



**From Buzzwords to Reality:
The History, Evolution and Performance of Avancemos
Conditional Cash Transfer Program in Costa Rica**

A Research Paper presented by

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(Costa Rica)

In partial fulfillment of the requirements for obtaining the degree of
MASTER OF ARTS IN DEVELOPMENT STUDIES

Major:

Economics of Development

(ECD)

Members of the Examining Committee

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The Hague, The Netherlands

December, 2013

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This document represents part of the author's study programme while at the Institute of Social Studies. The views stated therein are those of the author and not necessarily those of the Institute.

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List of Acronyms

CA	Capabilities Approach
CCSS	Social Security Fund Board
CCT	Conditional Cash Transfer
CGR	Comptroller General's Office
CONARE	National Council of Public Universities
ECLAC	Economic Commission for Latin America and the Caribbean
FDI	Foreign Direct Investment
FODESAF	Social Development Fund and Family Allowances
FONABE	National Scholarship Fund
GDP	Gross Domestic Product
HCT	Human Capital Theory
IADB	Inter-American Development Bank
IFO	International Financial Organism
IMAS	Institute of Social Aid
INEC	National Institute of Statistics and Census
IPM	Integrated Poverty Measurement Method
ISI	Import-Substitution Industrialization Strategy
MEP	Ministry of Public Education
NGO	Non-Governmental Organization
PEN	State of the Nation Program
PLM	Poverty Line Method
PLN	National Liberation Party
SIPO	Information System of the Target Population
UBN	Unsatisfied Basic Needs Method

Abstract

Conditional cash transfers (CCT) constitute the apex for much of the most important buzzwords that serve as the basis of current international discussions in social policy and welfare. Indeed, these policies mix themes about empowerment through human capital investment, national ownership, accountability, poverty-targeting and political participation, thereby offering considerable promises for implementation. The question of this research was to know how do these promises performed in reality. For that it addressed Avancemos, a CCT established in Costa Rica, a country that offered a strong domestic social policy community and an established welfare state on which these ideas, especially ownership, political participation and coherence with prior social policies would logically thrive. Reality however has been very different from what appeared to be in the first place, given the context of reform in social policy that the country is undergoing and the nature and interests of political elites driving the policy process.

Relevance for Development Studies

Over the last decades, conditional cash transfer programs (CCTs) have become very popular instruments to address the problem of poverty in developing countries. Their perceived effectiveness has led to their emulation in many countries around the world. Emulation is the name of the game with CCTs, which is why they are such an interesting research subject in seeking to understand misrecognitions and unintended consequences of inappropriate transfers between differing economic and political regimes (Peck and Theodore, 2010: 202-203). CCTs are a central part of modern policy suggestions in the context of poverty reduction schemes by multilateral institutions (Peck, 2011: 165-166). Not to mention that ideological and financial pressures upon developing countries have accompanied the establishment of this kind of programs as well (Borges-Sugiyama, 2011: 263-264). This is mainly due to CCTs becoming universal bundles of engendering buzzwords, mixing themes about empowerment through education, human capital, national ownership and accountability within the narrower ideological framings of poverty reduction (Peck, 2011: 174-176). In other words, the promises behind CCTs are considerable; which makes it interesting to explore how these are negotiated in a local context that includes existing welfare policy structures, communities of policy experts, imperatives of political performance and domestic social policy agendas. Such studies are even more stimulating if one considers the case study of a developing country such as Costa Rica, with a well-established welfare state and a strong domestic social policy community.

Keywords

Social policy, conditional cash transfers, buzzwords, poverty, education, targeting

I. Introduction

Over the last ten years, international financial organisms (IFOs) and experts in social policy have eagerly endorsed the use of conditional cash transfer programs (CCTs) as a successful instrument to reduce poverty in developing countries. By conditioning aid to poor families on them sending their children to school and to periodic medical checkups, CCTs have managed to revolutionize prior forms of cash transfer programs and social safety nets (Rawlings, 2005: 29). In theory, CCTs provide families with some additional income to avoid cash constraints that induce them to send their children early to work, and therefore, foster them to keep them in the educational and healthcare systems. With that, CCTs are instilled with a long-term term purpose of providing poor families with the means to reduce poverty now and to invest in the human capital of their children, allowing them to break the intergenerational cycle of poverty in the future.

