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**SOCIAL POLICY EXPANSION AND RETRENCHMENT AFTER
LATIN AMERICA'S COMMODITY BOOM**

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SOCIAL POLICY EXPANSION AND RETRENCHMENT AFTER LATIN AMERICA'S COMMODITY BOOM*

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ABSTRACT

The literature on social policy expansion and retrenchment in Latin America is vast, but scholars differ in how they explain the outcomes, arriving at different conclusions about the role of democracy, left parties, favorable economic conditions, and social movements in shaping reform. What can welfare state developments since the end of the commodity boom teach us about the theoretical power of these arguments? This paper engages this question, seeking to explain recent incidents of social policy reform in 10 presidential administrations in Argentina, Brazil, Chile, and Uruguay. Using a combination of crisp-set qualitative comparative analysis (csQCA) and case studies, we identify multiple paths toward social policy expansion and retrenchment that involve the absence and presence of electoral competition, economic resources, party ideology and linkage mechanism, social movement pressure, international pressure, and legacies. The results show that while both parties of the left and right expanded social programs, only the right engaged in retrenchment, yet partisanship alone is insufficient for explaining reform outcomes, as the variable must appear in combination with other factors depending on the party's linkage mechanism. The results provide new insight into the politics of social policy reform in Latin America, showing the relevance of complex forms of causality.

RESUMEN

La literatura sobre la política social Latinoamericana no ha llegado a un acuerdo sobre las características y las causas de la expansión y la retracción del Estado. Distintos estudios enfatizan el rol de la democracia, de los partidos de izquierda, de los recursos económicos, o de los movimientos sociales. ¿Qué poder explicativo tienen estas teorías para analizar las reformas del estado de bienestar que tuvieron lugar tras el fin del auge de las materias primas? El presente trabajo intenta contestar estas preguntas a través del análisis de las reformas de la política social en 10 administraciones presidenciales en Argentina, Brasil, Chile, y Uruguay. Combinamos estudios de casos con Análisis Comparado Cualitativo (*crisp-set qualitative comparative analysis*, csQCA) para identificar múltiples trayectorias que llevan a la expansión o al recorte de la política social. Incluimos un análisis del rol de la competencia electoral, los recursos económicos, los legados, la presión internacional, los movimientos sociales, la ideología partidaria y el mecanismo que conecta a los partidos con sus bases de apoyo. Los resultados muestran que mientras tanto los partidos de derecha como de izquierda han expandido a la política social en este período, solo los partidos de derecha han realizado recortes. Sin embargo, la ideología partidaria no puede explicar los resultados si se encuentra aislada, ya que solo tiene poder explicativo cuando aparece en conjunto con otros factores e incluye a los mecanismos que conectan a los partidos con sus bases. Estos resultados proveen una mirada innovadora sobre la política detrás de las políticas sociales en América Latina, mostrando la relevancia de formas de causalidad compleja.

During the first decade of the 21st century, Latin American states expanded social welfare policies, improving program coverage, increasing benefit size, and in some cases, boosting the quality of public services. This “expansionary phase” marked an abrupt change from the social policy trends of the 1980s and ’90s, when policy makers eliminated programs, privatized benefits, and cut spending.¹ The literature on these two eras is vast, but scholars differ in how they explain expansion and retrenchment. While many agree that democracy and electoral competition facilitated expansion during the early 2000s (Huber and Stephens 2012a; Pribble 2013; Castiglioni 2018; Garay 2016), there is less agreement about how democracy influenced retrenchment just years earlier (Haggard and Kaufman 2008; Madrid 2003; Brooks 2009). The literature also differs in how it views the specific effects of left parties, policy legacies, and social movements for both social policy expansion and retrenchment (Huber and Stephens 2012a; Pribble 2013; Ewig 2016; Garay 2016; Fairfield and Garay 2017; Altman and Castiglioni 2018). One area of consensus relates to the effect of economic conditions. Scholars agree that the debt crisis and the adoption of austerity policies was a key determinant of retrenchment in the 1980s and ’90s (Madrid 2003; Brooks 2009), whereas favorable conditions in the early 2000s facilitated expansion (Holland and B. R. Schneider 2017).

By 2011, the commodity boom of the early 2000s had begun to fade,² and slowed growth led some analysts to wonder if Latin American states would halt expansion or perhaps even cut social benefits. A string of electoral victories by right-wing parties fortified this concern, raising the question of whether conservative actors would retrench the social policy gains achieved during the expansionary phase. How has Latin American social policy changed in the wake of the commodity boom? Have the gains of the early 2000s been expanded or retrenched in recent years? What can welfare state developments since the end of the commodity boom teach us about the theoretical power of existing arguments? This paper engages these questions, seeking to characterize and explain recent incidents of social policy reform and probe lingering debates in the literature about determinants of Latin American welfare state expansion and retrenchment.

Changes to Latin American social policies have provoked a rich and diverse body of

¹ For a synthesis and analysis of the literature on Latin America’s “expansionary phase,” see Arza et al. (2022) and Sátyro, Del Pino, and Midaglia (2021).

² The commodity boom—a period during which the value of primary products such as copper, petroleum, and soy soared on international markets—generated high rates of growth and increased revenue, thereby facilitating expansion (Holland and B. R. Schneider 2017). Precise periodization of the commodity boom is disputed, but most agree that it began around 2002, with prices plateauing in 2011 before declining thereafter (Gruss 2014).

scholarship that embraces methodological pluralism and presents new and innovative concepts, but scholars remain divided over the question of what factors explain expansion and retrenchment. The sources of these disagreements are manifold but the fact that much of the literature on this period relies on small-N, comparative historical analysis and case studies may explain some of the divergence. Authors deploying these methods varied in which cases they selected and what policy sectors they analyzed. Studies also differed in how authors conceptualized and measured social policy reform, with some focusing on changes to coverage and/or spending (Huber and Stephens 2012a; Castiglioni 2018), while others adopted multidimensional measures (Arza et al. 2022; Garay 2016; Pribble 2013).

