fiscally conservative actors to constitutionally justify reduced scales of provision, thereby providing still greater policy development space. The Constitution had built-in mechanisms which provided the potential to shelter social welfare spending. In sum, Brazilian policymakers were not as severely constrained as their South African counterparts by constitutional notions of fiscal discipline.

A final significant feature of the Constitution was the way in which it defined the family as ‘the foundation of society’, which was to ‘enjoy special protection from the state’ (FRB 1988). Article 203 lists a range of ‘objectives’ for social assistance, including an explicit reference to ‘the protection of the family’ (FRB 1988). Eligibility for the constitutionally guaranteed benefit (which was to become the BPC) was predicated upon proof that the handicapped and elderly could not have support ‘provided by their family’ (FRB 1988). This language clearly encouraged the conclusion that ‘the family unit (rather than the individual) was the appropriate entity to receive the benefit and should in turn bear responsibility for meeting programme requirements’ (Lindert 2006: 68).

The Brazilian Constitution thus outlines an institutional framework which differs in important respects from the South African one. These differences primarily result from the fact that social assistance norms were historically only weakly institutionalised in the Brazilian political economy prior to the transition to democracy. This reduced the potential for path dependence effects, resulting in the ‘representatives of the population that were writing the Constitution at that time on the social rights chapter, and specifically on social assistance, [having] a blank paper that they could fill in’ (Interview 12). The outcome was, with the exception of the principles introduced by

the RMV, the construction of an entirely new set of institutional norms.<sup>109</sup>

### **Organic Social Assistance Law (1993)**

The enactment of the Constitution was followed by the publication of the LOAS in 1993 (although it was only fully implemented from 1995 onwards) (Schwarzer & Querino 2002: 16). The LOAS further elaborated on the principles introduced by the Constitution, meaning that it ‘regulates this aspect of the Constitution and establishes standards and criteria for the organisation of social assistance’ (MDS 2009: 4). The way in which the provisions contained in the LOAS built upon relevant constitutional provisions served to strengthen the emerging norms associated with a protective approach to social assistance.

In this vein, it elaborated on article 203 (V) of the Constitution regarding the guarantee of a monthly benefit equal to the minimum wage for impoverished handicapped and elderly persons by mandating the creation of the BPC (FRB 1993: art. 20). In language very similar to that of the Constitution, it called for the implementation of a

continuous benefit [in the form of] a guarantee of one monthly minimum wage for the handicapped and the elderly older than 70<sup>110</sup> years or more who have no means to provide for their own maintenance or have it provided by their family (FRB 1993: art. 20).

However, apart from the BPC, the LOAS did not directly guarantee any other specific social assistance benefits, thereby continuing to leave the door open for the potential enactment of conditionalities with regards to other programmes.

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<sup>109</sup>While this section conveys the point that the lack of pre-existing norms and their path dependence effects created greater institutional space, this naturally raises an important question about the process whereby the new Constitution was drafted and associated new norms created. See Hochstetler (1997) for an examination of the role played by social movements in the construction of new norms and Souza (2005) for an analysis which regards them as a result of the need to legitimate democracy.

<sup>110</sup>This has subsequently been adjusted to 65 years or older.

Instead, it articulated a set of general guiding principles. In addition to once more noting the primacy of the ‘protection of the family’ and ‘respect for...the family’, the LOAS strongly emphasised the ‘supremacy of meeting social needs above the requirements of economic profitability’ (FRB 1993: art. 4). The combination of this approach with the Constitution’s relative insulation of social welfare budgets meant that the provisions contained in these documents sharply diverged from the guidelines introduced by the Constitution and WPSW in South Africa. The Brazilian documents de-link social assistance from general economic considerations to a greater extent, thereby creating space for the introduction of programmes aimed at relatively greater universalism and decommodification. They ultimately illuminate an institutional path towards a more protective social assistance system in Brazil.

### **7.2.3 Social Assistance Norms in Brazil**

The preceding discussion has investigated the historical development of social assistance norms in Brazil. It shows that these norms were weakly institutionalised, with only the principle of providing some support to the elderly and disabled (through the RMV) emerging in the decades leading up to the transition to democracy. This means that, in contrast to South Africa, norms related to coverage, conditionality and orientation did not originate through a deep historical process. Instead, the delegates of the NCA charged with writing the Constitution had a significant amount of leeway in codifying an emerging set of principles.

The result was that the historical institutional context facing policy actors in Brazil allowed them to operate within a policy environment where norms were only weakly institutionalised. Although the Constitution favoured certain outcomes — the protection of the family primary among them — it provided a much greater degree of flexibility by not enshrining general social assistance as a fundamental right, and by constructing mechanisms to insulate social welfare spending from the government’s fiscal and investment budgets. The effect of this low level of institutionalisation was to provide policy actors with a larger set of potential policy options in their efforts to, for the first

time in the country's history, construct a social assistance system in Brazil from 1990 onwards.

## **7.3 State Structure**

The second aspect of the institutional framework shaping the policy context in Brazil was the country's diffuse state structure. The following section examines this further institutional variable by discussing the role played by the diffusion of political power in influencing the institutional context and ultimately channelling policy outputs. Although the discussion initially centres on the legal distribution of policymaking capacity as defined by formal aspects of state structure, the analysis is also sensitive to the practical distribution of political power.

The first section therefore highlights the fact that, in terms of formal institutional and organisational arrangements, social assistance policymaking capacity is highly decentralised in Brazil. The subsequent discussion elucidates the distribution of political power in democratic Brazil and serves to emphasise the high degree of power diffusion. Taken together, the analysis concludes that in both legal and practical terms, Brazil features a diffuse state structure in the realm of social assistance policymaking. The capacity to formulate and enact such policies is widely distributed and not limited to the federal government sphere, while no political grouping has been able to attain a dominant power position.

### **7.3.1 Diffuse Institutional Structure**

The Brazilian Constitution outlines the formal organisational structure of the state. The country is a federal presidential republic composed of three 'independent and harmonious' branches: the executive, legislature and judiciary (FRB 1988: art 2). Reflective of this is the fact that the President is both head of state and the head of government. Executive powers are exercised by the President and the Ministers of the federal government. The President has the exclusive power to initiate legislation, appoint and dismiss Ministers, and to preside over the upper management of

the federal administration (FRB 1988: art 84).

The President and Vice-President are simultaneously directly elected on the first Sunday of October of the year prior to the termination of the sitting President's term. The President's mandate runs for four years and commences on 1 January of the year following his or her election (FRB 1988: art 77; art 82). There is a two-term limit to the presidency, but a former two-term President may be re-elected provided that they did not stand as a candidate during the four-year period immediately after their second term in office. Voting is also compulsory for literate citizens between the ages of 18 and 70.<sup>111</sup>

The legislative branch is the National Congress, which is composed of the Chamber of Deputies (lower house) and the Senate (upper house). The Chamber of Deputies represents the people of each state, and is currently composed of 513 Deputies.<sup>112</sup> Members are elected every four years according to a system of proportional representation. The role of the Senate, meanwhile, is to represent the 26 states and the federal district. Each state is represented by three Senators, who are directly elected for eight year terms. The configuration of the electoral cycle means that either one-third or two-thirds of the Senate are elected every four years.

An independent judiciary is the final branch of the Brazilian state. As articulated in articles 101 to 103-B of the Constitution, the highest court in the country — equivalent to the Constitutional Court in South Africa — is the *Supremo Tribunal Federal* (Supreme Federal Court). This is followed by the *Superior Tribunal de Justiça* (Superior Court of Justice) as the highest appellate court for non-constitutional matters, other superior courts, the *Tribunais Regionais Federais* (Regional Federal Courts) and the *Conselho Nacional de Justiça* (National Justice Council).

In addition to these three branches, Brazil's federal structure means that the country features

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<sup>111</sup>Voting is non-compulsory for youths between the ages of 16 and 18, people older than 70, and illiterate citizens. Voter turnout is usually around the order of 80 percent. Failure to comply with the responsibility to vote is subject to a fine.

<sup>112</sup>Each state is guaranteed a minimum of eight and a maximum of 70 members, while the number of seats per state is calculated according to figures from the national census.

three tiers of government: the federal (national) level,<sup>113</sup> states (including the federal district) and municipalities (FRB 1998: art 1). The country is comprised of 26 states plus the federal district, which are further subdivided into a total of 5 561 municipalities (Souza 2005: 78). Each state has its own Constitution, while states and municipalities have their own legislative and executive institutions. Elections for the President, governors and for congressional and state representatives take place simultaneously every four years. This is followed by mayoral and Municipal Council elections two years later (Souza 2005: 85).

A crucial part of the Brazilian state structure is the decentralised distribution of power between these three spheres. The country features a system of symmetrical federalism, with ‘each constituent unit having the same powers as those granted to constituent units in the United States and Mexico’ (Souza 2005: 84). This extends to the issue of municipal autonomy, as the 1988 Constitution incorporated municipalities alongside states as part of the federation and ‘shifted considerable political power and tax resources from the federal government to the states and municipalities’ (Selcher 1998: 25). The adoption of the current Constitution entailed dramatic changes to the resources made available to subnational governments, particularly municipalities.

As a result, the share of public revenue being directed towards local governments increased from 18.2 percent to 22.8 percent (3.5 percent of GDP) (Souza 2002a: 3). This has resulted in a situation where Brazilian municipalities are financially well-off compared to municipalities in other parts of the developing world. The period between the promulgation of the 1988 Constitution and 1998 featured an increase in local revenue of 197 percent, with local revenue representing 1.6 percent of GDP in the same year — a higher amount than federal constitutional transfers (Souza 2002a: 3-13). This is reflective of the fact that when the Constitution was adopted, ‘one of the main objectives...was to leave subnational levels plenty of room to determine where and how to spend the resources transferred to them’ (Souza 2002a: 3-13).

In all, ‘there is a broad consensus among analysts that Brazil is the most decentralised country in

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<sup>113</sup>The federal government sphere is legally known as the *União* (Union).

the developing world' (Souza 2002b: 24). This means that Brazilian federalism is characterised by various power centres, features financial interdependence among governmental units, and contains multiple routes for designing and implementing policy (Souza 2002b: 45). The adoption of the 1988 Constitution resulted in the emergence of competing power centres with access to decision making and policy implementation mechanisms, particularly in terms of social policies (Souza 2002b: 45). These multiple power centres<sup>114</sup> 'compete both among themselves and with the federal executive' (Souza 2005: 87).

This is particularly relevant in analysing the development of social assistance programmes. Article 22 of the Constitution lists the exclusive competencies of the national level, followed by article 23's explication of the areas of concurrent powers (FRB 1988). It notes that

the Union, the states, the federal district and the municipalities, in common, have the power:  
II — to provide for health and public assistance, for the protection and safeguarding of handicapped persons; X — to fight the causes of poverty and the factors leading to substandard living conditions, promoting the social integration of the underprivileged sections of the population...The Union, the states and the federal district have the power to legislate concurrently on:  
XII — social security, protection and defence of health; XIV — protection and social integration of handicapped persons; XV — protection of childhood and youth (FRB 1988: art. 23-24).

In short, the federal, state and municipal levels thus have a shared competence for implementing 'health and social welfare [policies, as well as] combating poverty and social marginalisation' (Souza 2005: 86). Additionally, preschool and primary education are areas of 'mainly local' constitutional authority (Souza 2005: 86). The result is that, in Brazil, the subnational spheres formally enjoy much greater power to design and implement social assistance policies affecting these issue areas.

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<sup>114</sup>Despite the decentralised nature of the Brazilian state, it is important to note that the federal level nevertheless 'holds the largest number of exclusive powers' (Souza 2005: 85).



### 7.3.2 Political Power Fragmentation

This constitutional diffusion of policymaking authority is further complemented by the practical distribution of political power in Brazil. Figure 7.4 introduces the results of presidential elections between 1994 and 2014.<sup>115</sup> It illustrates that these national elections are characterised by a high degree of competition between the candidates from the two primary national political parties, the *Partido dos Trabalhadores* (PT – Workers’ Party) and the *Partido da Social Democracia Brasileira* (PSDB – Brazilian Social Democracy Party).

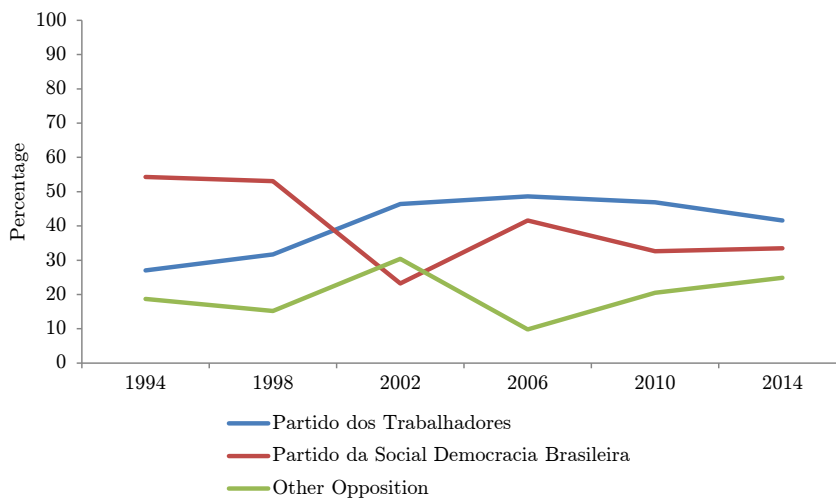


Figure 7.4: Electoral Support, Presidential Elections (1994-2014) (Source: TSE 2014)

Following the tumultuous years of the Collor and Franco presidencies, the politics around presidential elections settled into a pattern of fierce contestation between the PT and PSDB, with potential third-party spoilers being an ever-present reality. The success of the economic stabilisation programme known as the *Plano Real* (Real Plan) initially propelled Fernando Henrique Cardoso to the presidency in 1994. Cardoso won the election by a margin of 27.3 percent, the largest in

<sup>115</sup>The personalistic nature of politics in Brazil means that the value of thinking in terms of competition between parties is limited. It is however useful for the purposes of this section by illustrating the high levels of competition.

Brazilian history (TSE 2014).

Subsequent to a constitutional amendment allowing him a second term, Cardoso was re-elected in 1998 with 52.1 percent of the vote (TSE 2014). However, in the 2002 election, the PT swept to victory under Lula, garnering 46.4 percent in the first round and winning comfortably in the runoff against the PSDB candidate (TSE 2014). Lula was elected for a second term in 2006 in an initially close race with the PSDB (he won the first round with 48.6 to 41.6 percent). Lula was subsequently succeeded in 2010 by Dilma Rousseff, who won re-election in the 2014 race — a campaign that featured the closest runoff election in the country's history (TSE 2014).

The pattern of intense competition is even more pronounced in the case of legislative elections. Figure 7.5 indicates that the number of parties represented in the Chamber of Deputies has never been less than 17, with no party ever having managed to garner more than 20 percent of the vote (TSE 2014). Additionally, every governing coalition has consisted of between four and nine parties in the Chamber of Deputies.<sup>116</sup> The intensity of political fragmentation under Brazil's multiparty presidential democracy has been characterised as a situation of 'permanent minority presidentialism' (Mainwaring 1992: 1, also see Figueiredo & Limongi 2000; Geddes & Neto 1992). The result is that all Brazilian presidents must engage in a process of coalition-building in order to attain a majority in Congress (Mainwaring 1992).

The picture of intense competition is further confirmed at the state and municipal levels.<sup>117</sup> During the 2014 gubernatorial elections, candidates from nine different parties were elected as governors for the 26 states and the federal district (TSE 2014). The pattern is also clear in the municipal

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<sup>116</sup>While this section focuses on the dynamics within the Chamber of Deputies, the same fractious pattern is visible in the Federal Senate. A total of 15 parties are currently represented, with eight of them being part of the governing coalition.

<sup>117</sup>In contrast to South Africa, where the overwhelming racial nationalist legitimacy of the ANC has postponed the pluralisation effects of class mobilisation, Brazil has seen the emergence of a political discourse centred on class which has served as an underlying reason for the diffusion of political power. The result of this has been to further fuel the process of bottom-up policy development characteristic of the Brazilian case.