Governments around the world have rapidly adopted CCTs. While in 1997, only two countries had implemented these programs, more than 45 had done so by early 2012. This rapid expansion has happened in spite of controversial debates on their real effectiveness. On one hand, these programs are praised for producing higher school enrollment rates and increases in the use of health services by low income families, thereby fostering consciousness in preventive healthcare and decreasing youth employment (see: Caldés et al., 2006; Soares et al., 2009; Aber and Rawlings, 2011). On the other, some claim that empirical evidence justifying these benefits is not conclusive, that these results are not attributable to CCTs, but to wider policies oriented to expand universal coverage of education that are applied concurrently (see: Yaschine, 1999; de Janvry and Sadoulet, 2006). Among these authors, significant long-term reduction in poverty is viewed pessimistically, given that the causes of poverty are considered to be much more structurally complex. For them, CCTs have become a ‘buzzword’, a fashionable word that simplifies these complex problems while offering no real solution (see: Valencia, 2008; Barba, 2007).

As Standing (2001: 13, cited by Cornwall and Brock, 2005: 1045) says: “nobody trying to be influential can afford to neglect the fine art of buzzwords”. Buzzwords are not mere utterances that circulate without people reflecting on their meaning. On the contrary, these can be extremely important in the political arena and very influential in the language that donors, practitioners and consultants in development policy use everyday. First, these words establish the ideological moorings around which political consensus can be reached among influential actors in the development context (Cornwall and Brock, 2005: 1047). Second, they convey the frames through which the phenomena that are being treated are to be seen, and determine the ontological and epistemological basis for defining the nature and specifics of appropriate political action to deal with them (Cornwall, 2007: 474). Third, they frame the discourse for what are the accepted political discussions that can take place under this agenda and, fourth, in so doing, they also define the logistical framework to materialize it in the form of financial resources and labor power needed to make them a reality for millions of people in developed and developing countries, worldwide (Cornwall and Brock, 2005: 1058).

The aforementioned discussion around CCT effectiveness has been very important, but it has not been very critical. It has taken for granted how these programs are framed and

produced without challenging the assumptions that lie behind them (Ford, 2003: 21). In this sense, there have been other viewpoints and avenues of analysis that have been left fairly unexplored. The first part of this thesis explores one of these issues, precisely how have these buzzwords been transformed into public policies and how have they performed in reality. Indeed, the exploration of the processes through which the idea of CCTs comes to be materialized in the form of public policies has received scarce attention, though more literature has been directed to this issue recently (see: Tendler, 2004; Martínez-Franzoni and Voorend, 2011; Borges-Sugiyama, 2011).

More attention is needed to explore the dynamics through which actors within the policy-making process have adopted these buzzwords, claimed ownership of these and configured them for their purpose and context. But, also is important to know how these policies change from what it was prescribed, in view of contestation and limitations of the national and international policy environment, and what are the consequences of these transformations.

Emulation is the name of the game with conditional cash transfer programs, which is why they are such an interesting research subject in seeking to understand misrecognitions and unintended consequences of inappropriate transfers between differing economic and political regimes (Peck and Theodore, 2010: 202-203). CCTs are a central part of modern policy suggestions in the context of poverty reduction schemes by multilateral institutions (Peck, 2011: 165-166). Not to mention that ideological and financial pressures upon developing countries have accompanied the establishment of this kind of programs as well (Borges-Sugiyama, 2011: 263-264). This is mainly due to CCTs becoming universal bundles of engendering buzzwords, mixing themes about empowerment through education, human capital, national ownership and accountability within the narrower ideological framings of poverty reduction (Peck, 2011: 174-176). In other words, the promises behind CCTs are considerable; which makes it interesting to explore how these are negotiated in a local context that includes existing welfare policy structures, communities of policy experts, imperatives of political performance and domestic social policy agendas. Such studies are even more stimulating if one considers the case study of a developing country with a well-established welfare state and a strong domestic social policy community.