Yet another source of disagreement may be rooted in the nature of causal processes that drive social policy expansion and retrenchment. Most studies of the retrenchment and expansionary phases understand independent variables as having the same effect across all the countries and policies under study. We argue for the possibility that causation may be more complex, involving equifinality (i.e., the possibility that there are different paths to the same outcome), conjunctural causation (i.e., when variables do not operate on their own, but in combination with other factors), and asymmetry (i.e., that the causes of expansion are not the same as those that explain retrenchment). In addition, the same causal combinations could potentially produce different outcomes. To probe for these possibilities, we use Qualitative Comparative Analysis or QCA—the most appropriate method for situations of complex causality (C. Q. Schneider and Wagemann 2012, 5–6). In particular, we use crisp-set QCA (csQCA), originally developed by Ragin (1987), and the Stata package “fuzzy” developed by Longest and Vaisey (2008) to analyze the data. In addition, we complement the csQCA with case studies of the main causal paths that explain expansion and retrenchment.

The paper presents an analysis of all major social policy reforms (24 in total) in Argentina, Brazil, Chile, and Uruguay between 2010 and 2019.³ Drawing on the existing literature, we identify seven key factors that scholars agree were important in shaping cross-national variation in the scope and character of welfare state expansion and retrenchment: electoral competition, party ideology, party linkage mechanism, social mobilization, policy legacies, economic recession, and international pressure. We then code these variables along

³ We choose this time period because it falls after the commodity boom, but before the start of the Covid-19 pandemic. We elaborate on this point later in the paper.

with all of the major policy reforms enacted by ten presidential administrations in our four countries of interest. The selection of reforms includes instances of both expansion and retrenchment. The administrations include Argentine presidents Cristina Kirchner (2011–2015 term) and Mauricio Macri (2015–2019), Brazilian presidents Dilma Rousseff (2011–2016), Michael Temer (2015–2018), and Jair Bolsonaro (2019), Chilean presidents Sebastián Piñera (2010–2014 and 2018–2021) and Michelle Bachelet (2014–2018), and Uruguayan presidents José Mujica (2010–2015) and Tabaré Vázquez (2015–2019). The csQCA analysis identifies eight paths toward social policy expansion and five paths toward retrenchment. We then minimize these results to exclude irrelevant expressions, which leaves us with five paths for expansion and three paths toward retrenchment.⁴ After presenting the findings, we discuss each of those paths, reflecting on key reforms included in each track and underscoring the ways that the presence or absence of electoral competition, partisanship, programmatic party linkages, organized societal pressure, economic recession, international pressure, and policy legacies interact to produce expansion and retrenchment.

The findings suggest that left parties have been responsible for the vast majority of expansion instances (11 of 14). Programmatic left parties, in particular, have either expanded in a context of high electoral competition and no recession (e.g., Bachelet’s 2014–15 university and health care expansion) or by funding expansion through debt (e.g., Rousseff’s expansion of Bolsa Família/ Family Grant in 2011 and Vázquez’ creation of a national care system in 2015). It is important to mention that a programmatic right party, in a context of high electoral competitiveness and funding reforms through debt and in a context of no recession can also lead to expansion (e.g., Macri’s pension, early childhood education, and conditional cash transfer (CCT) programs, all in 2016). Policy legacies are a necessary factor in every single instance of

⁴ The outcome variable takes two values: expansion (=1) or retrenchment (=0). We acknowledge that the *absence* of expansion includes not just retrenchment but also maintenance of the status quo. However, we have decided not to code the status quo for empirical and theoretical reasons. First, in empirical terms, it is very difficult to determine whether reform attempts were considered by high-ranking officials, but abandoned or not pursued. Road blocks to reform might be public, but many others happen behind closed doors and would require extensive interviews with officials to learn about the many discussions that took place, but never resulted in concrete change. Second, we have no clear theoretical guideposts regarding what to include in the “no action/status quo” category, and therefore, any coding would be highly discretionary. For example, the absence of expansion in health care could include status quo in hiring rules, in transplant regulations, in quality improvements, in delivery mechanisms, and/or in funding, just to mention a few examples. Moreover, it could involve failure to act in one year, by mid-term, or during a term in office. In short, what to include and what to exclude and when to officially declare a policy “status quo” would involve too much discretion on the side of the researcher. We come back to this point below.

policy reform, and we therefore further explain their effect in the case studies. In addition, only parties of the right—programmatic and non-programmatic—have retrenched, in both cases when the country was highly indebted and when there were policy legacies that pushed for retrenchment.

The paper's findings are important, as they shed light on several unresolved debates in the literature: namely, whether left and right governments differ in their approach to social policy formation and change; whether resources alone guarantee expansion and prevent retrenchment; whether international pressure always produces retrenchment; and whether electoral competition provides an impetus to expand social welfare programs, among others. More importantly, the results highlight the existence of complex forms of causation, as we identify different paths that lead to the same outcome and find that no individual variable on its own can determine expansion and retrenchment.

DETERMINANTS OF SOCIAL POLICY EXPANSION AND RETRENCHMENT IN THE LATIN AMERICAN CONTEXT

This study analyzes instances of *both* social policy expansion *and* retrenchment. To date, much of the research on welfare state change has separated the processes rather than including both within a single analysis. This is because there is agreement in the literature that the politics of retrenchment and expansion are different (Pierson 1994). In both strands of the literature, however, authors tend to focus on similar causal factors: the impact of economic growth, external pressure, democratic competition, partisan ideology, policy legacies, and social mobilization. Since QCA analysis allows for equifinality and causal asymmetry, we are able to analyze the two processes together.

Retrenchment

Studies of welfare state retrenchment have found that while Latin American countries in the 1980s and 1990s tended to engage in deep reforms, including privatization and program cuts, European welfare states generally witnessed more covert forms of retrenchment (Pierson 1994; Hacker 2004; Brooks 2009; Madrid 2003; Huber and Stephens 2012a). Scholars argued that outright retrenchment was made politically possible in Latin America because of the region's

deep economic (debt) crisis, the tenuous character of democracies, the fragmentation of civil society, and the weakness of left parties (Brooks 2009; Madrid 2003; Huber and Stephens 2012b). Conversely, European countries witnessed more limited retrenchment. Scholars argue that the absence of outright retrenchment resulted from the prevalence of institutional veto points that protected against social policy rollbacks (Pierson 1994, 2001; Huber and Stephens 2001) and policy legacies that made such reforms unpopular (Pierson 1994, 2001; Huber and Stephens 2001).

Expansion

When it comes to social policy expansion, scholars also cite the importance of economic factors in facilitating change. In particular, the literature points to the importance of growth (McGuire 2010), trade openness (Cameron 1978; Katzenstein 1985), and the effects of neoliberal reforms (Ewig and Kay 2011). Holland and B. R. Schneider (2017) note that during the commodity boom, increased revenue generated by positive terms of trade facilitated (easy) expansion.