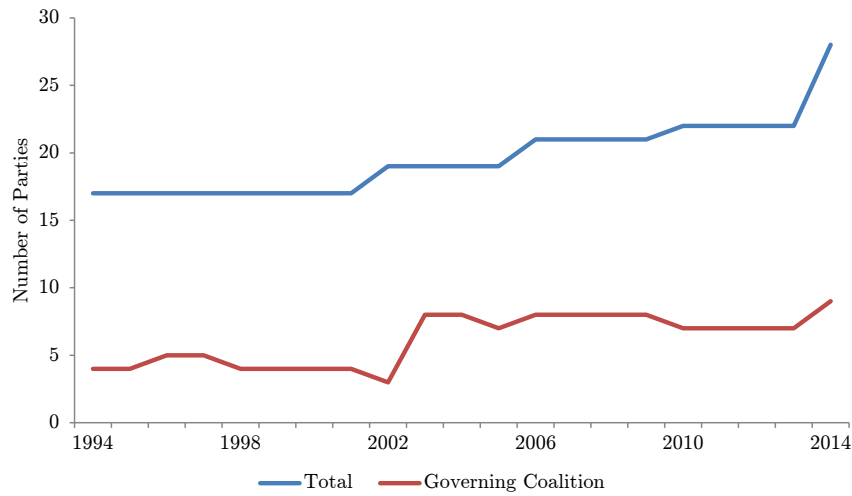


Figure 7.5: Number of Parties Represented in the Chamber of Deputies (1994-2014) (Sources: TSE 2014; Figueiredo 2007: 190; Pereira 2010: 1.)

sphere where, in the 2012 municipal elections, mayors were elected from 26 different political parties (TSE 2014). Out of the 5 561 municipalities in the country, the *Partido do Movimento Democrático Brasileiro* (PMDB – Brazilian Democratic Movement Party) won the most mayoralties: 1 014; followed by the PSDB with 699 and the PT with 623 (TSE 2014). This means that no party controls more than 19 percent of Brazilian municipalities.

The implications in relation to the topic of this study are clear: contemporary Brazilian politics, both formally and in terms of practical power distribution, are marked by a high level of competition and the diffusion of authority. When this fact is combined with the country’s decidedly federal structure, it becomes clear that the framework for social assistance policymaking is highly decentralised in Brazil.

## 7.4 The Institutional Setting

The first sections of this chapter have introduced the Brazilian institutional context. The discussion has illustrated that, compared to South Africa, social assistance norms were historically only weakly entrenched; and that both in terms of the formal design of the state and through the practical distribution of political power, Brazil features a diffuse state structure, especially in the area of social assistance policymaking. Based on this preceding analysis, table 7.3 introduces the independent variables for the Brazilian case.

Case	(IV1) Institutionalisation of Norms	(IV2) Concentration of State Structure
Brazil	Low	Low

Table 7.3: Independent Variables – Brazil

## 7.5 Institutions, Actors and Social Assistance in Brazil

The above examination of the institutional context amounts to the first step in the two-part ACI analytical procedure, setting the scene for an examination of the impact that this institutional setting had on the construction of actor preferences and the ways in which these preferences were ultimately transformed into social assistance policy outputs. This initially involves an introduction of the relevant policy community alongside their institutionally-derived preferences, as well as the predominant mode of interaction, followed by an empirical analysis of the policy development process that led to the construction of a protective social assistance system in Brazil.

The preceding discussion highlights the fact that the country's diffuse state structure meant that policymaking capacity was not limited to the federal government sphere. The authority to develop social assistance policy in post-authoritarian Brazil was widely dispersed throughout the state, involving policy actors from municipalities, states and the federal government in a process

of decentralised policy innovation. The country thus featured a more expansive policy community than the South African case. Brazil's diffuse state structure meant that state actors were effectively divided into two subgroups, namely subnational state actors and federal state actors.<sup>118</sup>

The first subgroup included a wide array of municipal mayors, state governors and their associated advisers,<sup>119</sup> while the second set of state actors was composed of policymakers at the federal level, including Presidents, Ministers of Social Development, Health and Education, legal advisers and federal bureaucrats. The final group constituting the social assistance policy community was civil society actors, which included journalists, social activists, economists, historians and other academics (Interview 16).

The shape of interactions within this actor constellation was institutionally determined. In contrast to the case of South Africa, where the highly concentrated state structure meant that almost all relevant policy interactions were conducted through ad hoc central government committees, the Brazilian case featured less centralised and more regular avenues of interaction. Due to the fact that subnational actors had the authority to independently design social assistance interventions, a range of interactions took place at the local and regional level, largely between local politicians and civil society actors. At the same time, a further set of interactions took place at the federal level involving actors from all three groups.

Interactions were often conducted by way of the newly-established social assistance councils which included representatives from civil society<sup>120</sup> — through the *Conselho Nacional de Assistência Social* (CNAS – National Social Assistance Council) at the federal level and its subnational correlates on the state- and municipal levels.<sup>121</sup> Even when policies were introduced through pieces of

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<sup>118</sup>The distinction between subnational and federal state actors is consistent with the approach adopted by Coêlho (2012) in his review on the diffusion of the PBE in Brazil.

<sup>119</sup>By 2001, this subnational group included actors from at least seven states and between 80 and 200 cities (Aguilar & Araujo 2002; Villatoro 2005).

<sup>120</sup>Côrtés notes that the 'representatives who sit on the councils are seen as leaders who can influence policies' (2013: 137).

<sup>121</sup>See section 7.6.

federal legislation, the decentralised social assistance policymaking structure and the neocorporatist nature of social assistance councils meant that interactions were largely characterised by instances of negotiated agreement (Scharpf 1997: 116-150).

The institutional setting also played an important role in shaping the preferences held by policy actors (Scharpf 1997: 1; 21). As in the case of South Africa, the analysis proceeds from the fundamental assumption that both subnational and federal state actors were motivated to retain or attain political power (Davis et al. 1970: 438). Whereas in the South African case this was an almost trivial statement because of the ANC's deeply entrenched power position, the assumption becomes a much more potent force for shaping preferences in the case of politically competitive Brazil.

In contrast to South Africa, where state actors faced 'little immediate electoral incentive' when designing the post-apartheid social assistance system, Brazilian policymakers at all levels were constantly subject to intense political competition (Seekings 2008: 35). The fact that legislative turnover in Brazil has consistently exceeded 50 percent during each election since 1990 means that state actors held a preference to design and implement social assistance policies that would reach as many people in their jurisdiction as effectively as possible in order to distinguish themselves from the competition and to be identified as 'reformers' (Samuels 2000: 481; Keefer & Khemani 2003a; Keefer & Khemani 2003b). The goal was to create social policies which were popularly perceived as effective in order to reap electoral rewards.

The incentive to utilise social assistance provision as a vehicle for attaining political credit was further enhanced by the flexibility introduced by the lack of historical norms, as expressed in the country's constitutional-legal framework. The institutional structure also meant that even though these groups were sometimes differentially positioned within the state and potentially competing with each other, federal and subnational actors held broadly similar policy preferences driven by the intensity of political competition. Both federal and subnational actors consequently wanted to

be able to take credit for designing social assistance policies that were effective and reached a wide swath of voters. The preferences of state actors thus arose in an institutional context characterized by greater policy and fiscal flexibility, and premised on political power diffusion. This structure encouraged bottom-up policy experimentation and innovation fueled by the realities of political competition.

The preferences held by civil society actors<sup>122</sup> in Brazil mirrored those of their counterparts in South Africa. The group often included actors previously involved in the *Diretas Já* movement, and their institutional position outside the narrow constraints of the state meant that this group of actors were naturally not subject to the imperatives of political competition. Instead, they were focused on creating functionally effective policies available ‘to all citizens entitled to social assistance’ (Côrtes 2013: 136). The historical lack of social assistance programmes in Brazil often meant that this concern with functional effectiveness implied lobbying for more expansive coverage, particularly through the movement that was to develop around the notion of a universal BIG in the country.

The institutional setting thus gave rise to a somewhat different set of preferences in the Brazilian case. Beyond the need to comply with the requirements of the new Constitution, state actors were concerned with maximising the potential electoral returns of effective social assistance policies, while civil society actors wanted to continue the process started during the struggle for democracy by creating a significantly expanded system. The institutional setting guiding their preferences and interactions would go on to decisively influence the development of Brazil’s contemporary social assistance system.

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<sup>122</sup>Côrtes (2013) provides a fascinating account of the dynamics within these social assistance councils and the way in which their preferences were conveyed.

## 7.6 The Policy Development Process

Following the specification of the institutional setting, actor constellation, modes of interaction and actor preferences, this subsection empirically traces the policy development process for the Brazilian case. Its principal aim is to illustrate the route whereby the weak institutionalisation of social assistance norms combined with a diffuse state structure directed the construction of a protective system in Brazil. The chronological discussion traces the role of these two independent variables in four phases: an initial period (1990-1997) characterised by the emergence of the BPC and the first conditional programmes at subnational level, a second period which saw the first actions to provide federal support and eventually federal coordination for the major social assistance initiatives (1997-2003), a third period characterised by the unification and initial universalisation of social assistance (2003-2006) and a final period marked by the expansion and consolidation (2006-present) that has entrenched the features of the current system.

### 7.6.1 Initial Policy Design (1990-1997)

The tumultuous fledgling years of Brazil's new democracy were consumed by issues of economic instability and runaway inflation. Federal politics centred on the fight against inflation, with seven different economic stabilisation plans being implemented in the period between 1986 and 1994.<sup>123</sup> It was only with the adoption of the *Plano Real* in July 1994 that stability started to return to the Brazilian economy and inflation was tamed. The architect of the *Plano Real* was Fernando Henrique Cardoso, who was finance minister during the presidency of Itamar Franco. Cardoso was subsequently elected President in October 1994.

The first steps on the road towards constructing the contemporary Brazilian system of social assistance followed shortly after the economic stabilisation brought about by the *Plano Real* and

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<sup>123</sup>These were the *Plano Cruzado*, *Plano Cruzado II*, *Plano Bresser*, *Política Feijão com Arroz*, *Plano Verão*, *Plano Collor* and, finally, the *Plano Real*.



the implementation of the LOAS in 1995 (Schwarzer & Querino 2002: 16). The LOAS had a particularly profound impact on the creation of the system, as it ‘deeply changed the structure of social assistance in Brazil’ (Schwarzer & Querino 2002: 17). Its implementation led to the creation of a *Secretaria de Estado da Assistência Social* (SEAS – Secretariat for Social Assistance) within the federal MPS in 1995 with the aim of coordinating the decentralised policy design and execution process.

This was soon followed by the construction of a national social assistance policy, the issuance of basic operational norms, as well as the creation of intergovernmental administrative commissions tasked with promoting ‘dialogue between the three government levels, [determining] the scope of each level, [settling] financial issues, and [implementing] a participative council scheme at the three levels’ (Schwarzer & Querino 2002: 17). Civil society groups were represented at each governmental level through these participatory social assistance councils.

The LOAS required every municipality, state as well as the federal government to create such an advisory social assistance council with the purpose of ‘providing richer policies, securing participation, and making policies more transparent. The principle guiding the councils is to reach *consensus* (emphasis added) between the different actors’ (Legido-Quigley 2009: 4). It also called for each administrative unit to draw up an official social assistance policy document stating its main objectives and principles, as well as the creation of an executing agency (a social assistance secretary) at each government level (Schwarzer & Querino 2002: 17). Table 7.4 indicates that rapid progress was made in these regards, with 88.6 percent of municipalities having a social assistance council and 82.5 percent having a formal social assistance policy by 2000 (Schwarzer & Querino 2002: 18).

The first actual policy changes took place with regards to the Constitution’s call in article 203 (V) for the creation of a guaranteed monthly benefit equal to one minimum wage to the impoverished handicapped of all ages and the impoverished elderly (FRB 1988). This new benefit — which later

Year	Total Municipalities	Municipalities with Social Assistance Council	Municipalities with Social Assistance Policy
1998	5 506	3 927	2 165
1999	5 507	4 840	4 482
2000	5 507	4 878	4 543

Table 7.4: Municipal Social Assistance Competency (Sources: Schwarzer & Querino 2002: 18)

became known as the BPC — was to be regulated by the LOAS itself in order to replace the RMV (FRB 1993; Schwarzer & Querino 2002: 16; Interview 12). It called for the BPC to be coordinated by the *Ministério da Previdência Social* (MPS – Ministry of Social Security) which, through the INSS, was already responsible for implementing social insurance pensions in Brazil. This meant that the non-contributory BPC had to be incorporated alongside these contributory programmes (Legido-Quigley 2009: 3).

The programme stipulations laid out in the legal framework were very detailed: the federal government was required to create a social assistance programme directed at disabled people of any age and to those above the age of 65 whose household per capita income was less than one quarter of the minimum wage per month. It was constitutionally mandated that this programme be unconditional and assess the needs of beneficiaries based on their family structure (FRB 1988; FRB 1993). Given the fact that the BPC’s core institutional norms were defined in such great detail by the Constitution and LOAS, policymakers did not grapple with issues of coverage, conditionality and orientation.

The institutional framework was explicit: the BPC was to be unconditional; its orientation was to be familial; and it was to cover impoverished disabled people of all ages and the impoverished elderly by providing a monthly benefit equal in value to one minimum wage. This did not leave much room for policy contestation. Instead, the main issues under consideration during the policy design process were related to the BPC’s operationalisation. Throughout 1995, negotiations around

this were coordinated at the federal level by the SEAS and involved actors from all three spheres of government and civil society through the newly-established administrative commissions and social assistance councils (Schwarzer & Querino 2002: 18).

The main issue dealt with during these negotiations was the question of the benefit payment mechanism. Given the fact that the INSS was already experienced in delivering the benefit payments for contributory pensions, and despite discussions about the possibility of adopting a system where the payments would be contracted out to local authorities, a decision was reached to task the INSS with delivering the BPC payments across the country (Legido-Quigley 2009: 4). The BPC benefits would consequently be paid out by the INSS via the same channels (commercial banks and post offices) and on the same dates as contributory pensions (Legido-Quigley 2009: 4). Even though the BPC has thus been a federal programme since its inception, the brief process that took place to determine its operation hinted at what was to come: a decentralised procedure of negotiated agreement between different policy actors.

The BPC officially became operational on 2 January 1996, marking the first implementation of a genuine non-contributory social assistance intervention in Brazilian history. At the same time, new applications for the RMV were no longer accepted after 1995, while benefits which were granted up to 1995 continue to be paid.<sup>124</sup> In a further reflection of the power of institutional norms, the operationalisation of the BPC got off to a somewhat rocky start primarily due to the fact that INSS officials were not used to working with a non-contributory benefit. As a result, ‘the mentality within the INSS was that you had a right to a pension if you had previously contributed to the system’ (Legido-Quigley 2009: 4). Despite this initial difficulty, by 1998 the BPC was being paid out on a non-contributory basis to a total of 844 632 beneficiaries every month (Schwarzer & Querino 2002: 18).

At the same time that the BPC was being phased in, there were two closely related policy

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<sup>124</sup>In 2014, a total of 183 531 beneficiaries were technically still considered to be receiving the RMV (MPS 2014: 11).

stirrings taking place elsewhere which would go on to have a decisive impact on shaping the protective social assistance system in Brazil. The first was the intensification of a theoretical debate around the potential introduction of a BIG, while the second was the practical creation of the first (localised) conditional CTs aimed at the impoverished population not covered by the fledgling BPC (children, families and unemployed adults). Along with the implementation of the BPC, examining the way in which these developments were institutionally channelled provides a persuasive account of the contemporary features of Brazilian social assistance.

Early discussions around the potential for introducing a BIG originated among civil society actors in the 1970s, but it was only during the 1990s that the issue was taken up in policy circles. The political champion of this agenda was Senator Eduardo Suplicy from the PT, who introduced a draft bill to the Senate in 1991 calling for the establishment of a social assistance scheme that would guarantee a minimum income to all adults with incomes below a specified threshold (Suplicy 2002: 2; Lindert et al. 2007: 10). The bill was approved by the Senate, but the Chamber of Deputies failed to vote on it. Despite the failure to adopt this particular bill, the debate around it placed the issue of expanded social assistance squarely on the political agenda. Through a process of intense policy experimentation, competition and proliferation, the idea eventually found some practical expression in the introduction of the first subnational social assistance programmes in January 1995.