Therefore, this research will study the history, evolution and performance of Avancemos, a conditional cash transfer program, designed and operated by the Costa Rican government in tandem with domestic and foreign actors. This document will explore the nuances and contradictions brought about by this interplay of external and domestic forces, and, in so doing, explain how such interplay has affected the way in which ‘CCTs as buzzwords’ were brought to life through this program in the specific circumstances of Costa Rica. For that, this document will begin first by offering a brief description of the social, historical and ideological context in which CCTs have appeared as a policy alternative in the plight against poverty. It is argued there how the debate between modern discourses on social policy underpins these policies and what doubts this generates regarding the feasibility of CCTs of actually making a difference in the fight against poverty. Chapter III explores the history and changes of Avancemos, in order to discuss how the macroeconomic context and the ongoing discussion about social policy in the Costa Rican context affected and modified this program over the past seven years. Chapters IV and V discuss the specific policy choices made in the formulation and execution of this program. The former questions the notion of poverty that is

used to justify targeting procedures of this CCT and the later challenges its current focus on promoting attendance to secondary education by presenting information obtained through diverse indicators and statistics of the Costa Rican labor market. The final chapter offers the main conclusions of this work.

II. Discourses around CCT programs

Conditional cash transfer programs have become very popular instruments to address the problem of poverty in developing countries. This section discusses how have these programs reached this level of acceptance among the global social policy community and what are the tensions between the social policy discourses that determine them. Attention will be put on how these tensions have been translated in the predominance of a particular way of framing poverty and its solutions, and what are the problems that these policies may face when entering national contexts.

CCTs appeared as a Latin American policy innovation in the late 1990s, but they are a product of a policy context defined by the neoliberal structural adjustment of the 1980s and 1990s. The adjustment entailed the establishment of a new market-led development agenda based on economic liberalization, fiscal deficit reduction, market deregulation and privatization of state institutions. However, market reform did not went as planned. Between 1980 and 1999, Latin America experienced some stable low-growth periods intermeshed with recurrent economic downturns, thereby making overall economic performance very volatile (Huber and Solt, 2004: 151-152). Socially, this translated into chronic reduction of wages, higher unemployment and growing informality of labor markets and an increase of poverty (ECLAC, 2002: 14). Throughout the period, the state – partially dismantled after a decade of deficit reduction policies – was very weak to offer social services needed to counter these trends, thereby worsening the social situation in the region (Pribble et al., 2009: 401).

In the early 1990s, the worsening of poverty here and in other parts of the world led to changes in how neoliberal reform approached social policy. For once, IFOs and international non-governmental organizations (NGOs) began addressing the problem and featuring policy recommendations on the matter. Moreover, poverty became conceptually reassessed by policy circles, mainly in two ways: first, by not considering it a temporal phenomenon related to the adjustment, but a structural feature of the neoliberal economy itself (Molyneux, 2008: 779); and, second, by reflecting on it as a global problem, given how pervasive it had become by the mid-1990s (Peck, 2011: 166). This has led to a wider and multifaceted discussion that has questioned the manner in which social policy should relate to economic growth in order to avoid or confront these market failures. In this context, the debates between human capital theory (HCT) and the capabilities approach (CA) are very relevant for modern social policy-making, especially for CCTs.

HCT is a core element of neoclassical economics and endogenous growth theories (Robeyns, 2006: 72). This theory argues that the knowledge, skills and personality traits, such as innovation, that every worker has attained or developed over the course of his life constitute a complex and intangible stock called human capital (Todaro and Smith, 2012: 360). This stock is considered to be a determining factor of the productivity of labor, which is why the main point that this theory makes is that investment in social services could be conducive to the

formation and development of new skills and knowledge that may improve the human capital stock of workers in order to enhance productivity for the wider economy (Acemoglu, 1996: 780). In other words, this theory sees social investment as a manner in which labor can be technologically improved, making it more capable of yielding new levels of productivity of labor and allowing it to secure higher economic growth (Walker, 2012: 385).

In contrast, the capabilities approach offers a more normative viewpoint that values the role that social policy has in enriching human life more broadly (Todaro and Smith, 2012: 16-17). This approach considers that development should not be measured solely through income or possessions; instead, it emphasizes the idea that development is about people having agency to decide what to do with their lives, or as Sen (1999: 14) says: “(t)he usefulness of wealth lies in the things that it allows to do – the substantive freedoms it help us to achieve”. Development is about making people capable of taking the decisions necessary to realize different types of life objectives (Walker, 2012: 388). These goals are called functionings, and are often seen as “states of being and doing” (Robeyns, 2006: 78). Given that people desire many things including a good and fulfilling job, proper education, healthy lives, decent and nurturing homes, etc., human well being cannot be equated solely to activities fostering labor productivity improvements and more income-generation (Wigley and Akkoyunlu-Wigley, 2006: 292-293).