Similarly, Murillo, Oliveros, and Vaishnav (2011) note that increased export earnings meant that Latin American governments were not forced to seek external credit to finance policy. This allowed politicians to pursue domestic priorities, including those that fell on the left of the ideological spectrum.

Studies of welfare state expansion also point to the importance of political factors, including democracy, institutional design, party ideology, and party character. A great deal of research on social policy change points to the importance of democracy and electoral competition (Segura Ubiergo 2007, Haggard and Kaufman 2008; McGuire 2010; Huber and Stephens 2012a; Pribble 2013; Garay 2016), though authors differ in how they conceptualize the effects of regime type and competitiveness. McGuire (2010) argues that multiple elements of democracy contribute to the expansion of health services, notably press freedom, freedom of assembly, and attitudinal shifts among the poor. Huber and Stephens (2012a) also find evidence that democracy contributes to expansion, highlighting the ways that democratic politics empower working-class and marginalized voters. Garay (2016) focuses on electoral competition, noting that where parties must compete for the support of labor market outsiders, expansion is more likely.

Some studies of Latin American social policy expansion find that the election of left-

leaning presidents and the growing power of the left parties in the legislature played a decisive role in the growth of social programs (Huber and Stephens 2012a; Pribble 2013). Huber and Stephens (2012a), for example, find that left parties played a crucial role in expanding Latin American welfare states, both historically and during the commodity boom. Pribble (2013) also focuses on the impact of parties, but argues that it is important to consider ideology in combination with other characteristics of parties, namely whether the organization relies on a programmatic linkage structure and whether they empower base organizations—a concept that the author terms “party character.” Ponce de Leon (2021) also focuses on party linkage strategies, showing that programmatic commitments shift the quality of social policy legislation that is adopted.

Other studies find that right-wing parties also implemented redistributive social policies, while left-wing governments sometimes carried out reforms that benefit labor market insiders at the expense of those living in extreme poverty (Fairfield and Garay 2017; Garay 2016; Altman and Castiglioni 2018). Ewig (2016) argues that beginning in the late 1990s, Latin America witnessed a convergence towards greater equity in social policy, regardless of government ideology. A similar trend is identified by De La O (2015), who notes that CCT programs (known as CCTs) spread across the entire region, independent of partisan ideology.

Virtually all studies of social policy expansion and retrenchment in Latin America find that the design of previous policies, or policy legacies, is an important determinant of reform outcomes (Huber and Stephens 2012a; Pribble 2013; Castiglioni 2018; Martínez Franzoni and Sánchez-Ancochea 2016; Arza 2012; Ewig and Kay 2011; Brooks 2009; Dion 2010). Policy legacies matter because they generate incentives (or disincentives) for reform, by structuring the distribution of power among actors, shaping public opinion, and generating problems that need fixing.

Some studies of social policy expansion also stress the importance of mobilization and social movements (see Ciccía and Guzmán-Concha 2021). Garay (2016), for example, finds that social mobilization from below prompted inclusive expansion, whereas expansion that came solely in response to electoral pressure was more restricted. In the case of Bolivia, Anria and Niedzwiecki (2016, 2019) show that unions and grassroots organizations coordinated pressure in the streets to secure the passing of this universal pension reform in 2008. Altman and Castiglioni

(2020) also find that the strength of civil society is a significant determinant of social policy expansion.

Clearly, then, while rich in detail and concept development, the literature on Latin American social policy development has arrived at divergent conclusions about the causes of social policy transformation. We believe that part of this disagreement relates to the complex nature of the causal processes that drive policy change, which opens the possibility of equifinality, conjunctural causation, and asymmetry. We therefore use QCA to analyze this possibility for all major social policy reforms carried out in Argentina, Brazil, Chile, and Uruguay between 2010 and 2019.

METHOD, VARIABLES, AND CASE SELECTION

Crisp-Set Qualitative Comparative Analysis (csQCA)

Our analysis of the causes of expansion and retrenchment uses crisp-set QCA based on set-theory, originally developed by Ragin (1987). QCA is the most appropriate method for this paper for a number of reasons. First, it allows for equifinality or the possibility that there are different paths to the same outcome (C. Q. Schneider and Wagemann 2012, 5). QCA is particularly well-equipped for testing a number of contrasting theories in the post-commodity context. Second, the method allows for the possibility of conjunctural causation, a form of causality characterized by variables that do not operate on their own, but in combination with other factors (C. Q. Schneider and Wagemann 2012, 6). Third, we assume that the causes that explain expansion are not the same that account for retrenchment, and this lack of symmetry makes QCA the most appropriate method for analyzing both expansion and retrenchment in a unified framework (C. Q. Schneider and Wagemann 2012, 6). Taken together, these three forms of complex causality allow for incorporating conditions that are INUS (“insufficient but necessary part of a condition which is itself unnecessary but sufficient for the result”) and SUIN (“sufficient, but unnecessary part of a factor that is insufficient, but necessary for the result”) (Mackie 1965; Mahoney 2008).

Besides complex forms of causality, the mid-size of our sample (24 country-policies) is too large for in-depth qualitative analysis and too small for regression analysis, but adequate for QCA (Ragin 2000, 25). We use crisp-set QCA as opposed to fuzzy-set QCA due to its ease of interpretation and, more importantly, because all of the variables in our study lend themselves to

a dichotomy that denotes either membership or non-membership in a set, as opposed to gradations in their set membership (C. Q. Schneider and Wagemann 2012). In the next section, we describe each of our variables and how we coded them, and explain why dichotomizing each one results in valid measures and inferences. We also describe the hypothesized effect of each variable.

Variables and Theoretical Expectations

Given that the variables lend themselves to dichotomous measures, all variables are made binary for crisp-set QCA. In other words, both the dependent and independent variables follow two possible outcomes (presence=1 or absence=0).

Dependent Variable

Our dependent variable is social policy reform. Social policies are state-funded programs that seek to improve the health, education, and well-being of residents by addressing new and old social risks. In this way, we include traditional programs, such as health and pensions, but also consider child and elder care, education, and family leave. Social policy reform can take the value of either expansion (1) or retrenchment (0). We analyze all major social policy reforms enacted (24 in total), excluding reforms that were discussed but never submitted to Congress, as well as bills that died in committee. The coding of policy reforms is based on a close reading of the law and data related to the effects of the reform.