The first one to be created, known as the *Programa Bolsa Escola* (PBE – School Grant Programme), became operational on 3 January 1995 in the federal district (Lindert et al. 2007: 12). As the first programme to be implemented, the features introduced by the PBE would subsequently go on to have a tremendous impact on shaping the eventual characteristics of the PBF programme. After running on the platform of the PBE, the programme was introduced by incoming PT governor Cristovam Buarque immediately upon assuming office (Interview 16). The initial impetus behind the PBE originated through interactions with functionally-oriented civil society actors during Buarque's time as rector of the University of Brasília in the late 1980s, where he engaged in debates on

challenges facing the country with academics (including sociologist and future President Cardoso) and other civil society actors through the Centre for Studies of Contemporary Brazil (Buarque 2013: 11).

Along with journalist Gilberto Dimenstein, Buarque went on to further expound on the idea of the PBE in two books.<sup>125</sup> Buarque and his civil society collaborators emphasised the idea that ‘the principal vector of development was not the economy, but was, indeed, quality education’ (Buarque 2013: 10). As such, they began to view social assistance provision as a tool to enhance educational outcomes through conditionality. The ideational foundation was simple: if there were families with children who are unable to go to school due to poverty, then they should be paid on the condition that the children must study (Buarque 2013: 14). The aim was to use the poor’s ‘need for income as a way to induce them to place their children in school’ (Buarque 2013: 14).

The notion of the PBE was first introduced to the general public in August 1994 during the election campaign for the governorship of the federal district. The implementation of the programme was initiated immediately after Buarque won the election. The PBE was set to become the first conditional CT in Brazil. It would pay the equivalent of one minimum wage to families with children between the ages of seven and 14, and would be conditional upon school attendance. The programme was managed by the Secretary of Education and was well and truly a local programme, as it was entirely funded by the federal district (Buarque 2013: 20).

A few months prior to the initiation of the PBE in the federal district in January 1995, the then-mayor of the city of Campinas in São Paulo state, José Roberto Magalhães Texeira, had shown an interest in the ideas previously published by Buarque, and invited him to discuss them

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<sup>125</sup>The first was entitled *Revolução das Prioridades – da Modernidade Técnica à Modernidade Ética* (‘The Revolution of Priorities – from Technical Modernity to Ethical Modernity’) and *A Segunda Abolição – uma proposta para a erradicação da pobreza no Brasil* (‘Abolishing Poverty: A Proposal for Brazil’). The case for a conditional CT was further made in a series of academic and newspaper articles published in the *Folha de São Paulo* by economist José Márcio Camargo (Lindert et al. 2007: 11).

in person (Buarque 2013: 16). Shortly after witnessing the introduction of the PBE, Teixeira (who was from the rival PSDB) initiated his own programme<sup>126</sup> in Campinas on 3 March 1995. Although the Campinas programme closely emulated the PBE model, it was managed by the Secretary for Welfare (instead of Education) and featured somewhat softer conditionality (Buarque 2013: 20). By the end of 1998, 20 000 families in the federal district were receiving the PBE, while Campinas had around 7 000 beneficiaries (Buarque 2013: 22).

What followed these initial experiments amounts to a remarkable tale of policy diffusion. The PBE immediately proved to be immensely popular, both with beneficiaries and in the media. The press played an important role in disseminating information across the country through ringing endorsements that appeared in some of Brazil's leading titles, including *O Globo* (19 November 1995; 20 December 1996); *Veja* (10 July 1996; 10 October 1996); *Policarpo Júnior* (8 October 1997); *Sandra Brasil* (8 October 1997); *Jornal de Brasília* (19 September 1996); and *Estado de São Paulo* (5 February 1996) (Buarque 2013: 51-59).

Headlines included phrases like 'The great silent revolution: Brazil surmounts the phase of pompous solutions and begins to resolve its education problem with simple ideas'; 'Help and even kindness out of the horror – there are three solutions for the drama of childhood lost in the street: school, school, and school'; 'House and school – federal district government helps poor children – and their parents as well'; 'The example of Brasília'; 'Complementing family income reduces school dropouts in the federal district – program guarantees R\$100 a month to needy families that keep all their children in school'; and 'UN gives prizes to federal district educational project – *Bolsa Escola* pays one minimum wage to the students who do not skip school' (Buarque 2013: 51-59). The programme also won the prestigious Getúlio Vargas Foundation Public Management and Citizenship Award in 1996.

The PBE furthermore received international recognition, with a profile appearing in *Time* mag-

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<sup>126</sup>This intervention was known as the *Programa de Garantia de Renda Familiar Mínima* (PGRFM – Familial Minimum Income Guarantee Programme).

azine as early as December 1995. Nobel Laureate for Economics Gary Becker praised it in a 1997 *Business Week* article, while the programme won the 1996 UNICEF Children and Peace Prize (Buarque 2013: 60-62). As a result of its ubiquitous profile, it became

one of the programmes that [was] most consulted by the country's other governors. Every day the federal district Secretary of Education received dozens of telephone calls, letters, and visits of those interested in setting up the project (Buarque 2013: 59).

In this way, the programme effectively became a model which was replicated across the states and municipalities of Brazil. By 2001, more than 100 municipalities and at least seven states covering 200 000 families were operating programmes based on the PBE (Lindert et al. 2007: 11; Buarque 2013: 32).

Without any involvement from the federal government, municipalities and states governed by political parties from across the ideological spectrum that were 'deeply diverse in terms of population, poverty levels and economic weight...decided to fund the same programme, an event that occurred in a relatively short period of time' (Interview 12; Coêlho 2012: 57). The driving force behind this tremendous horizontal policy diffusion was political competition channelled by Brazil's highly competitive and decentralised institutional structure, as politicians quickly learnt through election results that resoundingly endorsed the popularity of the programmes (Fonseca & Montali 1996; Caccia Bava et al. 1998; Lindert et al. 2007; Coêlho 2012).

Heading into the 1998 presidential election year, the foundation for the construction of the Brazilian social assistance system had thus been established. It provided comprehensive federal support to impoverished disabled people of all ages and the impoverished elderly via the BPC, while a disparate set of subnational programmes were providing coverage through conditional programmes to families with school-aged children in a majority of municipalities and states. Already at this time, the system had thus incorporated conditionalities and assessed the needs of potential beneficiaries on a familial basis. Table 7.5 provides a snapshot into this evolving system.<sup>127</sup>

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<sup>127</sup>There was no unified, national PBE at this time, and this table only indicates that there were a range of such

Name	Year Created	Target Beneficiaries
Bolsa Escola (subnational)	1995	Families with school-aged children (generally 0-14)
Benefício de Prestação Continuada (federal)	1995	Disabled (all ages) Elderly (67+)

Table 7.5: Brazilian Social Assistance in 1997 (Sources: CEF 2014; MPS 2013: 11)

## 7.6.2 Federal Coordination (1997-2003)

Despite initial scepticism from bureaucrats surrounding the cost implications of federal social assistance provision, it would soon simply become impossible for the government in Brasília to ignore the continued proliferation, positive impact evaluations<sup>128</sup> and growing electoral popularity of the subnational PBE programmes (Interview 16; Buarque 2013: 62). Recognition of the model's success had in fact caused it to begin spreading beyond Brazil's borders, as the Mexican federal government had set up the *Progresá* (Progress) conditional CT in 1997 explicitly based upon the federal district's PBE (Interview 16).<sup>129</sup>

Driven by the realities of political competition, the federal government decided to get in on the act. The PSDB administration identified an initial opportunity to do so by leveraging its financial resources to induce cash-strapped municipalities into sharing political credit for the programmes with the national sphere. The federal government thus identified and initiated negotiations with financially constrained subnational units about the possibility of creating some room for federal programmes being implemented by states and municipalities across the country. The figure for the BPC includes remaining RMV beneficiaries.

<sup>128</sup>Evaluations indicating positive impacts were carried out as early as 1997 by organisations including the World Bank, the Inter-American Development Bank, the UNDP, ILO, UNESCO and UNICEF.

<sup>129</sup>In Mexico, the programme was subsequently renamed *Oportunidades* (Opportunity), and is currently known as *Prospera* (Prosper). President Ernesto Zedillo had sent a delegation (which included his wife) to the federal district in 1996 to learn about the PBE before setting up the Mexican scheme (Interview 16).



involvement in the financing of local PBEs.

The process resulted in the introduction of the *Programa de Garantia de Renda Mínima* (PGRM – Programme for a Guaranteed Minimum Income) in 1998. The bill creating this scheme was introduced to Congress by Nelson Marchezan from the PSDB. The PGRM was managed by the federal Ministry of Education, and provided transfers to municipalities which were implementing their own conditional CTs but lacked the necessary resources to sustain the programmes (Lindert et al. 2007: 12). Municipalities were however still required to contribute at least 50 percent of programme funds in order to be eligible for federal support.

Through this process of negotiated agreement, the PGRM was ultimately extended to cover 1 350 of the poorest municipalities in the country (Coêlho 2012: 57). Although it was not a social assistance intervention per se, the PRGM represented the first foray by the federal government into the provision of social assistance to groups not eligible for coverage under the BPC. It thus enabled municipalities to continue implementing such programmes by providing financial support. In turn, municipalities ceded some of their political authority to the federal government. As such, the PGRM was not only an important factor in further promoting and sustaining subnational CTs, but also became a gateway for the design and implementation of future federal social assistance initiatives (Lindert et al. 2007: 12).

Meanwhile, Cardoso was re-elected in the 1998 presidential election and assumed office in January 1999 to commence his second term — with the diffusion of subnational PBE programmes continuing unabated across the country. Despite its financial involvement, this reality meant that the federal government risked foregoing the opportunity to be definitively associated with what had become the most popular social policy initiative in Brazilian history. It had to act. Much of the impetus for federal action continued to come from Congressman Marchezan (Cardoso's colleague in the PSDB) through the hosting of a national seminar on minimum income linked to education in the Chamber of Deputies during November 2000. The outcome of these efforts was to convince

the Cardoso administration of the (political) necessity of establishing a nationwide, federal PBE (Buarque 2013: 36).

The final two years of the Cardoso presidency subsequently saw the introduction and rapid expansion of federal CTs. Federal politicians had become thoroughly convinced by the potential of CTs to generate political support, and ‘every Minister thought: “this is a good idea, I want one too”. It started to come out everywhere’ (Interview 13). Fittingly, the first to be introduced was a federal PBE programme. On 11 April 2001 Cardoso created, through executive decree,<sup>130</sup> a national version of the programme that was originally implemented in the federal district six years earlier to replace the PGRM (Lindert et al. 2007: 13). The federal PBE thereby consolidated the scattered array of subnational programmes into a single federal scheme.

Managed by the Ministry of Education, the programme targeted families with children between the ages of seven and 16 years old and paid a monthly sum of R\$15 (US\$7) per child to families with per capita income of less than R\$90 (US\$43) conditional upon a minimum school attendance rate of 85 percent per child (Lindert et al. 2007: 13). The operation of the programme was therefore identical to its subnational predecessors. The primary change was an organisational one: although still implemented in a decentralised fashion by individual municipalities, the PBE had now become a national programme funded exclusively by the federal government. It had thereby gained much firmer legal footing, even as political credit for the PBE continued to be shared between local and federal politicians. From a small local programme targeting 20 000 families in the federal district

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<sup>130</sup>The widespread use of executive decrees in Brazil’s presidential system is a topic of some controversy among analysts (Ames 1995; 2001; Limongi & Figueiredo 1995; Figueiredo & Limongi 2000; Reich 2002). The Constitution grants Presidents the power to enact a measure for a period of 30 days through executive decree, during which time Congress is supposed to vote on its permanence. But in a vast majority of cases Congress fails to vote on executive decrees (Reich 2002: 10). When this happens, the decree expires. However, the practice of simply reissuing the same decree for months or even years on end — thereby enabling the continued implementation of the particular provision — has become a deeply embedded presidential practice which also manifested itself in the creation of conditional CTs in Brazil.

in 1995, the federal PBE ‘was present in almost all cities in the country’ and reached a total of 4.8 million families by 2001 (Coelho 2012: 58; Buarque 2013: 37).

The federal executive quickly moved to consolidate this political momentum by additionally creating the *Cadastro Único* (Central Registry)<sup>131</sup> with the aim of collecting information on the living conditions of all impoverished families in the country. This would allow the government to design further programmes targeting this population. The first subsequent step was taken on 6 September 2001, when Cardoso issued a presidential decree creating the Bolsa Alimentação (BA – Food Grant). Explicitly modelled on the PBE, this CT was aimed at families with children between the ages of zero and seven years old and was conditional upon complying with a schedule of pre- and post-natal medical visits, ensuring that all children were vaccinated according to an official schedule, participation in nutritional education seminars, as well as growth monitoring. It was managed by the Ministry of Health and also paid \$15 (US\$7) per child to families with a per capita monthly income of less than R\$90 (US\$43). Once eligibility for the programme expired at age seven, families with eligible children transitioned onto the federal PBE (Lindert et al. 2007: 13).

The federal government’s newfound zeal for CTs was also expressed through the creation of the *Auxílio Gás* (AG – Gas Voucher) programme in January 2002 as a ‘compensatory measure for the phasing out of cooking gas subsidies’ (Lindert et al. 2007: 13). This scheme was administered by the Ministry of Mines and Energy, and paid a transfer of R\$15 (US\$7) in bi-monthly instalments to families with monthly per capita income equal to less than half the minimum wage (Lindert et al. 2007: 13).

By the end of Cardoso’s second term, profound changes had consequently been made to the Brazilian social assistance regime. Although still incomplete, the system now not only provided coverage to the disabled and elderly through the BPC, but also extended federal coverage to impov-

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<sup>131</sup>The creation of the *Cadastro Único* proved to be an administrative masterstroke. The database currently contains information on the living conditions of 78 million of the poorest Brazilians and has become an operational centrepiece in the country’s social assistance efforts (ILO 2014: 2).

erished families with children between the ages of zero and 16. It continued to define beneficiaries in familial terms, and strongly incorporated elements of conditionality. Table 7.6 illustrates the composition of the system at that time.<sup>132</sup>

Name	Year Created	Target Beneficiaries
Bolsa Alimentação	2001	Families with children aged 0-7
Bolsa Escola	1995 (subnational) 2001 (federal)	Families with children aged 7-16
Benefício de Prestação Continuada	1995	Disabled (all ages) Elderly (67+)

Table 7.6: Brazilian Social Assistance in 2003 (Sources: CEF 2014; MPS 2013: 11)

### 7.6.3 Unification and Universalisation (2003-2006)

On one level, the 2002 presidential election brought profound change to Brazilian politics. After two full terms under Cardoso's PDSB government, Brazilians elected Lula and his PT in a second-round runoff during his fourth campaign for President. Lula and the PT had first run for President in 1989, and had for many years openly advocated for the implementation of socialism in the country. But the successful adoption of market reforms during the Cardoso years had 'rendered the party's socialist project unviable', forcing it closer to the centre of the ideological spectrum and ultimately enabling it to achieve electoral victory (Hunter 2007: 440).

The pressures of vote maximisation produced by a highly competitive political arena, combined with the need to demonstrate results in office following a series of successful subnational elections in the 1990s, increased the weight of pragmatists in the party and led the PT to undertake a credible shift closer to the political centre (Samuels 2004; Hunter 2010). This undertaking was most profoundly expressed prior to the election in Lula's famous *Carta aos Brasileiros* ('Letter to the Brazilian People') where he promised to honour the country's debts and uphold current economic

<sup>132</sup>This list does not include the niche AG programme. The figure for the BPC includes remaining RMV beneficiaries.

policy. The same pattern of continuity is visible in the area of social assistance, where Lula's election did not imply a profound break with previous policy. Instead, successive PT administrations would go on to do a masterful job of building on the prior foundational reforms implemented by Cardoso (Faulbaum 2013).

But the Lula administration would have to learn a hard lesson about institutional stickiness first. During his inaugural address on 1 January 2003, the new President announced the creation of the *Fome Zero* (FZ – Zero Hunger) programme as his government's flagship programme. It amounted to a multi-dimensional umbrella scheme composed of over 60 different interventions aimed at eradicating hunger in the country (Lindert et al. 2007: 13). Lula also announced the related creation of the *Ministro de Estado Extraordinário de Segurança Alimentar e Combate à Fome* (MESA – Special Ministry for Food Security) to coordinate the introduction of a pilot project known as the *Cartão Alimentação* (CA – Food Card), where money was to be transferred to impoverished beneficiaries to enable them to make food purchases (Bither-Terry 2013: 1; Lindert et al. 2007: 13).