Substantial differences exist between both approaches. Individuals in HCT are valued as rational self-interested actors driven to maximize utility through investment in their human capital (Walker, 2012: 385). Meanwhile, CA looks at them in a more nuanced fashion, whereby personal interest lies in having the capabilities and agency for leading good lives. Economic opportunity is important, but not the only important factor (Robeyns, 2006: 78). Consequently, ideas about freedom and well-being are considerably different between both approaches, as well. For human capital theory, employability in higher income-earning jobs is the most appropriate measure of well-being, meaning that freedom must be seen as the capacity to consume (Walker, 2012: 386). However, for the capabilities approach, well being is a much more diverse endeavor that is, in turn, dependent of a wider understanding of freedom as the capacity to exercise agency in order to empower people’s decisions between diverse functionings (Sen, 1997: 1960).

Therefore, social policy is valued in different forms. For HCT, the reading is both economic and instrumental. It considers that social policies are only important as long as they are capable of elevating labor productivity and the income-power of workers, as means for fostering economic growth (Robeyns, 2006: 73-74). This explain HCT’s focus on fostering education services instead of other social policies, given the more resounding implications of this social service in the development of new skills and knowledge of workers (Ibid: 75). On the contrary, CA considers that the role of social policy is to enhance the capabilities that people have to make the necessary choices between functionings. This approach is multidimensional in scope given that it needs to focus on all factors that impinge on the well being of people (Walker, 2012: 389). Moreover, the capabilities approach is also comprehensive and interdisciplinary, given that social arrangements affecting human agency and capabilities are not solely economic in origin, but also political, social and cultural (Robeyns, 2006: 79).

Having said that, there is also potential for synergies between both approaches. It is very relevant to say that the capabilities approach can integrate human capital theory as part of its interdisciplinary building blocks. In this sense, it provides the means from which to expand the capabilities of people to decide better what to do in the labor market (Walker, 2012: 388). This easily explains why supporters of both approaches could converge around CCTs. These programs have been presented to the world as tools for empowering poor people to escape from poverty by offering them the means for developing their human capital. Having said that, human capital is defined in a much more multidimensional fashion, given the premise that precisely the lack of investment in education, healthcare and nutrition is the reason why poverty gets reproduced and becomes an intergenerational phenomenon (Peck, 2011: 174). Second, these programs claim to have constructed a new notion of the beneficiary of poverty aid programs, given that they are not seen solely as receivers of state money. It is argued that conditionality makes them capable of deciding their own future (Molyneux, 2007: 69). Therefore, CCTs could potentially serve objectives in both camps by providing the means for households to produce more income through human capital investment and enhancing the capacities of individuals to decide how to integrate better into the labor market.

However, CCT programs do not necessarily deactivate the tension that lies between both theoretical approaches and beneath social policy-making in a neoliberal world. On one side, this tension has to do with what should be the scope of social policy: while a global consensus on poverty may exist, this does not mean that there is a matching local level consensus in each country as well. In this sense human capital theory proponents are more than comfortable with only focusing social policy on the economics of market failures, whereas people supporting the capabilities approach view the economy as just one dimension of a much wider and multidimensional social policy (Robeyns, 2006: 82).

On the other, this tension is also related to the ideological and material restrictions on policy-making that derive from the political economy of neoliberal globalization. Indeed, a new 'global consensus on poverty' has been built upon criticisms of the negative social outcomes of the Washington Consensus; but this has been more a revision than a radical departure. Central tenets of the neoliberal reform remain untouched, albeit now adding some new policy concerns related to social and environmental imperatives (Rodrik, 2006: 977-978). An important qualitative change is that building permanent social policy institutions is now considered a serious objective of the development agenda, and not solely a temporal activity relevant during the transition period after economic reform (Borges-Sugiyama, 2011: 252-253). This implies an ideological preference towards social policy strategies that: 1) emphasize on objectives of poverty reduction and not eradication, 2) are friendly to labor-intensive regimes of accumulation, 3) focus more on targeted and control bursts of social expenditure and not on universal social policy measures, 4) repurpose state intervention to be coherent with labor flexibilization and 5) integrate more civil society – particularly IFOs – in policy-making and execution (Lipton and Maxwell, 1992: 1). Consequently, the main concern in social policy today is not if there should be some degree of public spending in these issues, but how to have it in a way that is coherent with market logics and the principles of neoliberal economic policy (Fine, 2009: 7).