Our operationalization of expansion and retrenchment focuses on three factors: coverage, eligibility criteria, and benefit generosity. Expansion of social policy occurs when a policy reform increases coverage, eases eligibility criteria, improves access, and/or ameliorates benefit generosity in real terms. Retrenchment of social policy involves the opposite: a decrease in coverage, tightening of eligibility criteria, a reduction in access, and/or a decline in benefit generosity in real terms. To measure the existence of expansion or retrenchment, we analyze data on changes to the share of people who are covered by a policy, changes to eligibility criteria, and changes in access, as well as changes to the value of the transfer relative to inflation. We include both overt and covert forms of retrenchment in our analysis. Outright or overt retrenchment includes elimination of programs, spending cuts, privatization of services or pensions, and tightening of eligibility rules (Pierson 1994). Covert retrenchment is politically more viable as changes are less visible, including initiatives such as the exclusion of recipients due to previous

“inclusion errors,” increase in coverage through outsourcing services to the private sector, or “decrementalism” in transfer generosity (Levy 2010, 557). Policy drift, which Hacker (2004) defines as an incremental change in which rules remain formally the same, but their impact changes due to shifting external conditions, is also a form of covert retrenchment, but one that we exclude from our analysis. This is because we focus solely on active reform (i.e., instances where states and politicians change rules and regulations that govern the provision of social benefits).

The decision to dichotomize the dependent variable as expansion (1) and retrenchment (0) deserves particular attention. We recognize that the *absence* of expansion entails not only retrenchment, but also maintenance of the status quo. However, we decided not to include the status quo in this analysis, as it is very hard to identify cases of actively choosing to maintain the status quo without extensive fieldwork and interviews with policy-makers inside each administration, a research strategy that would exceed the scope of this paper. Second, the decision about what to include as “status quo” is a highly discretionary one and one for which we lack clear theoretical guideposts in the literature. For example, we could code increase in access to basic health care as a case of expansion (1), and maintenance of the status quo (0) as *absence* of increased access to high-complexity health care, or *absence* of quality improvements, or *absence* of changes in transplant regulations, to mention a few possibilities. Moreover, we could decide that a president maintained a status quo policy if no reform was adopted within a year of taking office, or by mid-term, or within the term of office. Indeed, there is no established theoretical standard for what constitutes “status quo” nor for how long a policy must be maintained without change to be considered a case of “no change.” In short, the “status quo” category is too ill-defined to allow for a transparent and theoretically meaningful coding. We, therefore, opt to measure reforms that actually happened, differentiating between two options: expansion and retrenchment.

Independent Variables

The first independent variable we include in our analysis is party ideology. We use Levitsky and Roberts (2011) and Huber and Stephens (2012a) to conceptualize partisanship ideology. Levitsky and Roberts (2011) argue that parties of the left are characterized by a focus on reducing social and economic inequalities and enhancing the political participation of marginalized groups. Parties of the right, by contrast, perceive such inequalities as natural,

maintain a more hierarchical vision of social relations, and place very little emphasis on redistribution. **We therefore expect left parties to be more inclined to expand social policy and right parties to be more open to retrenchment.** We use and update the coding of Huber and Stephens (2012b) for the orientation of the party of the executive based on Coppedge's (1997) rules, with the exception that we code Frente para la Victoria in Argentina as left and not "other" and update the parties not coded in the dataset.

Second, and in addition to the ideological orientation of the president, we code whether the executive's party relies predominantly on a programmatic linkage mechanism to appeal to voters. Linkage mechanisms define the nature of the relationship between voters and a party. The literature on linkage techniques reveals three general strategies: programmatic, clientelist, and interest incorporation (Morgan 2011; Kitschelt and Wilkinson 2007; Roberts 2002; Kitschelt 2000). We reduce these three approaches to a dichotomous coding of programmatic and non-programmatic strategies. We recognize that parties often rely on a mix of linkage strategies, but we focus on the predominant approach. We expect that parties that employ programmatic linkages will remain more wedded to their party's ideological program and more susceptible to electoral pressure. **We therefore expect the combination of programmatic linkage and left ideology to increase the likelihood of expansion, whereas non-programmatic parties may prove more flexible.** When it comes to retrenchment, we expect that **parties of the right will be more likely to roll back benefits than left parties, but that such reforms will be less likely from *programmatic* right parties,** since they must compete on the basis of their record, and retrenchment is generally unpopular with voters. Our coding of programmatic parties is drawn from Pribble (2013) for Argentina, Chile, and Uruguay, and we code the Workers' Party in Brazil as programmatic and Temer's and Bolsonaro's parties as non-programmatic (Mainwaring 1995). Table 1 summarizes the ideological position of the ten administrations and the predominant linkage mechanism deployed by each party across the four countries included in the analysis.

TABLE 1

POST-COMMODITY BOOM PRESIDENTIAL ADMINISTRATIONS (2011–2019)

Left Party Rule	Right Party Rule
<p><u><i>Programmatic linkage</i></u> Brazil – <i>Partido dos Trabalhadores</i> (Rousseff, 2011–2016)</p> <p>Uruguay – <i>Frente Amplio</i> (Mujica, 2010–2015) (Tabaré Vazquez, 2015–2020)</p> <p>Chile – <i>Partido Socialista</i> (Bachelet, 2014–2018)</p> <p><u><i>Non-programmatic linkage</i></u> Argentina – <i>Frente para la Victoria</i> (C. Kirchner, 2011–2015 second term)</p>	<p><u><i>Programmatic linkage</i></u> Argentina – <i>Cambiamos</i> (Macri, 2015–2019)</p> <p>Chile – <i>Renovación Nacional</i> (Piñera, 2010–2014; 2018–2022)</p> <p><u><i>Non-programmatic linkage</i></u> Brazil – <i>Partido do Movimento Democrático Brasileiro</i> (M. Temer, 2016–2019)</p> <p>Brazil – <i>Partido Social Cristão</i> (J. Bolsonaro, 2019)</p>

The third variable included in our analysis is a measure of social mobilization. We code bottom-up pressure, based on a close reading of news coverage for each social policy reform. Building on Garay (2016), **we expect bottom-up pressure to promote social policy expansion.** For retrenchment, **we expect social mobilization to limit the likelihood of program cuts and rollbacks** (Niedzwiecki 2014). In cases of expansion, we code a reform as involving bottom-up pressure when social movements were actively organizing in support of the project or when there were protests leading up to the introduction of a policy initiative. For example, Chile’s 2015 university reform, which increased spending and introduced new regulations on tuition, guaranteeing free access for roughly 130,000 students, came on the heels of massive protests. We therefore code that reform as involving bottom-up pressure. For retrenching reforms, we code a case as exhibiting bottom-up pressure if social movements organized to defend the existing program against retrenchment. One example of this is Argentina in 2017, when then-President Mauricio Macri altered, among other things, the formula for income transfer adjustments. The reform sparked massive protests but passed nonetheless (Di Costa 2018).