The FZ intervention soon proved to be a dismal failure, largely because it disregarded existing institutions and 'failed to engage constructively with policy legacies from the Fernando Henrique Cardoso government' (Bither-Terry 2013: 1; Interview 13). At the same time, a new set of supplementary survey questions in the 2004 household survey had found that CTs were having positive impacts on the poor. It made a big difference in terms of the poverty headcount ratio and, perhaps more significantly in the Brazilian context, was having a 'huge impact' in terms of reducing inequality (Interview 13). By the end of Lula's first year in office, he was '[beating] a hasty retreat from FZ and invested in social programmes similar to Cardoso's, increasing their resources' (McCann 2008: 40). The administration was admitting policy failure as far as FZ was concerned: it abolished the special ministry and ended the CA pilot project.

From 2004 onwards, the Lula government shifted its attention away from the institutionally

incompatible interventions of FZ towards what was to become the PBF. Even though voices in some quarters of the PT, including Cristovam Buarque who was now federal Minister of Education, had been lobbying Lula since 2002 to further expand CTs across the country, it took the failure of FZ to finally convince the President that these interventions were more politically effective (Buarque 2013: 37; Interview 13). Lula consequently requested officials from the Ministry of Social Assistance<sup>133</sup> and the *Instituto de Pesquisa Econômica Aplicada* (IPEA – Institute of Applied Economic Research) to outline a proposal for an integrated CT programme (Lindert et al. 2007: 14).

On 9 January 2004, Lula formally created the PBF through an executive decree (FRB 2004c). The programme unified the existing CTs (PBE, BA, and CA) into one massive conditional federal programme. The language used in the operational justifications for the reforms that resulted in the PBF included references to ‘leveraging synergies’, ‘rationalisation and consolidation’, ‘improved efficiency and targeting’, ‘strengthening monitoring and evaluation’, ‘promoting vertical integration’, and ‘leveraging opportunities to systematise complementarities’ (Lindert et al. 2007: 14).

More decisive than this rationale was the political justification. In the face of intensifying criticism and the failed FZ approach, the leftist Lula government was eager to claim political credit for what were proving to be extreme popular social programmes (Interview 13). Indeed,

after the much-ballyhooed *Fome Zero* programme failed to get off the ground in 2003-4, Lula was receiving low marks in this area. He set his sights on reversing this situation in the second half of his administration. Staking his prospects on the *Bolsa Família* was a cost-effective strategy (Hunter & Power 2007: 19).

Motivated by the realities of political competition, the administration proceeded to build on the policy legacies inherited from the Cardoso years with the aim of leveraging the PBF into political support.

It did this while being fully cognisant of the realities of the country’s diffuse state structure, as the negotiated agreements that were reached with subnational actors in the creation of the PBF

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<sup>133</sup>This ministry was merged with MESA in January 2004 to form the MDS, headed by Minister Patrus Ananias.

allowed them to continue sharing in some of the political credit for the creation of the programme:

by sharing the day-to-day operation of *Bolsa Família* with Brazil's 5 500 municipal mayors, the President allowed local elites to reap some of the benefits of this hugely popular programme (Hunter & Power 2007: 18).

This outcome was crucial, as it enabled the Lula government to take credit for the creation of the PBF while simultaneously ensuring continued political buy-in from subnational actors in the context of Brazil's diffuse state structure.

The other relevant development that took place during this period was related to the debate surrounding the BIG in Brazil. The discussion, still championed by the PT's Suplicy, had already played a role in spurring the expansion of social assistance provision. The BIG had been part of Lula's PT election campaigns throughout the 1990s, and his election finally led to a vote in Congress on a BIG bill authored by Suplicy (Suplicy 2006: 43). Both houses of Congress approved the bill during 2003, and it was signed into law by Lula on 8 January 2004 (FRB 2004a). Brazil had thereby become the first country in the world to adopt a law calling for the creation of a universal basic income.

However, the language contained in the bill made it clear that it was the prerogative of the executive to determine the pace of its implementation (FRB 2004a). The BIG law was a very flexible piece of legislation, as 'the amount given and its realisation will be gradual and given under the criterion of the national executive, which gives priority to the neediest until everybody can receive it' (Suplicy 2006: 53). In practise, the PBF was regarded by many as the first step on the road towards implementing a BIG by gradually extending its coverage (Lindert et al. 2007: 14).

In the face of mounting criticism regarding its initially slow progress on social policy issues and the failed FZ programme, the Lula government thus responded to the political pressure by claiming the PBF as its own, and then framing the PBF as the first step in implementing a BIG across Brazil<sup>134</sup> (Hunter & Power 2007: 19; Suplicy 2006: 10; Lindert et al. 2007: 14). The

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<sup>134</sup>Despite the fact that the law was politically framed in this way, some analysts question whether the PBF will

influence of the BIG law was made particularly visible through the introduction of the PBF's basic benefit (a benefit that did not exist for any of its predecessors), which enabled individuals living in families classified as 'extremely poor' to qualify for a per capita payment of R\$50 (US\$23) per month regardless of their demographic composition and whether they had any children (Lindert et al. 2007: 16). This step had the effect of introducing, for the first time, universal coverage that also included the able-bodied poor of working age in the Brazilian social assistance system.

The final two years of the first Lula administration were dominated by the execution of the administrative actions required to fully operationalise the PBF. The programme underwent a transition year in 2004 during which its foundations were established. This included the creation of the MDS in January of that year, followed by the issuance of operational instructions. The year 2005 'represented a period of consolidation and maturation for the PBF' during which its 'core architecture' was strengthened (Lindert et al. 2007: 14). 'Massive efforts' were also undertaken to enhance the accuracy of the *Cadastro Único* and monitoring conditionalities (Lindert et al. 2007: 14). By the end of 2004, the programme was already reaching 59 percent of eligible families; this grew to 77 percent by 2005 and almost 100 percent by 2006 for a total of 11.1 million families, or 44 million individuals (Hunter & Power 2007: 19; Lindert 2006: 67).

The 2006 general election was the next decisive event in the construction of the Brazilian social assistance system. Despite his party being embroiled in the *Mensalão* ('big monthly payment') corruption scandal, Lula remarkably won the runoff against the PSDB's Geraldo Alckmin with more than 60 percent of the votes (TSE 2014). The election results represented a clear testament to the political success of expanding the conditional, familial PBF programme through a process of negotiated agreement (Hunter & Power 2007; Zucco 2008; Zucco & Power 2013). Lula's support base had undergone a pronounced shift, as voters from wealthier regions of the country abandoned him due to the corruption scandal, while voters from relatively more impoverished regions of the

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ultimately result in the implementation of a BIG; see Britto 2011.



country (who had not supported him in 2002) now voted for him en masse<sup>135</sup> (Hunter & Power 2007; Zucco 2008; Zucco & Power 2013).

The evidence suggests that

the voters who carried Lula to victory appear to have been strongly influenced by the government’s social policies, especially the PBF... The poorest, least educated citizens in Brazil have seen material improvements in their lives since 2003. In 2006, they made clear that they are available to be mobilized by politicians who provide them with poverty-reducing, equity-enhancing benefits... In sum, the social policy story is arguably the single most plausible explanation for Lula’s reelection (Hunter & Power 2007: 20-25).

The 2006 election results thus vindicated Lula’s gamble on the PBF and testified ‘to the wisdom of [his] acceleration of social policy in the second half of his first term’ (Hunter & Power 2007: 19).

The signature achievement of Lula’s first term was the unification and universalisation of social assistance in Brazil through the introduction of the PBF. It was the culmination of a decade long bottom-up policy development process where the norms of universal provision, conditionality and a familial orientation were continuously being entrenched. Table 7.7 provides an overview of what the system looked like by the time that Lula was re-elected for a second term as President.

<b>Name</b>	<b>Year Created</b>	<b>Target Beneficiaries</b>
Bolsa Família Basic	2004	Extremely poor (all ages)
Bolsa Família Variable 1	1995 (subnational) 2004 (federal)	Poor families with children aged 0-16 (up to 3 children)
Benefício de Prestação Continuada	1995	Disabled (all ages) Elderly (67+)

Table 7.7: Brazilian Social Assistance in 2006 (Sources: CEF 2014; MPS 2013: 11)

<sup>135</sup>Even though this interpretation was criticised by Bohn (2011), the data introduced by Hunter and Power (2007), as well as by Zucco and Power (2013), amount to highly compelling evidence that Lula’s voter base did indeed swing from the wealthy southwest to the impoverished northeast between 2002 and 2006.

#### 7.6.4 Expansion and Consolidation (2006-present)

The adoption of the BIG law and the political popularity of the PBF would go on to play a decisive role in spurring further moves towards universal social assistance provision in the country. With the ever present reality of political competition lurking in the background, the PT government had become thoroughly convinced that expanding the PBF to cover the entire impoverished population — based on conditionality and a familial orientation — was a winning electoral strategy (Hunter & Power 2007).

In addition to continuing to implement the BPC and strengthening the administrative mechanisms of all programmes, Lula's second term from 1 January 2007 to 31 December 2010 was mainly characterised by the PBF's continued expansion in coverage and benefit values. The programme effectively had three sets of eligibility criteria between 2003 and 2010: R\$50 and R\$100 from 2003 to 2006; R\$60 and R\$120 from 2006 to 2009; as well as R\$70 and R\$140 since 2009 to the present (Osório & Ferreira de Souza 2013: 1). The benefit levels were adjusted four times during this period: in 2007, 2008, 2009 and 2011. The biggest expansion in the programme's coverage was the introduction of the adolescent (variable 2) benefit in December 2007. This adjustment expanded coverage to families earning between R\$60 (US\$25) and R\$120 (US\$50) per capita with children up to the age of 18 (Osório & Ferreira de Souza 2013: 2). The maximum eligibility age for the variable benefit thus increased from 16 to 18. Table 7.8 summarises these expansionary changes.

<b>Year</b>	<b>Changes and Adjustments</b>	<b>Benefit Design (at year end)</b>
<b>2003</b>	<b>October</b>	<b>Extreme Poverty: up to R\$50</b>
	Creation of the PBF, with two levels of eligibility that referred, but were not bound, to the amounts of 1/4 and 1/2 the minimum wage (R\$200 in early 2003) of per capita household income, with a basic benefit given only to extremely poor families, and a variable benefit, given per child aged 0-15 years, for a maximum of three children.	Basic: R\$50 Children: R\$15 to R\$45 <b>Poverty: from R\$50 to R\$100</b> Children: R\$15 to R\$45
<b>2006</b>	<b>April</b>	<b>Extreme Poverty: up to R\$60</b>
	The eligibility levels are adjusted for the first time, with no change to benefit design.	Basic: R\$50 Children: R\$15 to R\$45 <b>Poverty: from R\$60 to R\$120</b> Children: R\$15 to R\$45
<b>2007</b>	<b>July</b>	<b>Extreme Poverty: up to R\$60</b>
	The benefits are readjusted.	Basic: R\$58 Children: R\$18 to R\$45
	<b>December</b>	
	The benefit design is altered for the first time, with the creation of a benefit for up to two 16- and 17-year-old adolescents.	Adolescents: R\$30 to R\$60 <b>Poverty: from R\$60 to R\$120</b> Children: R\$18 to R\$45 Adolescents: R\$30 to R\$60
<b>2008</b>	<b>June</b>	<b>Extreme Poverty: up to R\$60</b>
	The benefits are readjusted.	Basic: R\$62 Children: R\$20 to R\$60 Adolescents: R\$30 to R\$60 <b>Poverty: from R\$60 to R\$120</b> Children: R\$20 to R\$60
<b>2009</b>	<b>April</b>	<b>Extreme Poverty: up to R\$70</b>
	The levels are readjusted to R\$69 and R\$137.	Basic: R\$68 Children: R\$22 to R\$66 Adolescents: R\$33 to R\$66
	<b>July</b>	
	The eligibility levels are again readjusted to the amounts that would remain in effect until the end of 2012. The benefits are also readjusted in July.	<b>Poverty: from R\$70 to R\$140</b> Children: R\$22 to R\$66 Adolescents: R\$33 to R\$66

<b>2011</b>	<b>March</b>	<b>Extreme Poverty: up to R\$70</b>
	The benefits are readjusted, and the benefit design undergoes a second change, expanding the limit from three to five children.	Basic: R\$70 Children: R\$32 to R\$160 Adolescents: R\$38 to R\$76
		<b>Poverty: from R\$70 to R\$140</b>
		Children: R\$32 to R\$160 Adolescents: R\$38 to R\$76
<b>2012</b>	<b>May</b>	<b>With children aged 0-16 years</b>
	The PBSM's per capita transfer is introduced, aimed at households which, even after receiving the PBF benefit, had remained extremely poor.	<b>Extreme Poverty: up to R\$70</b>
		Basic: R\$70 Children: R\$32 to R\$160 Adolescents: R\$38 to R\$76
	<b>November</b>	
	The age range of children eligible to participate in the PBSM is redefined as 0-15 years of age.	PBSM: remaining per capita gap
		<b>Without children 0-16 years</b>
		<b>Extreme Poverty: up to R\$70</b>

Table 7.8: The Evolution of the *Bolsa Família* from 2003 to 2012 (Sources: Osório & Ferreira de Souza 2013: 2)

By the end of Lula's second term in 2010, the PBF was covering 12.7 million families (52 million individuals) (ECLAC 2013). The social assistance system theoretically provided an absolute monthly minimum income of R\$70 (US\$30) to every impoverished person in the country, while children, the disabled and elderly were entitled to an additional monthly amount (up to three children per family between zero and 18 received an additional amount of R\$32 (US\$14) or R\$38 (US\$17) through the PBF, while the disabled and elderly received R\$677 (US\$294) via the BPC). Thanks in large part to these policies, the number of people living in poverty had fallen by 20 million under Lula; from 49.5 million (28.5 percent) to 29 million (16 percent) (The Economist 2010). At the same time, the number of Brazilians who were too poor to properly feed themselves had fallen from 17 percent in 2003 to 8.8 percent by 2008 (The Economist 2010).

It was within this context that the 2010 general elections took place. Lula's successor as PT

presidential candidate and his former chief of staff, Dilma Rousseff (popularly known simply as Dilma), came up against the PSDB's José Serra. In an illustration of the extent to which social assistance had become politically entrenched, Serra promised that he would maintain the PBF if elected (R7 Notícias 2010). But the PT's association with such programmes allowed Dilma to aggressively campaign on the promise of further expanding social assistance (R7 Notícias 2010). The strategy again paid-off, as Dilma was elected by a margin of 56 percent to 44 percent in the runoff with Serra (TSE 2014).

Reflecting the priority assigned to the continued expansion of social assistance provision, one of the first moves made by the Dilma government was to increase the benefit values and the number of children eligible per family for the child-focused part of the PBF (variable 1 benefit) from three to a maximum of five (Osório & Ferreira de Souza 2013: 1). This was followed by the introduction of the PBSM in June 2011, which amounted to the biggest coverage expansion since the creation of the PBF in 2004. This plan built on the institutional legacy inherited from the Lula years by introducing the residual benefit to the PBF. The plan explicitly targeted the 'approximately 16.2 million Brazilian identified by the 2010 census who are still in a situation of extreme poverty, that is, receiving a monthly income below R\$70' (FRB 2011b: 6).

The programme also featured an 'active search' component aimed at proactively looking for and registering all of the remaining extremely poor families that had not been located yet (FRB 2011b: 6). Dilma made it clear that the PBSM's aim of finally eradicating extreme poverty in Brazil by ensuring that no person lived on less than R\$70 (US\$30) per month by 2014 was her government's 'key priority' (BBC 2011). In order to achieve this, the PBF's residual benefit would forthwith cover the remaining poverty gap for each beneficiary family (FRB 2011b). For example, if a family's total income after the basic and variable PBF transfers still amounted to only R\$50 per capita, then the state would pay an additional R\$20 per person to ensure that the household was brought above the extreme poverty line.

Dilma's first term was focused on implementing the PBSM. While it continued to incorporate conditionality and a clear familial orientation, the PBF under the PBSM also served to further emphasise what had become the universalistic nature of the Brazilian system. And the electorate was about to reaffirm once more that the expansion of this system was politically advantageous. Even as a wave of popular middle class protests swept over Brazil and the economy weakened in 2013, Dilma was claiming that the government had almost met the target of eliminating extreme poverty (Boadle 2013). By late 2014 and in the heat of the next election campaign, the Minister of Social Development, Tereza Campello, stated that the government had complied 'with all the goals of the PBSM'<sup>136</sup> (MDS 2014b).