Consequently, the critical analysis of the political interplay that CCT programs create when they are introduced into national political contexts and the consequences of this struggle

for their effectiveness is something that is of extreme importance, in spite of having received scant attention so far. Global social policy communities have framed these programs as one-size-fits-all recipes (Peck, 2011: 174), which means that they have devised narratives about what should be the appropriate use of CCT programs (Hunter and Power, 2008: 17). However, in the national context, social policy circles are not made up only by international consultants reproducing global discourse on poverty, but also by elected officials motivated on exploiting political and electoral performance of social policy, bureaucrats operating under political and technical mindsets and civil society actors that could be interested in opening up the policy process to feature their own agendas (Schneider, 2004: 458-459). This diversity of actors and imperatives make policy coalitions around CCTs much more complex. Therefore, attention can be brought to the issue of what happens with CCTs in practice in view of the tensions that have been described. This is very important in the case of Avancemos, particularly if imperatives of national ownership become potential elements of political contestation of the international policy formula, given the strength of local social policy elites and bureaucrats in Costa Rica (see chapter III).

There are two issues that require specific attention. First, as Martínez Franzoni and Voorend (2011: 282) say: “CCT programs have been embedded in an epistemic community that focuses on targeted poverty alleviating programs (...), rather than on the CCTs potential in constructing universal, coordinated and inclusive social policy”. Targeting versus universalism is an ongoing debate in poverty circles today, given the benefits and drawbacks of both positions (Mkandawire, 2005: 1-2). It is interesting to know how this issue is negotiated in a context like Costa Rica, where positions are relatively strong and policy actors may be interested on widening the agenda behind CCTs.

Second; the nature of conditionality must be questioned as well. CCTs hinge on the idea that poverty is mostly caused by a lack of investment on human capital by the poor. This is a problematic assumption that overlooks the role that flexible labor markets and businesses also play in poverty (Fine, 2009: 8). Of course, by doing that attention is shifted away from the role that new market governance based on labor market deregulation and flexibilization may have upon the determination and negotiation of wages and the capacity of jobs to provide a secure, stable and well-paid opportunity to these people (Peck and Theodore, 2010: 206). Indeed, the very idea that the workers educated under these programs will find enough demand in the labor market could be illusory for critics (Valencia, 2008: 478). Not to mention that to understand human capital as solely augmenting the years of schooling without recognizing the importance of the quality of universal education provided by the state seems problematic as well (Ibid: 479). Therefore, questions can be raised on how social policy actors negotiate the nature of conditionality of CCTs in order to make them more effective tools to deal with neoliberal labor markets and what are the results of this negotiation for CCT effectiveness (see chapter, V).

III. Avancemos: policy history, origins and economic underpinnings of CCTs in Costa Rica

In July 2006, the Costa Rican government unveiled a conditional cash transfer program called Avancemos. This policy would provide cash payments to poor families in exchange of them

sending their children to school and periodic medical checkups. The program was presented to the public as a home-brewed innovation, derived from months of work between bureaucrats from poverty-related state agencies, the recently inaugurated government and foremost local social policy experts. However, as it usually happens with policy emulation, it is undeniable that Avancemos was influenced by the national and international social policy contexts, given that CCTs were being vigorously implemented in neighboring Central American countries. Policy emulation never happens in a vacuum and is not a irresistible process (Schneider, 2004: 458). Local context and actors always have influence in giving form to policy outcomes. This chapter describes the manner in which the Costa Rican macroeconomic context and the political interplay of national and international actors molded the planning, execution and reform of Avancemos over the past eight years.

III.1. Macroeconomic context of social policy in Costa Rica

The economic history of Costa Rica has been always defined by the need of following an outward-looking development strategy hinged on its dependence of the international market. This is country has a very small population, meaning that its internal market is limited and incapable of sustaining national development on its own (Sauma and Trejos, 1999: 337). Since the 19th century, economic growth has been mostly the result of foreign trade, attracting foreign investment and importing any other consumer or capital goods from abroad (Hidalgo Capitán, 2003: 44). In the 1960s and 1970s, the country did experiment with a mostly state-led import-substitution industrialization strategy (ISI) meant to diversify the economy through manufacturing of industrial goods for the internal market or a very protected Central American Common Market. Even so, financing of new pro-industrial state intervention efforts hinged on the capability of the state of extracting rents from the still-prominent agro-export sector, which ended up being strongly supported and rigorously taxed at the same time. Ironically, the outcome of this was a subtle reinforcement of Costa Rica's dependence on foreign markets (Fallas, 1981: 49).