Fourth, we observe the presence or absence of recession. Drawing on existing research, we hypothesize that **in a context of economic recession, retrenchment is more likely.** We use data from the World Bank and code any previous country-year in which the real growth rate was

zero or negative as experiencing recession, while other country years were coded as having no recession. Dichotomizing GDP growth can be problematic, but the literature suggests that moments of economic contraction are substantively different from periods of expansion, no matter how meager growth might be. Moreover, as illustrated in Table 2, our cases differ substantially in terms of this variable.

TABLE 2

YEARS OF NEGATIVE REAL GDP GROWTH (2002–2018)

	Negative growth (years)
Argentina	6
Brazil	3
Chile	1
Uruguay	1
Latin American Average	2

Source: World Bank (2020)

Fifth, and relatedly, international pressure can shape domestic decisions on social policy. **International pressure can produce incentives for retrenchment and/or expansion**, and we therefore do not hypothesize a clear direction of causality. In the 1980s and 1990s, multilateral loans came with conditionalities that led to retrenchment. By contrast, in the 2000s, international credit helped fund expansion. We expect international pressure will be strongest in countries that exhibit high levels of debt. This is because such countries may need to seek multilateral assistance or may feel pressured to appease investor concerns about deficits and spending levels. This could result in efforts to cut back on social programs. We use the World Bank's measure of debt as a share of GDP and code countries with debt/GDP ratio of 50 percent as facing international pressure (1). We use the 50 percent threshold because it falls right around the

average for the observed period.⁵ We believe that dichotomizing debt dependence with a 50 percent threshold is valid because it provides a sense of whether a country might be seen as “risky” compared to regional peers (i.e., because it falls above the regional average).

We code policy legacies, the sixth independent variable, based on Pribble (2013). The author argues that the design of existing policies shape social policy reform by changing expectations, empowering some actors by weakening others, and generating problems that must be addressed. Because all of our cases of expansion and retrenchment occur in policy areas that already exist, we code all cases as having policy legacies (1).

Finally, we code for the presence or absence of strong electoral competition. Scholars vary in how they define and operationalize competition. Conceptually, competitive systems are those in which parties must work hard to win the support of voters. In such settings, we expect that parties will be encouraged to support broader social programs that benefit a large sector of voters and respond to popular demands, rather than narrowly targeted benefits. For this reason, **we expect parties in a competitive environment to favor social policy expansion.** Moreover, **since parties in a competitive system must avoid alienating large portions of the electorate, we expect them to avoid actions that are unpopular, such as retrenching social programs.**

Several studies operationalize electoral competition as a difference in vote share between the first and second-place candidates in a given race (Dash and Mukherjee 2015; Pribble 2015). Others note that due to fragmentation, vote share on its own is insufficient and one must consider the margin of victory in combination with the number of parties in the system (Alfano and Baraldi 2015). There are weaknesses, however, with measures of party system fragmentation, namely that such indicators do not tell us whether all parties in the system actually stand a chance at winning an election. A final group of scholars seeks to address this weakness by incorporating electoral volatility—or the extent to which voters are willing to switch parties from one election to the next—into measures of competition (Immergut and Abou-Chadi 2014; Kayser and Lindstädt 2015). Volatility can also, however, serve as a proxy for a weakly rooted party system (Roberts and Wibbels 1999) or a weakly institutionalized one (Mainwaring 2018), a dynamic that undermines democratic governance. For example, in our set of cases, volatility-based measures of competition would cast Brazil as very competitive and Uruguay as much less

⁵ The average is 51 percent for the period.

so. The same is true for measures that incorporate the number of parties in the system. Furthermore, relying on margin of victory to capture competitiveness is also misleading because of the presence of presidential election run-offs. For these reasons, we find all of the existing measures to be inadequate for capturing the electoral dynamics in this set of cases.

All four of our cases are multi-party presidential democracies that require second-round elections if a candidate does not win an absolute majority of the vote (Brazil, Chile, and Uruguay) or, in the case of Argentina, 45 percent of the vote or 40 percent with at least 10 points more than the runner-up. Moreover, the cases exhibit divergence with regard to the presence of pre-electoral coalitions. While some countries have strong coalitions that run unique candidates, others tend to see a large number of candidates in the first round. This makes it hard to interpret the meaning of first-round margins of victory. We therefore propose an alternative measure of competition: the share of the vote won by the second leading candidate in national legislative or executive (first-round) elections. Specifically, we contend that if the second leading candidate/party wins at least 25 percent of the vote, the presidential election can be considered competitive. This is because that candidate will enjoy a broad enough base that he/she can reasonably build upon and challenge the front runner, ensuring competitive dynamics.⁶

Case Selection

We analyze social policy reforms undertaken during Latin America's post-commodity boom era (2010–19) in Argentina, Brazil, Chile, and Uruguay. We choose this specific time period because it provides an especially opportune moment to analyze the policy choices of different parties in government, as resource constraints force politicians to prioritize initiatives and potentially engage in *both* expansion and retrenchment. We select these four countries because they are widely considered, along with Costa Rica, to have the most developed social policies in the region (Mesa-Lago 1978; Huber and Stephens 2012a; Pribble 2013).⁷ Countries with mature welfare states face different opportunities for expansion and divergent pressures for retrenchment

⁶ Drawing on our knowledge of the four cases, we compared our operationalization (the share of the vote won by the second leading candidate) to the other options (i.e., margin of victory, fragmentation, and volatility) and found that it was most effective at capturing the dynamics and evolution of Argentina, Brazil, Chile, and Uruguay's political systems.