Following a tumultuous campaign which again prominently featured the PT candidate primarily running on the government's record of social assistance provision, Dilma was re-elected in a tight runoff against the PSDB's Aécio Neves (TSE 2014). She embarked on her second term as President in a Brazil that had undergone profound changes in terms of social assistance provision. From a baseline of practically zero, the previous two decades had witnessed the construction of a protective system based on universality, conditionality and a familial orientation. Table 7.9 illustrates the component programmes of this system.

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<sup>136</sup>There is some controversy surrounding this claim, see Carneiro 2014 and Magalhães 2014.

Name	Year Created	Target Beneficiaries
Bolsa Família Basic	2004	Extremely poor (all ages)
Bolsa Família Variable 1	1995 (subnational) 2004 (federal)	Poor families with children aged 0-16 (up to 5 children)
Bolsa Família Variable 2	2007	Poor families with adolescents aged 16-18 (up to 2 adolescents)
Bolsa Família Residual	2012	All families with per capita income still below R\$70
Benefício de Prestação Continuada	1995	Disabled (all ages) Elderly (67+)

Table 7.9: Brazilian Social Assistance in 2014 (Sources: CEF 2014; MPS 2013: 11)

## 7.7 Conclusion

The chapter has conducted a thorough overview of the development of social assistance policies in Brazil. It has illustrated the way in which a productive system emerged within an institutional context characterised by the weak institutionalisation of norms and a diffuse state structure. The analysis proceeded according to the ACI procedure, which entailed two sequential steps. The first involved the explication of the Brazilian institutional structure according to the two independent variables. The discussion initially highlighted the fact that institutional norms relating to coverage, conditionality and orientation were only weakly entrenched, owing to the absence of social assistance provision in Brazil prior to the transition to democracy. This left the constitutional architects with a relatively blank slate, which they subsequently filled with a flexible set of emerging norms.

This was followed by an examination of state structure, which indicated that formal policy-making capacity and the practical distribution of political power were both highly dispersed. The specification of the institutional setting subsequently enabled the second analytical step, involving an examination of the role played by this configuration in shaping the preferences and interac-

tion structures of actors within the policy community. The final section empirically reviewed the actual process of social assistance policy development in Brazil through a focus on interactions between diverse sets of policy actors, culminating in an approach premised on universal coverage, conditionality and a familial orientation.

The analysis shows that even when efforts were made to undertake alternative policy paths, such as with the Lula government's unilateral introduction of the FZ programme at the potential expense of social assistance interventions, the incentives produced by an institutional structure premised on weak norm institutionalisation and a diffuse state structure ultimately undermined such attempts. The chapter thus illustrates that even as it was initiated by the transition to democracy and influenced by functional and ideational factors, the process leading to the construction of a protective social assistance system in Brazil was ultimately decisively channelled and shaped by the country's particular institutional configuration.



## Chapter 8

# Explaining Variation

### 8.1 Introduction

This chapter explicitly returns to the study's research question by interpreting the preceding case studies. As such, it aims to account for the variation on the dependent variable (the creation of a productive system in South Africa versus a protective approach in Brazil) by pointing to the variation on the independent variables (institutionalisation of norms and state structure) as the primary explanatory factor. In short, it argues that differences on the institutional dimension most effectively explain the fact that South Africa has adopted a productive approach to social assistance, while Brazil has constructed a protective system.

It achieves this by initially investigating the veracity of the set of competing claims introduced in section 3.5. The analysis shows that while functional and ideational factors were tautologically relevant to the policy development process, these explanations fail to comprehensively account for the differing outcomes. This is followed by a return to the study's central argument that differences in institutional features offer the most plausible explanation. In a powerful confirmation of the institutional hypothesis, the discussion demonstrates the way in which (often similar) policy problems and ideas were institutionally channelled into varying outcomes across the cases and

ultimately led to the construction of a productive social assistance system in South Africa, and a protective regime in Brazil.

## **8.2 Alternative Explanations**

This section subjects the empirical discussion on the development of social assistance policies in South Africa and Brazil to a functional and ideational interpretation. These two dimensions have emerged in the literature as the principle explanatory vectors in accounting for the recent design and implementation of such policies in the developing world (Graham 2002; Fiszbein et al. 2009; Hanlon et al. 2010; UNRISD 2010; Liesering & Barrientos 2013; Mothiane 2014). As the analysis will show, these interpretations are however inadequate in accounting for the emergence of different policy regimes across the cases, as measured along the dimensions of coverage, conditionality and orientation. Regarding the recent introduction of social assistance provision in the developing world purely as a product of broadly similar ‘objective’ policy problems and/or ideas is an oversimplification which severely underestimates the decisive role played by local institutions in shaping varying policy outputs.

### **8.2.1 The Functional Hypothesis**

A functional account of the rise of social assistance in South Africa and Brazil provides a useful exogenous compliment to the inherent endogeneity of the institutionalist approach. Proponents of this approach assert that the implementation of CTs represents a response to ‘economic crisis, structural adjustment and global integration, where the limitations of residual, ad hoc safety nets to address the social consequences of neoliberal policies became painfully apparent’ (UNRISD 2010: 135). The introduction of these programmes is therefore seen as a functional response to the policy problem of persistently high poverty (and inequality) rates. It is argued that the interventions ‘reflect a situation of high poverty and inequality’ that have ‘increasingly led governments...to

examine whether social protection in general — and cash transfer programmes in particular — can address some of the...challenges' (Fiszbein et al. 2009: 9; Garcia & Moore 2012: 1).

If the design features of social assistance interventions purely represent 'appropriate' responses to exogenous policy problems, then it can be expected that cases featuring similar problems would exhibit similar responses. The veracity of the functional claim thus depends upon demonstrating that governments adopted similar policies in similar contexts. Beyond the somewhat tautological claim that poverty needs to be present for CTs to be justified, a brief examination of the features of the South African and Brazilian cases illustrates the highly limited applicability of this explanation in accounting for their specific features in terms of coverage, conditionality and orientation.

A functional explanation for the variations in coverage (limited in South Africa, universal in Brazil) would need to demonstrate that broader coverage was required to alleviate poverty in Brazil than in South Africa. Specifically, such an account would need to explain why it is that able-bodied unemployed adults are covered in Brazil but not in South Africa. Straightforward proxies for testing this are provided by data on poverty and working-age unemployment rates: perhaps poverty and unemployment rates were simply higher in Brazil than in South Africa when the systems were designed, necessitating the incorporation of this impoverished societal segment there. Figure 8.1 compares the two cases on these metrics.

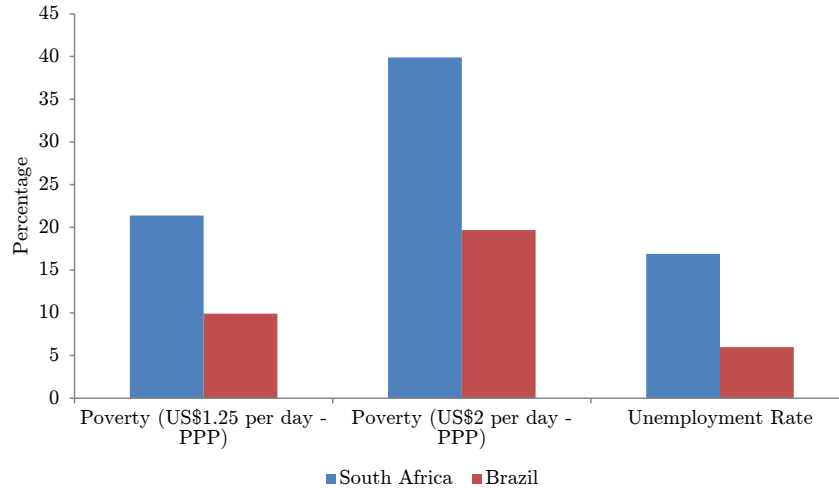


Figure 8.1: Poverty and Unemployment Rates (1995) (Source: World Bank 2015a; 2015b; 2015c)

The data indicate that poverty and unemployment rates were higher in South Africa than in Brazil at the beginning of the period under examination (and have remained that way throughout). It is safe to deduce from these figures that able-bodied unemployed adults were probably in somewhat greater objective need in South Africa than in Brazil. According to the functionalist view, this would have necessitated broader coverage in South Africa than in Brazil — the exact opposite of what actually transpired. There is thus no functional justification for the provision of universal coverage in Brazil and only limited coverage in South Africa.

A functional argument for the implementation of conditionalities in Brazil but not in South Africa is equally unsatisfactory. An explanation for the variation in conditionality according to this approach again rests upon the assumption that there was some greater objective need in Brazil for conditions than in South Africa. Given the fact that Brazilian conditionality primarily focuses on improving health indicators for young children through vaccinations and school attendance for adolescents, the data would need to show that Brazil fared significantly worse than South Africa on these measures in order for the argument to be plausible. Using the best available cross-country data,

vaccination rates<sup>137</sup> are introduced in figure 8.2 as a proxy for testing the functional interpretation in relation to health conditionalities.

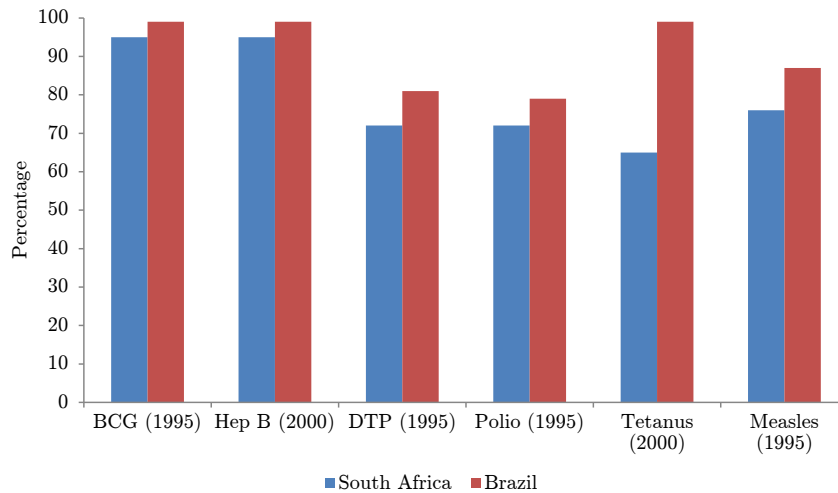


Figure 8.2: Vaccination Coverage for Children 0-7 (Source: WHO 2014; World Bank 2015d)

In another refutation of the hypothesis, the data clearly shows that vaccination rates were actually somewhat higher in Brazil. As such, the policy problem appears to have been relatively more acute in South Africa, making health conditionalities for young children seem more likely there than in Brazil. But the actual policy outputs were again contrary to this functionalist expectation. Owing to a severe dearth of cross-country data, assessing the validity of this explanation for educational conditionalities presents more of a challenge.<sup>138</sup> The only reliable figure capable of serving as a proxy for school attendance is introduced in figure 8.3, where the net primary school enrolment rates for South Africa and Brazil in 2000 are compared.

While it is hard to draw firm conclusions, the limited available data make it seem likely that

<sup>137</sup>The indicated vaccinations all come from the official schedule used by the PBF.

<sup>138</sup>In addition to a simple lack of data for actual daily school attendance, there are significant problems in creating accurate comparisons due to the potential presence of myriad complicating factors such as dropout rates and grade repetition. In a reflection of this situation, the data introduced here is thus of a very rudimentary nature.

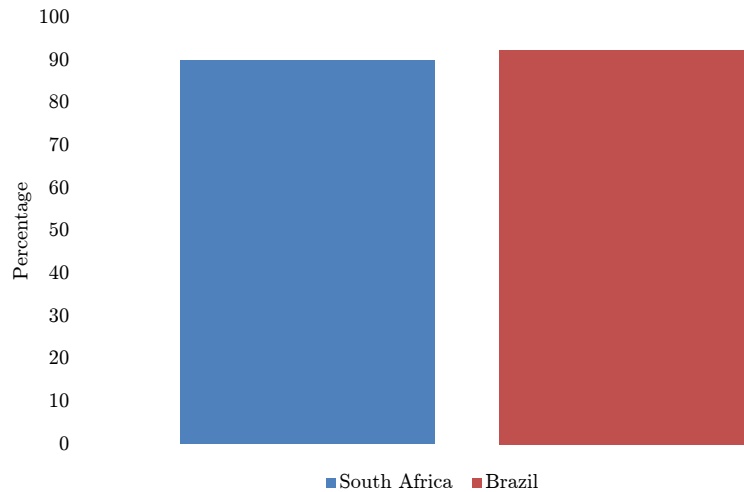


Figure 8.3: Net Primary School Enrolment Rates (2000) (Source: UNESCO 2011; World Bank 2015e)

enrolment figures in primary and secondary education was not very different across the cases (UIS 2015). But this still says nothing about daily school attendance rates, which is a different metric from the once-off yearly act of school enrolment. While it is therefore difficult to directly compare the cases, the latest research on the South African education system makes it clear that the country features a very high school dropout rate, making it likely that educational conditionalities could have been functionally justified there as well (Spaull 2015). Taken together with the data on vaccination rates, the functionalist interpretation is thus unable to conclusively explain the use of conditionalities in Brazil but not in South Africa.

What about the functional hypothesis' applicability to the issue of orientation, where the South African system assesses the need of beneficiaries in individualist terms while Brazil has adopted a familial approach? Liesering and Barrientos make a functionalist case for focusing on families by arguing that they

are increasingly the unit of intervention as regards social protection and social assistance. This focus on households arises from the practice of social protection. In sub-Saharan Africa, for example, children are a majority of the population. In practical terms, reaching children for

the purpose of ensuring their rights to social protection involves working through their parents, guardians or carers (2013: 60).

According to this logic, a higher share of children in the population would serve as an important functional justification for a familial orientation. However, despite the fact that children compose a greater population share in South Africa than in Brazil<sup>139</sup> (as indicated in figure 8.4), it is the latter rather than the former that has adopted a strict focus on families. The statistics on household composition shown in figure 8.4 does nevertheless appear to provide some functional basis for South Africa's individualist 'follow the child' approach. This is due to the fact that a mere 36 percent of children live in families with a nuclear structure where both parents are present (IPUMS 2015). This is very different from Brazil, where nuclear families are the norm — with 76 percent of children living in a family with both parents (IPUMS 2015). Additionally, 70 percent of households in South Africa include members of the extended family or other adults (IPUMS 2015).

The upshot is that family structures are significantly more diverse in South Africa than in Brazil, bestowing at least some explanatory credibility on a functional interpretation where policymakers are concerned with defining child beneficiaries in the most effective way. This is however only applicable to child-focused programmes like the CSG and certain components of the PBF, and does not provide a conclusive answer as to why systemic orientation also differs in terms of social assistance benefits that are exclusive to adults (such as parts of the BPC in Brazil, and the OPG and DG in South Africa).

At the most general level, it is clearly a truism that some level of poverty and inequality needs to be present in order for social assistance to become functionally 'necessary'. However, as the analysis indicates, it is a gross oversimplification to assume that programme parameters are designed purely as a mechanistic response to policy problems. In addition to the fact that the functional hypothesis does not say anything about timing (as these problems persisted for many decades prior to the recent implementation of social assistance schemes), it also fails to provide a convincing account of why

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<sup>139</sup>This statistic is for children between the ages of zero and 14 years.