The role of the Costa Rican state in the provision of social services has been gradually growing since the late 19th century. In 1890, the state became the foremost provider of free and universal primary and secondary education. But, over time, this has been expanded to healthcare insurance, protective childcare, social security and pensions (Seligson et al., 1997). Since the 1940s, expansion of social services became considerable as the country made its first steps in establishing a comprehensive welfare state. The formation of the Social Security Fund Board (CCSS) is considered to be a landmark change, given that it established a universal system of free-of-charge preventive medical care and emergency services, and a comprehensive obligatory medical insurance for external consultation and hospitalization (Román Vega, 2012: 17-18). These reforms were financially supported by a mandatory tripartite social security payment involving workers, employers and the state and, later on, by an also compulsory pension system (Sauma and Trejos, 1999: 376). By the early 1970s, these policies had allowed the country to reach health standards similar to any other developed country in the world.

On one hand, the welfare state in Costa Rica was closely linked to the imperatives of the ISI model. It became a wage and income benefit for a growing middle class that ended up stimulating internal demand and supporting ongoing efforts of industrialization (Rovira, 1982: 83-87). On the other, it also allowed for the political stabilization of the country after the 1948

Civil War (Rojas and Sojo, 1995: 13-23). After the war, social programs became the means through which to bring about social peace to the country, either by allowing improvements in social exclusion or by directly making the state a central player in the economy and in everyday social life of Costa Ricans, thereby fostering middle class support around the sectors promoting further ISI and welfare intervention (Hidalgo Capitán, 2003: 58). Much of this happened at the expense of the export and import economic elites of the country, which apart from losing the war, were taxed to finance new social expenditure (Rovira, 1982: 84). Briefly put, the welfare state became the core of the post-Civil War national social contract.

The 1980s debt crisis and the subsequent neoliberal-minded structural adjustment transformed this. Economic liberalization reforms in 1985 led to a renewed emphasis on a form of development based on a much deeper integration of the economy with foreign markets. In this sense, competitiveness has become a paramount discourse in local economic policy circles over the past twenty years. Indeed, much economic reforms made by the state have centered on fostering international trade, reducing administrative hassle, limiting taxes and offering fiscal and financial incentives in order to make the country more attractive to foreign investment or to better allocate exports abroad (Robinson, 2003: 221). Currently, the Costa Rican economy is much more open than before, albeit the export sector is more diversified, with much exports originating in the manufacturing (e.g.: FDI-led high tech exports) and services sector (e.g.: tourism, financial and consumer services) (Hidalgo Capitán, 2003: 310). The internal and the regional Central American markets are less relevant today than before for national production and are much open to more competitive foreign imports given the nature of trade liberalization since the 1980s. This makes “external demand (...) the main motor of economic growth in Costa Rica” (Ibid: 314).

The first IFO-orchestrated adjustment program involved very little regarding comprehensive welfare state reform, and solely centered on reducing social expenditure. The privatization of state institutions and the dismantling of the welfare state have historically generated considerable resistance in the Costa Rican society (Robinson, 2003: 135). This is why the agenda has tended to focus on opening the market around these services with the state as just another provider. Nevertheless, the first public deficit stabilization measures did involve considerable reductions in social investment over the 1980s. Between 1980 and 1982 alone, social expenditure as a percentage of GDP dropped from 20,7% to 15,2%, seriously affecting the quality and scope of universal healthcare and education (Sauma and Trejos, 1999: 363-364).

Having said that, not all social expenditure was reduced. On the contrary, policies targeted specifically to poor people received considerable budget boosts. The Family Allowances and Social Development Fund (FODESAF) is the central financial device for funding targeted social policy. It was created in 1974, as an emergency measure to attend the social effects of produced by the 1973 oil crisis. However, the program became solidified after 1982, even justifying a sales and wage tax increase to fund it, in a context in which such measures were producing sensible resistance by IFOs (Seligson et al., 1997). Since 1983, the program has accounted for over 1.7% of the country's GDP (Román Vega, 2012: 31). The program operates as a large social investment fund that is used to allocate resources to different specific targeted programs. In retrospect, much of the programs financed by FODESAF have historically been the landmark social policies of the post-adjustment governments, with Avancemos being the most recent case.