⁷ We exclude Costa Rica from our analysis because of differences in how the country experienced the commodity boom years.

than countries with more limited social protection. Thus, limiting our analysis to advanced social protection systems allows for a meaningful comparison that avoids concept stretching. All four countries experienced the commodity boom, but the cases also exhibit variation on key variables of interest, including economic growth, partisan ideology, and party character. Tables 1 and 2 above summarize these differences.

DISCUSSION OF RESULTS

We analyze our data using the Stata package “fuzzy” developed by Longest and Vaisey (2008). The truth table used for the cQCA, which presents the coding of all of the independent and dependent variables in our analysis, is included in the Appendix. Our coding of policy reforms reveals that Argentina, Brazil, Chile, and Uruguay all engaged in some policy expansion. Retrenchment, by contrast, happened only in Argentina, Brazil, and Chile.

Table 3 presents the csQCA results that reveal eight paths toward expansion and five towards retrenchment, each with 100 percent Y-consistency. One factor that jumps out of this first level of analysis is that all of the paths that lead toward retrenchment exhibit the absence of a left-leaning president. Put differently, for this set of cases, only parties of the right (in the presence or absence of other factors) retrenched social policy. By contrast, the analysis shows that, in the presence and absence of other conditions, parties of *both* the left and right have pursued expansion.

To better synthesize the results of our analysis, we use logical minimization. The process of minimization is defined by Ragin (2017, 32) in the following way: “[i]f two Boolean expressions differ in only one causal condition yet produce the same outcome, then the causal condition that distinguishes the two expressions can be considered irrelevant and can be removed to create a simpler, combined expression.” In other words, when two paths are identical except in one causal condition and lead to the same result, then that causal condition can be eliminated. Table 4 presents the minimized results.

The minimized analysis reveals five combinations of factors that produce social policy expansion and three paths that lead to retrenchment. These five paths explain 20 of our 24 cases. In Table 4, variables listed in all caps represent the presence of the condition, while lowercase terms represent the absence of the condition.

TABLE 3

COMPLETE CSQCA RESULTS Y-CONSISTENCY VS ALL OTHER Y-CONSISTENCY

Set	YCons	OthYCons	F	P	NumBestFit
LbpcdRY	1.000	0.652	11.76	0.002	1
LbpcDrY	1.000	0.652	11.76	0.002	1
LbpCDRY	1.000	0.652	11.76	0.002	1
LbPcDRY	1.000	0.636	12.05	0.002	2
LbPCdRY	1.000	0.619	12.38	0.002	3
LbPCDRY	1.000	0.619	12.38	0.002	3
LBPCdRY	1.000	0.652	11.76	0.002	1
lbPCDRY	1.000	0.619	12.38	0.002	3
lbpcDrY	0.000	0.762	64.40	0.000	3
lbpcDRY	0.000	0.696	50.38	0.000	1
lbPCDrY	0.000	0.696	50.38	0.000	1
lBpcDRY	0.000	0.696	50.38	0.000	1
lBPCDRY	0.000	0.696	50.38	0.000	1

Note: L=Left, l=Right; B=Bottom-up Pressure, b= ~Bottom-up Pressure; P=Programmatic Parties, p=~Programmatic Parties, C=Competitive Elections, c=~Competitive Elections; D=Debt 50% or more; d=Debt less than 50%; R: No Recession; r: Recession; Y: Legacies

TABLE 4

LOGICAL MINIMIZATION FOR CSQCA RESULTS

Path	Minimized Set	Outcome	#Cases
1	LEFT*PROGRAMMATIC*bottomup*DEBT*NORECESSION *LEGACIES	Expansion	5
2	LEFT*PROGRAMMATIC*COMPETITIVENESS*debt*NORECESSIO N *LEGACIES	Expansion	4
3	LEFT*programmatic*competitiveness*bottomup*debt*NORECESSION *LEGACIES	Expansion	1
4	LEFT*COMPETITIVENESS*bottomup*DEBT*NORECESSION *LEGACIES	Expansion	1
5	left*PROGRAMMATIC*COMPETITIVENESS*DEBT*NORECESSIO N *LEGACIES	Expansion	3
6	left*PROGRAMMATIC*COMPETITIVENESS*bottomup*DEBT *LEGACIES	Retrenchment	1
7	left*programmatic*competitiveness*DEBT*NORECESSION *LEGACIES	Retrenchment	2
8	programmatic*competitiveness*bottomup*DEBT*norecession *LEGACIES	Retrenchment	3

Expansion

Table 4 identifies five separate paths toward expansion and three (Paths # 1, 2, and 5) that account for the vast majority (12) of our cases of expansion. First, five reforms that expanded access, benefit size, or quality involve the presence of programmatic left parties, high indebtedness, no recession, and positive policies, but an absence of mobilization. This first combination of factors includes Frente Amplio (Broad Front) Presidents José (Pepe) Mujica and Tabaré Vázquez in Uruguay and Workers Party President Dilma Rouseff in Brazil. The reforms range in sectoral focus from health care in Brazil and Uruguay to the creation of a new child and elderly care system in Uruguay to cash transfer policy in Brazil and maternity leave in Uruguay. The second expansionary path accounts for four of the reforms and also includes programmatic left parties, positive policy legacies, and no recession, but with the difference that these are cases of low indebtedness and high electoral competitiveness. This includes reforms undertaken by the administrations of Michelle Bachelet in Chile, including education, university, health care, and Bono Marzo, a cash transfer expansion.

Taken together, the first two paths account for nine of the fourteen expansionary reforms, and while there is a combination of both transfers and services, services constitute the bulk of the reform efforts (six of the nine initiatives). We believe this fact is important, as expanding services tends to be ‘harder’ than expanding noncontributory transfers, due to the high cost and to the complicated nature of the political coalition required to push reform forward (Holland and B. R. Schneider 2017). It is therefore interesting to identify the conditions under which such “hard” reforms are possible. Our findings suggest that they are most common when there is no recession, a programmatic left is in power, and there are strong policy legacies. We believe this points to two potential strengths of programmatic left parties: their commitment not just to income transfers, but also to social services and their ability to foster the kind of broad political coalition needed to advance “hard” social policy reforms.