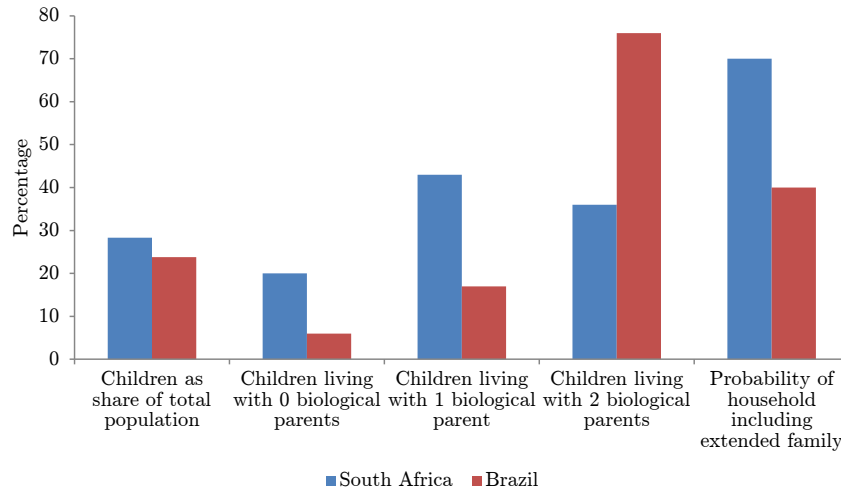


Figure 8.4: Family Structures (Source: CIA World Factbook 2015a; 2015b; IPUMS 2015)

the South African and Brazilian systems took on different shapes. While functional considerations thus certainly played some role as part of the policy context, they are unable to explain why South Africa implemented a productive social assistance system whereas Brazil went the protective route.

### 8.2.2 The Ideational Hypothesis

Another potential exogenous explanation for the differences between the cases is that ideational bases were different in South Africa and Brazil. Perhaps the adoption of a productive system in South Africa simply reflects the salience of ‘neoliberal’ ideology, while Brazil’s protective system is a function of a more ‘social democratic’ orientation? The ideational hypothesis fundamentally posits that, in explaining the features of social assistance, ‘it is important to pay attention to the understandings of poverty which support it’ (Liesering & Barrientos 2013: 59).

As a result,

the ideology of the state is an important factor. . . Neoliberal economic policy encourages the reduction of social grant programmes through reduced state spending and requires more action or responsibility on the part of beneficiaries. By contrast, social democratic policies may encour-



age the state to increase commitment to social spending and to increase the capacity of grant programmes through (in some cases) more universal grant policies' (Mothiane 2014: 4).

If it is true that 'differences in political attitudes about redistribution' can account for variations in the structure of social assistance, then we would expect to see significant variations in beliefs about poverty between the two cases under examination (Graham 2002: 2). These beliefs may include differences in the ideology of the governing parties, as well as in society at large.

The two parties primarily responsible for the construction of the systems, the ANC and the PT, exhibit a number of striking ideological similarities. Measures of party family classification indicate that their ideological underpinnings represent a case of 'most similar' orientations (Lipset & Rokkan 1967). Specifically, the ANC and PT are parties 'that mobilised in similar historical circumstances or with the intention of representing similar interests' (Gallagher, Laver & Mair 2001: 202). Where the ANC arose as a leftist party in alliance with labour unions and communists within the context of the anti-apartheid struggle, the PT was established by trade unionists and socialist intellectuals in the struggle against the military dictatorship.

In addition to therefore having emerged to represent broadly similar interests, the two parties have actively affirmed their similar ideational beliefs through membership in the transnational Progressive Alliance. The organisation's stated aim it to be a global network of 'progressive, democratic, social democratic, socialist and labour movements' (PA 2015). The ANC and the PT were thus born into similar historical circumstances to represent similar interests, and have voluntarily affirmed their ideological similarities as mass-based centre-left parties.

But it is also apparent that the ideational orientations of the South African and Brazilian publics need to be taken into account. If there were vast differences in societal beliefs about the role of welfare and redistribution, then the ideational hypothesis may still be plausible. In terms of explaining variations in coverage, the data would have to specifically indicate that concern about poverty as well as support for redistribution and universal social assistance was greater in Brazil

than in South Africa. Data from the World Values Survey provide a useful tool for assessing this argument by comparing the basic ideational orientations of South Africa and Brazil towards the public provision of social welfare. Figure 8.5 compares the percentage of people who strongly agreed with each statement about redistribution.

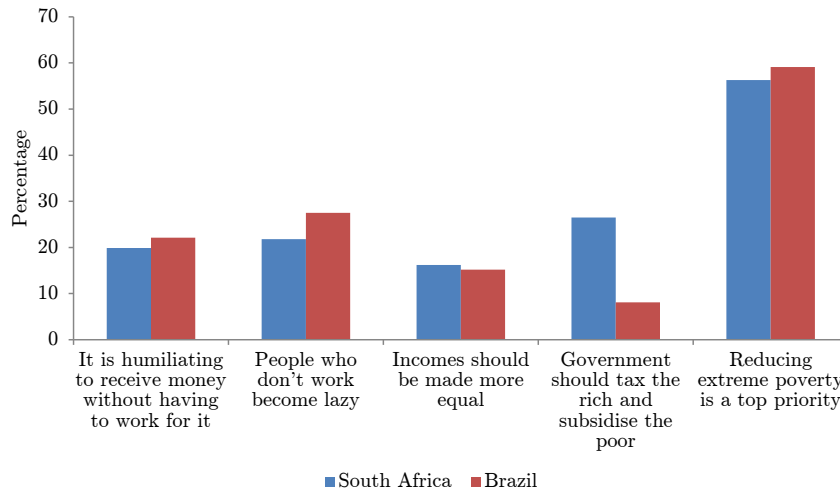


Figure 8.5: Public Attitudes towards Redistribution (Source: WVS 2005-2008)

The results show that there is little variation between the two cases, with the exception of beliefs about the importance of government taxing the rich and subsidising the poor — a statement that South Africans agree with much more strongly than Brazilians. In a further set of surveys, 76 percent of Brazilians indicated that people are poor because ‘society is unjust’ while 70.5 percent agreed with the statement that ‘the poor have very little chance to escape from poverty’ (Fiszbein et al. 2009: 10). In South Africa, recent research has similarly found that 82.3 percent of people strongly agree that ‘most people on social grants desperately need the help’, while 65.9 percent strongly agree with the notion that ‘the government should spend more money on social grants for the poor, even if it leads to higher taxes’ (Noble, Ntshongwana & Surender 2008: 13-14).

On the specific issue of whether impoverished adults who are unable to find work should be entitled to social assistance, fully 74.4 percent of South African respondents agreed with the principle

that ‘people who can’t get work deserve help in the form of social grants’ (Noble et al. 2008: 10). Given these fairly similar ideational beliefs about public welfare provision, it thus seems highly unlikely that policymakers were simply responding to societal beliefs about social assistance provision when they were designing the systems in their respective countries. This is particularly true in terms of systemic coverage, where strong societal support for extending provision to the able-bodied unemployed was only translated into policy in Brazil, but not in South Africa. The ideational hypothesis is therefore unable to account for the differences in coverage.

The empirical evidence further suggests that the absence or presence of conditionalities was also not ultimately determined by ideational factors. As discussed in the case studies, both cases featured actors calling for the introduction of conditionalities on ideational grounds. This includes the current South African Minister of Social Development, who has expressed her desire to incorporate them in an attempt to ‘take children out of intergenerational poverty’ — language very similar to that employed in Brazil (PMG 2010). Despite the fact that the most recent amendments to the relevant legislation allude to this, conditionalities were never imposed in South Africa but have been a part of the Brazilian approach since the very beginning. An ideational explanation alone cannot account for this variation between two cases both featuring calls for conditionalities amid broad ideological similarities.

It further appears to be unlikely that different ideational beliefs about the appropriate mode of assessing the needs of beneficiaries are able to convincingly account for South Africa’s individualist orientation, while Brazil has defined beneficiaries in familial terms. As indicated in figure 8.6 below and in spite of the relatively more precarious position of families in South Africa (as described above), fundamental beliefs about the importance of ‘promoting family life and strengthening families’ are similar across the cases (RSA 2012: 8).

It would thus appear that the claim that South Africa’s productive system emerged in contrast to Brazil’s protective approach purely because South African politics was somehow ‘more neoliberal’

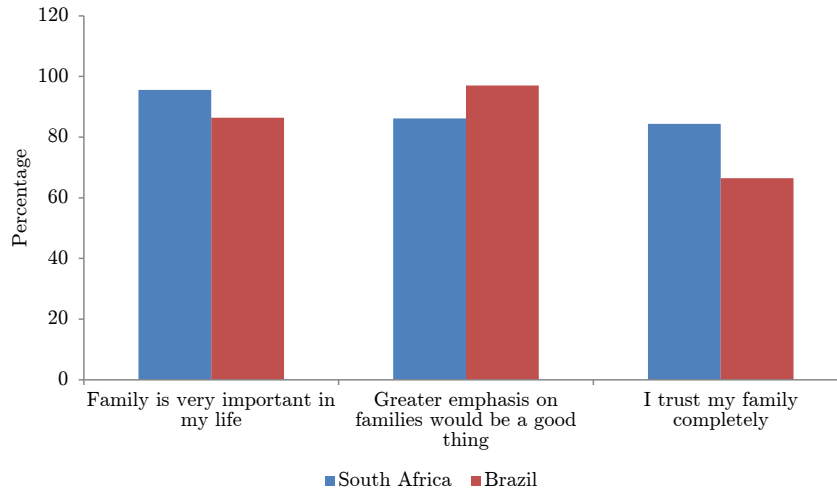


Figure 8.6: Public Attitudes towards Families (Source: WVS 2005-2008)

and Brazil’s ‘more social democratic’ amounts to another oversimplification (Mothiane 2014). While the case studies indicate that ideational factors, just like functional elements, were certainly present during the policy development process, they alone are plainly unable to satisfactorily explain why South Africa opted for limited coverage, unconditionality and an individualist orientation while Brazil pursued universal coverage, conditionality and a familial orientation. Instead, the specifics of policy problems and ideas about how to solve them were themselves shaped and channelled by the specific configuration of each country’s institutional setup.

### 8.3 The Institutional Explanation

It is the contention of this study that variation on the institutional dimension is the single most important factor in explaining the differences between the cases. However, it does this without outright denying that exogenous elements were also present; the existence of high levels of poverty and inequality as well as ideational underpinnings surely were relevant factors during the policy development process. But these elements were institutionally informed and channelled, meaning

that the specifics of institutional configuration amount to the fundamental reason for divergent policy outcomes in cases featuring such broadly similar policy problems and ideational orientations. At the most general level, the case studies make it clear that the transition to more inclusive democratic institutions triggered much of the momentum for reform. But the specific shapes of the reform efforts, and the features of the systems they eventually gave rise to, were determined by the underlying institutional structure of each case.

### 8.3.1 Coverage

This is clear when examining the variation in coverage. The discussion on the South African case highlights the way in which excluding impoverished able-bodied adults from social assistance provision initially emerged as a norm during the process of segregationist state formation. The transition to democracy did not break with this fundamental feature, as notions of ‘progressive realisation’ and ‘fiscal restraint’ made their way into the constitutional-legal framework of the newly emerging state, providing policymakers with incentives to effectively maintain the status quo in terms of coverage (even as social assistance was deracialised). Contrary to the Brazilian case, there were no built-in mechanisms to protect spending on these programmes, which meant that economic concerns were to crowd out social welfare concerns in cases where they were not aligned (Hölscher 2008: 116).

The role played by South Africa’s concentrated state structure is also abundantly clear. At no stage did the ANC face any credible threat to its overwhelmingly dominant power position. Even in cases where opposition parties have managed to win regional elections in a few local municipalities or provinces, they quickly found that they had no policymaking capacity whatsoever to design their own social assistance programmes. The ANC plainly ‘faces little immediate [electoral or institutional] incentive to expand the welfare state. South Africa is, in this respect, very different from many other countries, including Brazil...where there have been, and are, strong...pressures to expand the social welfare system’ (Seekings 2008: 35).

The established historical practice of only providing limited coverage (due to the deep entrenchment of institutional norms) and the lack of political incentives (due to a highly concentrated state structure) meant that the functional and ideational arguments made by actors serving on the Lund Committee (1996), Taylor Committee (2002) or potentially even the NPC (2010) for expanding coverage to include impoverished people between the ages of 18 and 60 years were doomed to fail. The government in fact went in the exact opposite direction by excluding this group, rejecting calls for a BIG, and instead implementing the EPWP. The decision to implement this programme in lieu of providing social assistance coverage was only possible because of the country's particular institutional configuration: a concentrated state structure that did not create adequate incentives for expanding provision, combined with a deeply embedded historical commitment to only providing limited coverage.

The opposite happened in Brazil, where coverage has been systematically expanded to the point where social assistance has in practise become nearly universally available to those in extreme poverty. The lack of historically established social assistance practises meant that policymakers were not beholden to any given pattern of provision. In what may initially appear to be a paradox, the near-complete absence of such programmes prior to democratisation subsequently made it easier to pursue universal coverage. This was because (historically constructed) concerns regarding 'progressive realisation' and 'fiscal restraint' were not incorporated into the Brazilian constitutional-legal framework. Instead, the case's 'blank slate' allowed constitutional architects to construct mechanisms with the potential to 'increase the stability of social policy funding' (Interview 12; Schwarzer & Querino 2002: 4). As the LOAS itself made clear, the result was the 'supremacy of meeting social needs above the requirements of economic profitability' (FRB 1993: art. 4).

Brazil's diffuse state structure further played a decisive role in driving the universalisation of social assistance provision. In addition to the creation of the BPC, the combination of the fact that subnational governments had the authority to independently design policy interventions and the

intensity of political competition at all levels in Brazil fuelled a gradual but persistent bottom-up expansion in coverage. Municipalities and states outright copied the earliest examples of municipal CTs during the mid-1990s in an attempt to profit from the evident popularity of the programmes. The federal PSDB government subsequently sought to associate itself with the policies through the 1998 introduction of the PGRM and the creation of the first federal interventions in 2001. This was followed by the adoption of the BIG law, federal consolidation and full universalisation into the PBF under the PT in 2004, as well as the 2012 introduction of the residual benefit to eradicate extreme poverty through social assistance provision.

The lack of historical precedents regarding coverage (due to the weak institutionalisation of norms) and the presence of clear political incentives (produced by a diffuse state structure) led to the adoption of a universalistic approach to social assistance provision in Brazil. This institutional configuration channelled the functional and ideational considerations of policymakers, who had both more room and greater incentives to implement policies that produced significant political payoffs among as many beneficiaries as possible. The result was that universal coverage in Brazil, as well as limited coverage in South Africa, was not principally the result of functional factors or ideology. The variation was fundamentally directed by the particularities of each case's institutional features.

### **8.3.2 Conditionality**

A similar pattern is evident in accounting for variation in terms of conditionalities. The empirical discussion makes it clear that an unconditional approach to social assistance had already become a deeply entrenched institutional norm in South Africa prior to the transition to democracy. In a powerful expression of path dependence, this norm was transferred wholeheartedly into the constitutional-legal structure of the post-apartheid state. The Constitution explicitly prohibited the implementation of conditions, a feature which was reinforced in the WPSW and subsequent legislation.

A top-down process of policy formulation determined by the country's highly concentrated state

structure ultimately led to the entrenchment of an unconditional approach. As the case analysis makes clear, there were nevertheless calls from civil society actors to introduce some linkages to the CSG on functional grounds, while the current Minister of Social Development herself and policy actors close to her have all expressed some ideational preference for introducing conditionalities (Lund 2008: 68; Interview 7; PMG 2010). But none of these efforts were successful, because the institutional structure did not allow for it. The lack of conditionalities in South Africa did therefore not result because policy problems or ideological orientations were fundamentally different from those in Brazil. Instead, faced with little competition or political incentive (due to a highly concentrated state structure) to impose conditionalities that went against established practices (due to the deep entrenchment of institutional norms), policymakers in South Africa designed a system based on an unconditional approach.

The Brazilian usage of conditionalities for the child-focused components of the PBF stands in complete contrast to this. Norms about conditionality were not entrenched in the decades prior to democratisation, as the social assistance system remained largely undeveloped. This in turn meant that conditionality for children was not prohibited in the constitutional-legal framework. The Constitution rather left open the possibility of incorporating conditionality into these programmes, while the LOAS and derivative legislation further affirmed this approach.

Conditionalities came to be a feature of the Brazilian system through a bottom-up process of policy development channelled by the country's diffuse state structure, which enabled local governmental units to independently design policies within a highly competitive political context. The case study makes it clear that subnational actors, although also influenced by functional considerations and ideological orientations, were fundamentally encouraged by this diffuse state structure and the weak institutionalisation of norms to adopt a conditional approach. Motivated by the skyrocketing popularity of early conditional programmes, policymakers embarked on a remarkable process of policy diffusion that culminated in the eventual establishment of the contemporary system.



Conditionality in Brazil did thus not result because policy problems or ideational beliefs were fundamentally different from those in the South African case. Rather, policymakers responded to an institutional setting characterised by competition and clear political incentives (due to a diffuse state structure) that did not constitutionally prohibit conditionalities (due to the weak historical development of institutional norms) by incorporating a conditional approach which had proven to be politically advantageous.

### **8.3.3 Orientation**

The same analytical pattern is visible when it comes to accounting for the fact that South Africa defined potential beneficiaries in individualist terms, while Brazil adopted a familial orientation. The process tracing in terms of the South African case again shows how deeply entrenched the practise of means testing potential beneficiaries on an individualist basis had become during the formative pre-democracy decades of the system. Examining the constitutional-legal framework makes it clear that this norm had also been transferred into the contemporary institutional context by placing relatively greater emphasis on individual equality. This encouraged the preservation of the norm of defining beneficiaries individually and independent of family structures.

The country's concentrated state structure once more served to prevent any meaningful challenges to this norm from arising. The few regional governments under opposition control were precluded by this structure from designing any potential alternative arrangements, while the ANC's strongly fortified national political position did not incentivise it to challenge the status quo. While the earlier discussion shows that there is indeed some functional justification for defining beneficiaries in individualist terms in the South African case, the decision to do so was not fundamentally directed by functional considerations. Instead, the engrained practise of assessing beneficiaries in individualist terms (due to the deep entrenchment of institutional norms) and the lack of any political rationale for challenging this established method (due to a highly concentrated state structure) led to the effective maintenance of the status quo in terms of orientation.

The Brazilian case meanwhile highlights the way in which the lack of norms regarding orientation enabled the adoption of a familial approach. The near-total lack of social assistance provision prior to the 1990s meant that path dependence and associated institutional stickiness was not made manifest during the construction of the contemporary constitutional-legal framework. Early policymakers took advantage of this policy space by adopting the position that the family unit was ‘the appropriate entity to receive [social assistance] benefits and...bear responsibility for meeting programme requirements’ (Lindert 2006: 68).

The country’s diffuse state structure subsequently served to embed the practise of defining beneficiaries in familial terms. The policy autonomy of different governmental spheres combined with the ferocity of competition produced incentives to copy and spread the operational features of programmes that had proven to be hugely popular right from their onset in the mid-1990s. The bottom-up policy development process meant that each round of programme proliferation further entrenched the practise of assessing the needs of beneficiaries in familial terms, culminating in the eventual adoption of the approach for all federal social assistance schemes.

The relative dearth of historical precedents for defining social assistance beneficiaries (due to the weak institutionalisation of norms) and the presence of clear political incentives to implement programme features that were popularly perceived as being effective (due to the country’s diffuse state structure) led to the enactment of a familial orientation to social assistance provision in Brazil. As was the case with coverage and conditionality, this particular institutional configuration channelled functional and ideational factors in a direction that eventually led to the adoption of an approach which differed greatly from the one embraced in the South African case.

#### **8.3.4 Productive versus Protective**

Synthesising the above findings allows for a return to the dependent variables introduced during the descriptive overview of social assistance provision in South Africa and Brazil. It will be recalled that the features of the South African case — limited coverage, unconditionality and an individualist

orientation — were categorised as constituting a productive regime. This regime centres on relatively less decommodification and emphasises that the able-bodied poor are to rely exclusively on the labour market for overcoming poverty. In South Africa, the adoption of the EPWP instead of a BIG law or universal social assistance is a clear marker of this approach. It also incorporates other ‘liberal’ features, such as not making individual choice conditional and defining beneficiaries in individualist terms.

This stands in contrast to the Brazilian case, where universal provision, conditionality and a familial orientation led to its classification as a protective system. This course involves a ‘social democratic’ element through relatively greater decommodification based on universal provision that emphasises the role of social assistance in overcoming poverty. In the case of Brazil, the adoption of a BIG law and the explicit framing of the PBF’s role in eradicating extreme poverty (especially following the introduction of the PBSM) are indicators of this. This regime furthermore contains a ‘conservative’ streak through its incorporation of conditionality and the practise of denoting beneficiaries in familial terms.

The case analysis shows that the features constituting these regimes did not mechanistically arise as a result of differing policy problems or profoundly different ideational orientations. In addition to problems and ideological beliefs being broadly similar across the cases, testing these two competing claims in fact demonstrates a number of instances where policy choices were in direct conflict with what would have been expected if functional and ideational factors were paramount. Despite the allure of these exogenous interpretations, it is instead endogenous variation on the institutional level that is able to most convincingly account for the fact that South Africa and Brazil have implemented qualitatively different social assistance regimes.

The deep historical entrenchment of norms related to coverage, conditionality and orientation combined with a highly concentrated state structure produced powerful path dependence effects that resulted in the (now deracialised) maintenance of a productive system in South Africa. In

contrast, the weak historical rooting of institutional norms regarding coverage, conditionality and orientation in combination with a diffuse state structure created an environment largely free from path dependent institutional stickiness that both enabled and incentivised political actors to enact reforms which produced the greatest political payoffs and eventually resulted in the implementation of a protective social assistance system in Brazil.

## 8.4 Conclusion

This chapter has utilised the empirical discussions introduced during the case studies in order to assess the veracity of the functional, ideational and institutional hypotheses. It initially assessed whether the presence of different policy problems and ensuing functional responses across the cases were able to satisfactorily account for the cross-case variation. The examination showed that in addition to the cases featuring broadly similar problems, a number of areas produced policy responses which were actually in direct conflict with the logic of the functional hypothesis. A similar pattern emerged when the claims of the ideational interpretation were tested, as ideological beliefs and societal views regarding coverage, conditionality and orientation were not found to be substantially different.

This was followed by an assessment of the study's institutionalist claim. The discussion showed that variations on the institutional dimension are able to most convincingly account for the variations on the dependent variable. The features of South Africa's contemporary productive social assistance regime, predicated on limited coverage, unconditionality and an individualist orientation, fundamentally arose out of the fact that norms which were historically deeply embedded were transferred into the institutional structure of the post-apartheid state, while a highly concentrated state structure further incentivised the preservation of these practices. In contrast, the analysis indicated that the emergence of Brazil's contemporary protective system based on universal coverage, conditionality and a familial orientation was directed by an institutional framework that featured weak

entrenchment of norms and provided much greater space for policy innovation, as well as a diffuse state structure which incentivised and rewarded policies popularly perceived as being effective.

## Chapter 9

# Concluding Remarks

### 9.1 Summary of Findings

The remarkable proliferation of redistributive social assistance initiatives across the developing world shows no signs of abating, with prominent proposals for the United Nations Sustainable Development Goals (SDGs) regarding them as a ‘development priority in the post-2015 development agenda’ (ECA, ILO, UNCTAD, UNDESA & UNICEF 2012). In addition to expanding the scholarship on emerging welfare states, social assistance in South Africa and Brazil, as well as historical institutionalism, the urgent global relevance of this theme serves to further underscore the significance of the resultant findings.

Discussions around this topic have largely centred on examining the social and economic effects produced through these programmes. But there has been a glaring lack of emphasis on exploring the factors which shape the emergence of such policies in the first place. This study’s research question addressed this omission head-on by launching an inquiry into the variation between the South African and Brazilian models of redistributive social assistance provision. Following a specification of the conceptual and analytical framework, a review of the literature that clearly illustrated the relevance and novelty of the project, as well as a discussion on the inquiry’s research design, the

first step in this process involved a descriptive exercise that sought to clearly define the variation across the cases.

This involved a highly detailed technical evaluation of the social assistance systems of South Africa and Brazil, addressing operational features such as coverage, the respective legal and institutional frameworks, conditionality, eligibility, orientation, appeals mechanisms, delivery, and specifying the individual programmes. The analysis ultimately showed that there were clear differences in the policy regimes of the two countries regarding coverage, conditionality and systemic orientation. These differences were subsequently classified into a set of distinct typologies which constituted the study's dependent variables, with the South African system being regarded as protective and the Brazilian regime as productive.

The case study chapters subsequently conducted historical institutional ACI analyses of the development of social assistance policies in South Africa and Brazil. This was achieved through initially examining the historical emergence of particular norms, combined with a specification of each case's state structure. In the case of South Africa, the analysis found that norms regarding coverage, conditionality and orientation had become deeply entrenched in the decades prior to democratisation. In combination with the country's highly concentrated state structure, these norms went on to have powerful path dependence effects in shaping the contemporary productive system. In contrast, the Brazilian case clearly showed the way in which historical norms were absent in the period leading up to democratisation. This feature combined with the country's diffuse state structure to drive a policy development process that ultimately resulted in the implementation of a protective system.

The case studies were followed by a comparative chapter which returned to the initial set of hypotheses proffered as potential answers to the research question. It conducted an assessment of the two most commonly discussed explanations, premised on exogenous functional and ideational factors, and found them both wanting. The variation across the cases in terms of the dependent

variables could simply not be satisfactorily explained by these two interpretations. Instead, the latter part of the analysis integrated the insights from the case studies in order to show that the differences between the systems in fact primarily resulted from variation on the institutional dimension. Whereas South Africa featured deeply entrenched historical norms regarding coverage, conditionality and orientation, as well as a highly concentrated state structure, Brazil clearly lacked such norms and operated under a diffuse state structure. These differences amount to qualitatively distinct institutional frameworks which ultimately channelled policy outputs in different directions.

These findings are of great significance given the prominence that has been afforded to this field by both scholars and practitioners. On the theoretical level, the analysis extends the historical institutionalist ACI analytical framework into an exciting new area. Empirically, it makes a tremendous contribution by offering the first answer to the question of why there is a clear pattern of divergence in the social assistance regimes implemented across the developing world; the differences result from distinct local institutional configurations. This finding in turn feeds into the broader literature on the rise of emerging welfare states incorporating different distributional regimes. Finally, the practical significance of the study is to provide development and policy practitioners with powerful evidence that local institutional configurations should feature prominently in any future efforts to implement social assistance programmes elsewhere. Taken together, the findings thus entail a theoretical extension of historical institutionalism; produce novel empirical answers to a popular scholarly field of inquiry; and practically inform future social assistance policy development.



## 9.2 Generalizability

The significance of these findings are further enhanced through briefly examining their relevance in the case of another prominent emerging welfare state: Mexico.<sup>140</sup> While it is important to again emphasise that the universe of potential further cases is fairly limited due to the fact that much of the global proliferation of social assistance programmes has subsequently been driven by a somewhat distinct process often involving financing and guidance from international development organisations, it is revealing to briefly consider the Mexican case in order to ascertain whether the processes at work resemble those which took place in either of the cases examined in this study.

A cursory review of the Mexican case indeed illustrates that it strongly mirrors the developmental processes which were at work in Brazil. Like Brazil, Mexico followed a pattern of welfare state building throughout the twentieth century which was very much predicated upon the delivery of social insurance. It was also only during the 1970s that Mexico first introduced programmes resembling social assistance interventions (Lopez 2011: 295). But the first true step towards the elaboration of the current social assistance system operating in Mexico, which covers upwards of 25 percent of the total population, was taken with the 1997 introduction of the *Progesa CT*.

Initially modelled on the Brazilian PBE and supported by the World Bank, this programme rapidly grew to the point where it currently serves more than 5.8 million families across the country (Lopez 2011: 297). Now renamed *Prospera*, it is child-focused and incorporates educational and health conditionalities with a strict familial orientation. This programme is complemented on the other side of the spectrum by the *70 y más* (70 and Over) old age pension (Willmore 2014). This intervention, which currently supports 3.5 million elderly Mexicans, emerged in a decidedly bottom-up fashion. It was initially introduced by the governor of the federal district in 2001 and subsequently spread throughout all states of the country before recently being fully federalised.

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<sup>140</sup>The prominence of the Mexican case is confirmed through the fact that it has been the subject of more impact evaluations than any other.

In 2009 the Mexican government additionally moved towards the universalisation of the country's social assistance system through the creation of the *Programa de Apoyo Alimentario* (Food Support Programme) (UMS 2014). This nutritional aid programme targets impoverished families who do not qualify for *Prospera*, including those without children (UMS 2014). It pays an amount of \$310 (US\$20) per month, along with in-kind transfers, to more than 26 million households (Barrientos et al. 2010). The similarities between the Brazilian and Mexican systems thus include a conceptual approach to coverage premised on universalism,<sup>141</sup> the incorporation of conditionalities for child-focused programmes, as well as a familial orientation. In short, Mexico appears to have also adopted a protective policy regime.

The findings produced by this study suggests that this commonality is the result of similarities in terms of institutional configuration. It is indeed the case that Mexico featured a similarly weak entrenchment of social assistance norms prior to the consolidation of democracy during the 2000s (Bruhn 2009). The contemporary Mexican state structure also strongly resembles Brazilian federalism, with a high level of formal policymaking decentralisation and a diffusion of political power.<sup>142</sup>

This correlation indicates that the development of the Mexican system may well have been shaped by institutional features similar to those which were present in the Brazilian case. This further enhances the significance of the findings, as it suggests that similar processes may have been at work in many other cases — and that domestic institutional configurations will continue to exert their influence as the proliferation of social assistance interventions continues unabated across the countries of the developing world.

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<sup>141</sup>Although, in practise, the Brazilian system currently provides broader coverage.

<sup>142</sup>The current era of greater competition was inaugurated by the liberalising reforms of the 1990s and the 2000 electoral victory of Vicente Fox, leading to the first change of government in 71 years.

### 9.3 Opportunities for Future Research

This also makes it clear that the research agenda on emerging welfare states will benefit from similarly detailed inquiries into the social assistance policy regimes adopted in those other cases where these programmes have also come to occupy centrally important positions. The perceived success of these policies in cases where they were domestically designed has further spurred international development organisations, spearheaded by the World Bank, into developing and financing similar programmes in a range of countries that are too poor to autonomously afford them. This presents a further opportunity for researchers interested in examining the processes whereby these programmes have proliferated in recent decades. The study thus ultimately lays the groundwork for future inquiries in a field that is set to assume even greater academic and practical prominence as an ever increasing portion of the world's population gains access to social protection.

These findings additionally expand avenues for potential future research by conclusively establishing the practise of conducting comparative political economy analyses of emerging welfare states. As discussed in chapter two, this is a practise that has become widely accepted when assessing the constellation of welfare regimes extant in the developed world. The typologies constructed and findings produced by this study however provides a powerful justification for undertaking similarly extensive analyses with regards to the countries of the global South. The recent spread of social protection initiatives throughout the developing world means that scholars currently have a tremendous opportunity to gain insights into the different distributional regimes that exist in these countries.

In terms of the two cases under examination, the greatest opportunity lies in expanding the scope of the research. The many similarities across the cases means that there are a whole host of other social policy arenas — including social insurance, labour protection, and healthcare — that are deserving of similarly focused comparative efforts. While the topic of this study addresses a vitally important aspect of the overall distributional regimes of these two cases, the other elements comprising such a regime are certainly also worthy of further study. Although the social assistance

programmes examined here are arguably the most significant redistributive interventions, a potential goal of future comparative research efforts would thus be to produce a complete picture of the nature and origin of related policies in the important emerging welfare states of South Africa and Brazil.

## **9.4 Recommendations for Policy Practitioners**

A number of relevant practical recommendations also result from these findings. At the most general level, the study serves to affirm the decisive importance of ‘institutional fit’ in the implementation of social protection programmes. The fact that two cases characterised by such tremendous similarity and facing broadly similar problems nevertheless ended up with greatly varying policy approaches serves as a clear testament to the decisive importance of local institutions in shaping successful and scalable interventions. The additional fact that both South Africa and Brazil domestically and autonomously designed their social assistance regimes without the guidance of international development organisations means that their cases represent something akin to ‘natural experiments’. And the results produced by both ‘experiments’ make it clear that large scale social protection programmes are first and foremost shaped by local institutional configurations.

As can be observed from the case analyses carried out in earlier chapters, one of the primary concerns for policy practitioners interested in implementing functionally effective social protection schemes relate to the maximisation of the ability of such programmes to address particular policy problems. The foundational idea is to create a system which would operate as effectively as possible within the bounds of its given resources. In turn, a significant portion of achieving this aim hinges on the scalability of such programmes. Indeed, during the previous two decades, international development organisations have often initially launched such interventions on the basis of pilot projects with the aim of scaling them up only after evaluations have proven such scalability to be feasible.