A good example of this expansionary path is Michelle Bachelet’s push to improve Chile’s public health care system. In 2014, following a competitive presidential election, President Bachelet committed her administration to building 20 new hospitals; starting construction on 20 additional hospitals; and establishing contracts for 20 more hospitals. By the

end of her term, four years later, the president had managed to uphold that promise.⁸ The four-billion-dollar investment project, which was the largest in Chile's history, also included the construction of more than 300 primary care facilities. The new infrastructure was spread across the country, and in several cases the new hospitals replaced health centers that were built in the 1960s and '70s (Rehbein 2018). The project therefore constitutes a remarkable expansion to Chile's public health infrastructure, increasing service capacity and quality.

Policy legacies also played a role in Chile's health care expansion. Roughly 70 percent of Chileans rely on the public sector for care. This means that efforts aimed at improving public health are potentially very popular, as the improvements will be enjoyed by a majority of voters. While the public system is large, it has suffered from infrastructural decay, long wait-lines, and quality gaps. These weaknesses became increasingly clear following the 2004 passage of the AUGE health care reform, which guaranteed treatment for a set of illnesses inside pre-determined timelines. In the wake of the reform, the state often struggled to meet the AUGE commitments, motivating frustration among citizens and generating budget pressure as the state was forced to outsource care to private actors. These legacies helped motivate President Bachelet to engage in the 2014 reform.

The findings of this analysis show that the non-programmatic left can also expand social policies, in the absence of recession and where legacies are strong. In our third and fourth paths, the left sector of Argentina's non-programmatic Peronist Party—Frente para la Victoria, Front for Victory—expanded access to the country's primary health policy (SUMAR) and its main CCT (Asignación Universal por Hijo, or Universal Family Allowance).⁹ The Frente Para la Victoria held office between 2003 and 2015, but we focus on President Cristina Fernandez de Kirchner's second term since it took place in the wake of the commodity boom. This administration expanded access to basic health care in a context of resource availability without high debt, but in the absence of high electoral competition or social mobilization, what we call the third path. The expansion of primary health care had low levels of visibility, and so it did not follow electoral incentives (Niedzwiecki 2018). Conversely, the expansion of the main CCT to

⁸ While the media was critical of Bachelet's progress toward this goal, news reports in January 2018 suggest that she met the goal of twenty hospitals, but another eight were still in construction when she left office (Rehbein 2018).

⁹ Levitsky (2003) classifies the Peronist party as non-programmatic.

pregnant women, the fourth path, took place following the highly competitive 2009 elections, in which the opposition won narrowly, as well as in a context of resource availability and high indebtedness. The context of competitiveness made the expansion of this highly visible and popular policy attractive (Niedzwiecki 2018).

The fifth path is one of expansion under a programmatic right party. Mauricio Macri's administration in Argentina expanded access to the CCTs and to early childhood education and improved the benefit generosity of contributory pensions. These three reforms took place after a highly competitive presidential election, in an absence of recession, and with policy legacies that encouraged reform, despite high levels of debt. We believe the role of competition is important here and underscores the way that highly competitive environments in combination with programmatic parties can incentivize expansion, even from parties of the right and even in the presence of high debt.

Taken together, the five expansionary paths in Table 3 show that the absence of economic recession is an important element for policy expansion. Indeed, there is no recession in all cases of expansion, including expansion under right and left presidents, and programmatic and non-programmatic parties. Increased revenue may facilitate expansion by reducing dependence on external credit or because politicians can improve programs without having to introduce new taxes. This fact is likely especially important for countries with high levels of debt. The finding suggests that future research must take economic growth seriously and incorporate it systematically into analyses of policy reform. Studies of the early 2000s often treated the economic bonanza as a background factor rather than a key explanatory variable (Arza et al. 2022).

Retrenchment

The minimized results in Table 4 reveal that there are three paths toward retrenchment (Paths 6–8), the first under a programmatic right party and the last two under non-programmatic right parties. All three paths involve the presence of high levels of debt, suggesting that fiscal pressure is a motivating factor for retrenchment. We expect that this might work via two mechanisms: first by limiting access to funding, but second by providing a framing to help justify/explain potentially unpopular cuts to the electorate.

The first path toward retrenchment was followed by Mauricio Macri in the reform that decreased the coverage of noncontributory disability pensions by proposing stricter controls to avoid “fraud” (Jastreblansky 2019). Interestingly, in this path, not only is high debt present, but bottom-up pressure is absent, which may shed light on how and why a programmatic party facing strong competition can opt for retrenchment. In addition, framing the decrease in coverage as “fraud,” as opposed to outright cuts, is an “easier” way of retrenching in a context of high competition.

The last two paths toward retrenchment include reforms by the administrations of Michel Temer and Jair Bolsonaro, leading non-programmatic right-wing parties in Brazil, with the main difference being that the 2019 pension reform and cuts to the *Mais Medicos* (More Doctors) program occur under more availability of resources than the 2016–2018 *Bolsa Família* and noncontributory pension cuts. Other than that, both took place in highly indebted contexts with policy legacies that incentivized reform.

The seventh path toward retrenchment includes Bolsonaro’s 2019 pension reform. This path suggests that even in settings where there is no recession, parties of the right may still undertake retrenching reforms. This is especially true in the presence of a strong legacy, as the Bolsonaro reform that cut back Brazil’s pension system was presented as an initiative to address the country’s growing deficit, a key policy legacy of the existing system. The reform was expected to save the treasury around US\$195 billion in the next decade (McGeever and Marcello 2019), and Bolsonaro used the deficit to justify his reform. Applying to workers in the public and private systems, the reform sets a minimum retirement age, increases the minimum years of required contribution, and increases the amount of transfer with years of contribution. By linking individual pensions more closely to years of contribution, the reform prevents higher-paid workers from retiring earlier, but it also affects those who have interrupted careers in the formal labor market, especially women. Sátyro (2021, 331–32) explains that people who enter the formal labor market at 16 years old or younger would need 49 years of work to receive a full pension, while the life expectancy in Brazil’s poorer regions is 67 years old.

The cuts to Brazil’s *Bolsa Família* recipients during both right-wing administrations clearly represent the last path (# 8). Initially, Temer’s PMDB (Partido do Movimento Democrático Brasileiro, Party of the Brazilian Democratic Movement) cut around 5.2 million recipients from the CCT *Bolsa Família*, alleging that their income was above the eligibility cut-

off, while also adding 4.8 million recipients (Governo do Brasil 2018a, 2018b). In the first year of the Bolsonaro administration, 1.1 million Bolsa Família transfers were cancelled (The Economist 2020). Overall, the cuts across both administrations contributed to a significant increase in the level of extreme poverty (Cortes Neri 2020). These cuts occurred in a context of right-wing non-programmatic governments with negative GDP growth incurring high levels of debt, and in the absence of popular mobilization or highly competitive elections to oppose the initiatives. Retrenching a popular CCT without generating massive mobilization was possible partly because the reforms were framed as a legacy of errors in the application of eligibility criteria.