This research suggests that practitioners would be well served by efforts to investigate and

understand the local institutional context prior to launching such projects. This would aid in avoiding situations where, for example, exclusive responsibility for policy design and implementation is assigned to the national government sphere in a context characterised by a diffuse state structure. This is unlikely to be a sustainable approach. Likewise, preceding research aimed at establishing the operational norms of any potentially pre-existing social protection practices (both formal and informal) would allow for the implementation of interventions which do not challenge entrenched implementation conventions.

Apart from such specific examples, the ultimate practical contribution of the study is to comprehensively reorient perspectives on the emergence of social welfare policies in the developing world. Far from operating within a vacuum which yearns only for the enlightened advice of policy experts, the continued rise of emerging welfare states is just as much shaped by domestic institutional structures as their counterparts in the developed world were. Incorporating this reality would go a long way towards enabling an approach to development policy which takes seriously the particularities of institutional configuration on the road towards designing interventions which are both effective and sustainable.

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# Appendix A: Interviews – South Africa

Interview Number	Position	Date
1	Provincial Minister of Social Development	6 November 2012
2	SASSA senior manager	12 November 2012
3	Former Lund Committee member	12 November 2012
4	Professor of Economics	15 November 2012
5	SASSA executive official	16 November 2012
6	National Deputy Minister	20 November 2012
7	Former Lund Committee chairperson;	20 November 2012
8	Member of Parliament (Social Development portfolio)	21 November 2012
9	Professor of Social Policy	6 December 2012
10	Senior Research Fellow in Social Policy	6 December 2012
11	Deputy Director-General in the Department of Social Development	10 December 2012

## Appendix B: Interviews – Brazil

<b>Interview Number</b>	<b>Position</b>	<b>Date</b>
12	Research Coordinator at the International Policy Centre for Inclusive Growth	25 October 2013
13	Director of Social Policy at the Instituto de Pesquisa Econômica Aplicada	6 November 2013
14	Social Assistance Analyst at the Instituto de Pesquisa Econômica Aplicada	20 November 2013
15	Social Security Analyst at the Instituto de Pesquisa Econômica Aplicada	27 November 2013
16	Former State Governor	29 November 2013
17	President of the Instituto de Pesquisa Econômica Aplicada	29 November 2013

# Appendix C: Eligibility Requirements

## – South Africa

Name	Means Test (Annual)	Further Requirements
Child Support Grant	Single: R34 800 (US\$3 480) Married: R69 600 (US\$6 960)	The applicant must be the child’s primary caregiver (parent, grandparent or a child over the age of 16 heading a household). If the applicant is not the child’s parent, proof must be provided that they are the child’s primary caregiver through an affidavit from a police official, a social worker’s report, an affidavit from the biological parent or a letter from the principal of the school attended by the child. The applicant must be a South African citizen or permanent resident. The child must be under the age of 18 years; not be cared for in a state institution; live with the primary caregiver (who is not being paid to look after the child); and both the applicant and child must live in South Africa.
Foster Child Grant	N/A	The applicant must be taking care of a foster child placed in their custody by a court as a result of being either orphaned, abandoned, at risk, abused or neglected. The applicant must be a South African citizen, permanent resident or refugee; both the applicant and the child must live in South Africa; the foster must have been legally placed in the care of the applicant and must remain in their care; and the child must be younger than 18 years.



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Care Depen- dency Grant	Single: R151 200 (US\$15 120)  Married: R302 400 (US\$ 30 240)  The means test does not apply to foster par- ents.	The grant is aimed at supporting the primary caregivers of children with severe disabilities in need of fulltime and special care. The applicant must be a parent, primary caregiver or a foster parent appointed by the court; be a South African citizen or permanent resident. The child must be younger than 18 years; not be cared for permanently in a state institution; and must have a severe disability and be in need of fulltime and special care — a state medical officer assesses the child before the grant is approved. Both the applicant and the child must live in South Africa.
Disability Grant	Single: R49 200 (US\$ 4 920); assets <R831 600 (US\$83 160)  Married: R98 840 (US\$9 884); assets <R1 663 200 (US\$166 320)	The Disability Grant is aimed at beneficiaries with a physical or mental disability that makes them unfit to work for a period of longer than six months. Beneficiaries qualify for a permanent disability grant if their disability will continue for more than a year and a temporary disability grant if their disability will last for a continuous period of not less than six months and not more than 12 months. A permanent disability grant does not mean that they will receive the grant for life, but that it will continue for longer than 12 months. An applicant must be a South African citizen, permanent resident or refugee and living in South Africa at the time of application; be between 18 and 59 years of age; not be cared for in a state institution; possess a valid ID document; and must undergo a medical examination where a doctor appointed by the state assess the degree of their disability — the doctor completes a medical report and forwards it to SASSA. The report is valid for three months from the date of the medical assessment.
Grant-in-Aid	N/A	The Grant-in-Aid is directed at people already receiving another social grant, but who are unable to care for themselves. The benefit is intended to enable them to pay for the person who takes fulltime care of them. In order to qualify, the applicant must already be receiving a Disability Grant, War Veterans Grant or a Older Persons Grant; not be able to look after themselves owing to a physical or mental disability and be in need of fulltime care provided by another person; and must not be cared for in an institution that received a subsidy from the government for their care or housing.

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War Veterans Grant	Single: R49 920 (US\$4 992); assets <R831 600 (US\$83 160) Married: R99 840 (US\$9 984); assets <R1 663 200 (US\$166 320)	The War Veterans Grant is aimed at former soldier who fought in the First World War (1914-1918), the Second World War (1939-1945), the Zulu Uprising (1906) or the Korean War (1950-1953) and are unable to support themselves. An applicant must live in South Africa; be older than 60 years of age or be disabled; not receive any other social grant; and must not be cared for in a state institution.
Older Persons Grant	Single: R49 200 (US\$4 920); assets <R831 600 (US\$83 160) Married: R99 840 (US\$9 984); assets <R1 663 200 (US\$166 320)	An applicant must older than 60 years of age; be a South African citizen or permanent resident; live in South Africa; not receive any other social grant; and must not be cared for in a state institution.

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## Required Documents

In addition to completing an application form, applicants are required to submit a set of documents at their nearest SASSA office as part of the application process. The requirements are slightly different for each grant, and can also depend on the specifics of the applicant's situation. The following list of documents may be required: ID; birth certificates for children; proof of any maintenance received for children; if they are a refugee, their status permit and refugee ID is required in addition to the child's birth certificate or ID from the country of origin; proof of earnings; a marriage certificate; if an applicant is divorced, the court order indicating that they have custody of a child; if one or both parents are dead or missing, the death certificate of the deceased or proof that the

parent is missing (such as a missing person's report from the police); a medical assessment report that confirms the applicant or child's disability; salary slips, bank statements for the previous three months, pension slips, and any other proof of income.

If the applicant does not have an ID or the child's birth certificate, they must complete an affidavit on a standard SASSA form in the presence of a Commissioner of Oaths who is not a SASSA official and submit a sworn statement signed by a reputable person (such as a councillor, traditional leader, social worker, minister of religion or school principal) who knows the applicant and child. They are furthermore required to submit proof of application for an ID and/or birth certificate at the Department of Home Affairs; a temporary ID issued by the Department of Home Affairs (if applicable); a baptismal certificate if available; a road to health clinic card if available; and a school report if available.

# Appendix D: Eligibility Requirements

## – Brazil

Name	Family Means Test (per person per month)	Further Requirements
Bolsa Família Basic	Up to R\$70 (US\$30)	N/A
Bolsa Família Variable 1	R\$70.01 (US\$30) to R\$140 (US\$61)	The benefit is aimed at household with children between the ages of 0 and 16, as well as pregnant or lactating woman.
Bolsa Família Variable 2	R\$70.01 (US\$30) to R\$140 (US\$61)	This benefit is aimed at households with children between the ages of 16 and 18.
Bolsa Família Residual	<R\$70 (US\$30) after other PBF benefits	N/A
Benefício de Prestação Continuada (Disability)	R\$169 (US\$73)	The BPC's disability component is aimed at disabled individuals of all ages. In order to qualify for this benefit, an applicant must be disabled to the extent that they are unable to work and lead an independent life. The applicant's per capita family income must also be less than 25 percent of the legal minimum wage (currently R\$169 (US\$73) per month).

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Benefício de Prestação Continuada (Old Age)	R\$169 (US\$73)	The old age element of the BPC is directed at impoverished individuals older than 65 years. An applicant's per capita family income must be less than 25 percent of the legal minimum wage (currently R\$169 (US\$73) per month) in order to qualify.
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## Required Documents

Determining eligibility for the PBF is ultimately the responsibility of the MDS, as directed through the *Cadastro Único*. Potential beneficiaries are required to enrol onto the database of the *Cadastro Único* prior to formally applying for the PBF. Applications are then made at local municipal offices, where prospective beneficiaries self-report their family incomes and submit birth certificates and civil identification documents. This data is then cross-referenced against the information contained in the *Cadastro Único*, which determines benefit eligibility according to income and family composition. This is followed by additional cross checks by the MDS in order to further validate self-reported income.

In the case of the BPC, applicants must submit a declaration issued by an authority (judge, local police chief or municipal administrator) containing information about the per capita income of the candidate's family. These declarations are submitted to the local municipality, where a social worker receives and forwards them to the regional office of the INSS. The INSS then analyses the documents and issues an authorisation to grant the benefit. Applicants for the BPC's disability component must additionally submit a medical assessment report.

# Abstract

Recent decades have witnessed the profound proliferation of social assistance cash transfer programmes throughout numerous countries of the developing world. While scholars have subsequently paid a great deal of attention to the largely positive socioeconomic effects generated through the expansion of these redistributive interventions, the literature has neglected the fact of tremendous empirical variation regarding the ways in which different countries have designed their social assistance policy regimes. The smattering of studies which have taken up the question have usually been content to regard fundamental differences in these patterns of welfare provision as the result of functional and ideational factors on the basis of conventional wisdom, rather than through rigorous analysis.

In the first study of its kind, this inquiry explicitly addresses this gap in the literature by resolutely focusing on the systemic variation in social assistance provision in the two benchmark emerging welfare states of South Africa and Brazil. Its central aim is to account for the disparity between the policy regimes instituted by the two countries. The fact that South Africa and Brazil have adopted very different approaches regarding issues of coverage, conditionality and orientation results in the construction of distinct typologies which sees the South African system classified as ‘productive’ and the Brazilian approach as ‘protective’. The description of this empirically observable divergence is followed by an account of its manifestation through the application of a historical institutionalist framework, operationalised by employing the analytical approach of Actor-Centred Institutionalism.

The resulting investigation into the comparative political economy of social assistance provision reveals that, while conventionally accepted functional and ideational hypotheses fail to explain the divergence across the cases, variation on the institutional dimension is able to convincingly account for the fact that South Africa and Brazil have adopted qualitatively different policy approaches. The study thereby provides the first explanatory account of the contemporary domestic emergence of programmes which have become centrally important in combating poverty and inequality throughout the countries of the developing world. In addition to making a significant and entirely novel explanatory contribution to the knowledge on the subject, the findings attest to the decisive practical importance of the role played by local institutional structures in shaping context appropriate policy interventions.

# Zusammenfassung

In den vergangenen Jahrzehnten hat eine tiefgreifende Verbreitung von Geldtransferprogramme in zahlreichen Entwicklungsländern stattgefunden. Obwohl Sozial-wissenschaftler seither großes Augenmerk auf die überwiegend positiven sozioökonomischen Effekte, welche durch die Ausweitung derartiger redistributiver Interventionen erfolgten, gelegt haben, wurde in der vorliegenden Literatur vielfach vernachlässigt, einen Nachweis über die umfangreichen empirischen Variationen in Bezug auf die Ausgestaltung von sozialpolitischen Regimen unterschiedlicher Länder zu erbringen. Studien, die sich bislang der Fragestellung angenommen haben, begnügen sich in der Regel damit fundamentale Unterschiede in den Mustern von Wohlfahrtsmaßnahmen - auf konventionellem Wissen basierend - als Resultat von funktionalen und Ideengeleiteten Faktoren anzusehen, anstatt eine wirklich tiefergehende Analyse vorzunehmen.

Die vorliegende Studie adressiert daher als erste seiner Art die bestehende Lücke in der wissenschaftlichen Literatur indem es einen deutlichen Fokus auf die systemische Variation von sozialen Hilfsprogrammen in den beiden Bezugsländern Südafrika und Brasilien legt. Zentrales Ziel ist es dabei die unterschiedlichen institutionalisierten Politikregime der beiden ausgewählten Länder aufzuzeigen. Die Tatsache, dass Südafrika und Brasilien unterschiedliche Ansätze hinsichtlich der Reichweite, der Konditionalität und der Orientierung ihrer sozialen Hilfsprogramme gewählt haben, resultiert in der Konstruktion verschiedener Typologien, derer zufolge das südafrikanische System als 'produktiv' und das brasilianische System als 'protektiv' angesehen werden kann. Nach einer Beschreibung dieser empirisch nachweisbaren Unterschiede erfolgt in der vorliegenden Arbeit eine



Darstellung ihrer jeweiligen Ausgestaltung mittels der Anwendung eines historisch-institutionellen Theoriegerüsts, welches wiederum durch den analytischen Ansatz des Akteurszentrierten Institutionalismus operationalisiert wird.

Die resultierende Untersuchung im Bereich der Vergleichenden Politischen Ökonomie von sozialen Hilfsprogrammen macht deutlich, dass, während konventionelle funktionale und Ideengeleitete Hypothesen sich als unzureichend erweisen unterschiedliche Fälle zu erkennen, Variationen in den institutionellen Dimensionen es ermöglichen, überzeugend darzulegen, dass Südafrika und Brasilien qualitativ unterschiedliche Politikansätze gewählt haben. Die vorliegende Studie liefert demgemäß die erste tiefgreifende Untersuchung in Bezug auf das Aufkommen zeitgenössischer länderspezifischer Programme, welche von zentraler Bedeutung im Kampf gegen Armut und Ungleichheit in Entwicklungsländern sind. Abgesehen von einer signifikanten und vollständig neuen Untersuchung zum Wissen zu dem Thema, zeigen die Ergebnisse auf, dass lokale institutionelle Strukturen von zentraler Bedeutung sind in Bezug auf die Ausgestaltung von Kontextangemessenen Politikinterventionen sind.

# Publications during Course of Research

## Peer Reviewed

Schreiber, L. A. 2014. 'Institutions and Policy Change: The Development of the Child Support Grant in South Africa' in *Politikon: South African Journal of Political Studies*, 41 (2): 267-288.

## Reports

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Schreiber, L. A. 2013. 'Institutions and Policy Change: The Development of the Child Support Grant in South Africa' presented at *11th Annual International Conference on Politics and International Affairs*. Athens, Greece: 17-20 June 2013.

Schreiber, L. A. 2013. 'Social Assistance in South Africa' presented at *1st Berlin Forum on Global Politics*. Berlin, Germany: 18-19 April 2013.

Schreiber, L. A. 2013. 'Institutions and Policy Change' presented at *9th Neoinstitutionalism Workshop*. Warsaw, Poland: 14-15 March 2013.

## Journal Referee

Journal of Development Studies (Ad Hoc; July 2014-present)

## Newspaper Articles and Opinion Pieces

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# Biography

Leon Schreiber is a Ph.D. Candidate in Political Science at the Freie Universität Berlin and a Visiting Student Research Collaborator at Princeton University. Originally hailing from the rural Namaqualand region of South Africa, Schreiber went on to earn a Certificate in Business Management from the University of South Africa, as well as a Bachelor's degree, a Bachelor's degree with Honours and a Master's degree in International Studies and Political Science from Stellenbosch University. His research interests include social policy, poverty, and the comparative political economy of development, while his Ph.D. dissertation comparatively examines the development of social welfare policies in South Africa and Brazil since democratization.

Schreiber's work has been recognized through numerous grants and awards from Stellenbosch University, the European Commission, the German Academic Exchange Service, the St. Gallen Symposium Wings of Excellence Award, Princeton University, and the Berlin Consortium for Germanic Studies. He is a columnist for one of South Africa's largest Sunday newspapers, and regularly appears as a political analyst on a weekly actuality television programme. Schreiber has previously worked in various capacities at a wide range of social impact organisations across four different continents, including think tanks, universities, local government structures, political parties and international development agencies.