CONCLUSION

The results of this analysis provide new insight into the politics of social policy reform in Latin America as well as into lingering debates in the literature about the determinants of social policy expansion and retrenchment. Using csQCA, we find that there are multiple paths toward social policy expansion and retrenchment in contemporary Latin America. One of the central findings is that the most common paths toward expansion involved the absence of recession and the presence of programmatic parties of the left. Still, expansion also happened under the leadership of non-programmatic left parties in the absence of recession and with competitive elections. Furthermore, the results of our analysis provide evidence that in the post-commodity boom era, retrenchment is feasible, especially in settings where policy legacies, most notably large budget deficits, allow politicians to frame reform as necessary. While retrenchment during the period analyzed was only carried out by parties of the right, it appears to be most common among non-programmatic parties. Such organizations can more easily shift competition away from issues of policy toward charismatic or anti-system appeals. Moreover, such retrenchment was always carried out in the presence of high debt levels, suggesting that cuts are more likely as fiscal constraints tighten.

The findings presented in this paper have methodological, theoretical, and practical importance. In methodological terms, the results suggest that QCA is an especially useful approach for analyzing social policy expansion and retrenchment, due to the likelihood of complex forms of causality that involve equifinality, conjunctural causation, and asymmetry. In this paper we identify multiple paths that lead to both expansion and retrenchment. We also find

that no one variable alone causes change in social policy design and that the causal processes of expansion and retrenchment are different. All of this suggests that QCA is a good match for understanding the dynamics of social policy change in Latin America.

The results of our analysis shed light on lingering debates in the literature about the role of economic resources, electoral competition, and political parties in determining social policy outcomes in Latin America. Specifically, the analysis suggests that rather than producing “contradictory” findings, existing research has successfully identified elements of the multiple paths that lead to social policy expansion and retrenchment in the region, but that work remains to theorize the impact of these variables *in combination with* one another. For example, we find that retrenchment is possible in a competitive setting, when that environment is combined with a right-wing president, programmatic competition, and especially when policy legacies generate deficits that can be used to frame reforms as necessary. Similarly, ideology seems to influence social policy reform, but the effect happens in combination with the party’s predominant linkage mechanism and the availability of resources. In combining these factors, we find that programmatic parties of the left appear especially inclined to expand policies and non-programmatic parties of the right more likely to retrench. All of this points to the complex character of social policy expansion and retrenchment.

As the Covid-19 pandemic has advanced across the region, its devastating social and economic effects have become increasingly clear. The pandemic has exposed inequalities and generated hardship and new demands for state intervention. Simultaneously, however, it has crippled local economies, making it difficult for countries to respond with increased spending and new programs in answer to growing demands. The findings presented in this paper provide scholars with a fresh new perspective about how countries might navigate these waters. The analysis suggests that we can expect countries headed by programmatic left parties in competitive settings where economic growth picks back up to be the best prepared to respond the crisis. By contrast, right-wing governments, especially those headed by non-programmatic parties, may be slow to respond and even use the occasion to roll back social programs. These factors could generate vastly different trajectories of recovery and well-being in the wake of the pandemic. Finally, the pandemic has exposed the desperate need in Latin America for “hard” social policy expansion—initiatives aimed at improving the coverage and quality of public education, health, and childcare services. In the coming years, as children struggle to catch up

from lost years of schooling, as citizens grapple with long-lasting health effects from the pandemic, and as women seek to re-enter the labor market, we can expect to see growing demands for improvements to public services. This study shows that such reforms are possible, but that they are most commonly pursued by programmatic parties of the left in competitive environments with access to resources.

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APPENDIX

TRUTH TABLE INCLUDING CODING OF ALL VARIABLES

E	L	P	C	B	R	D	Y	#	Description
1	1	1	1	0	1	0	1	3	CHL-MB-BonoMarzo-2014, CHL-MB-Edu 2015, CHL-MB-HC 2014
1	1	1	1	0	1	1	1	3	URY-PM-MAT 2013, URY-TV-HC 2015, URY-TV-NCS 2015
1	1	1	1	1	1	0	1	1	CHL-MB-Uni 2015
1	1	1	0	0	1	1	1	1	BR-DR-BF-2011, BR-DR-Mais Medicos 2013
1	1	0	1	0	1	1	1	1	ARG-CFK-AUH-2011
1	1	0	0	0	1	0	1	1	ARG-CFK-Sumar-2012
1	1	0	0	0	0	1	1	1	ARG-CFK-ECE-2015
1	0	1	1	0	1	0	1	1	CHL-SP-MAT 2011
1	0	1	1	0	1	1	1	3	ARG-MM-AUH-2016, ARG-MM-ECE-2016, ARG-MM-Pensions-2016
0	0	1	1	0	1	0	1	1	CHL-SP-HC-2010
0	0	1	1	0	0	1	1	1	ARG-MM-NCP-2019
0	0	1	1	1	1	1	1	1	ARG-MM-Pensions-2017
0	0	0	0	0	1	1	1	1	BR-JB-MaisMedicos-2019
0	0	0	0	0	0	1	1	3	BR-JB-BF-2018, BR-MT-BF-2016, BR-MT-NCP-2016
0	0	0	0	1	1	1	1	1	BR-JB-Pension-2019

Note: E=expansion, L=left party, P=programmatic party, C=electoral competitiveness, B=bottom-up pressure, R=economic resources, D= level of indebtedness, Y=policy legacies. ARG=Argentina, BR=Brazil, CHL=Chile, UY=Uruguay. DR=Dilma Rousseff, MT=Michel Temer, JB=Jair Bolsonaro, CKF=Cristina Fernández de Kirchner, MM=Mauricio Macri, SP=Sebastián Piñera, MB: Michelle Bachelet, TV=Tabaré Vázquez, PM= José (Pepe) Mujica. AUH=CCT Asignación Universal por Hijo, BF=CCT Bolsa Família, ECE=Early Childhood Education, NCP=Noncontributory Pensions, HC= health care, MAT=maternity leave, Uni=University reform, Edu=education reform, NCS=National Care System.