In the 1990s and 2000s, social investment has regained some ground at the behest of numerous local civil society organizations and policy experts. Moreover, efforts have been made on maintaining universal programs as the core social expenditures. This is reflective of a wider policy argument made in favor of a multidimensional approach to social development in the country (Ibid: 37-38). The approach is often pictured around an idea of well-being as something not reduced to income generation, but involving the development of social capabilities to integrate better to the new economy and withstand vulnerabilities (Alkire and Deneulin, 2009: 28). However, since 2000, there has been a qualitative change as education and poverty-targeted programs related to education have considerably gained ground, accounting for 8% and 2,5% of the GDP respectively, vis-à-vis healthcare, social security and housing, which share of social expenditure has either reduced or stayed the same (Trejos, 2011: 18). While this does not mean that expenditure in the latter agendas has been reduced, it does signify that most of new expenditures are made on the former ones (Román Vega, 2012: 17).

This reflects how social policy has been re-conceptualized within the post-adjustment Costa Rican economy. A foremost element of the competitiveness strategy supported by economic elites in this country has been that policies of trade liberalization, export promotion, and foreign investment attraction must be oriented towards developing an economy in which production is less dependent of cheap human and natural resources, and more on qualified labor power (Sauma and Trejos, 1999: 343). This argument hinges upon the growing adoption by social policy circles in the country of theories of economic growth based on human capital investment, particularly on education (Rodríguez Clare, 2001: 313). Indeed, integration with the so-called 'knowledge economy' has become a central concern in dominant economic and social policy discourse in the country ever since the arrival of new foreign high-tech transnational companies and the subsequent effects of this in the national economy (e.g.: Intel alone has been responsible for a considerable portion of GDP growth of the country since its arrival in 1997). Consequently, this has spurred a growing national consensus between state and non-state actors hinged on fostering state intervention to improve the quality, scope and efficiency of mainly education services (Martínez Franzoni, 2011: 155-156). This has happened through measures to improve coverage of public preschool and high school education, the inclusion of computer and English-as-second-language education programs, not to mention a significant surge in investment in infrastructure, personnel, and overall budget.

The human capital approach that is predominant in Costa Rican social policy circles today is not necessarily against a multi-dimensional capabilities view. Yet, it is clear that the prevalence of the former in recent years has led to a contrasting situation. On the one hand, education services have become the prominent social investment, accounting for half of total social investment made. While on the other, healthcare, social security and pensions are witnessing their worse financial crisis in history, with healthcare deficit alone equaling more than 7% of the country's GDP.

III.2. Origins of Avancemos

The planning of Avancemos did not take place within the bounds of the state, but in the context of the 2005 presidential electoral campaign. This program was framed as the core social policy of the then National Liberation Party (PLN) candidate Óscar Arias. Therefore, the policy process began amidst closed-door meetings involving the candidate, high-level party

officials and an undisclosed number of social policy experts that were invited to collaborate in redacting the PLN's government plan. Experts involved were mainly professionals with a great deal of experience with poverty-related policy and with some relationship with PLN, including people from some NGOs or that held academic positions in Costa Rican universities (Martínez and Voorend, 2011: 288). There was little to no involvement of other scholars and NGO officials with different viewpoints on the matter, nor of people who were expected to receive the benefits of the program (Ibid: 289). State bureaucrats from agencies in charge of implementation were only involved after the elections. Consequently, initial formulation of Avancemos was molded by views consistent with the ideological agenda of party officials.

This does not imply the absence of debate or conflict in the making of Avancemos before or after the election. There was an overall consensus among policy experts and – later on – state bureaucrats that the program was meant to fight poverty and that an emphasis should be given to reduce high school dropout rates among young people from poor backgrounds (Sauma P., 2013, interview). But apart from that, there was much more debate on integrating other objectives other than those related to education, on the targeting of recipients and the employment of conditionalities. Contestation on these issues is reflected upon the continuous discussion about how was Avancemos going to be framed: either as a scholarship or as a conditional cash transfer program. For party authorities and some invited policy experts, Avancemos was considered to be a scholarship program targeted to talented high school students which came from poor families (PLN, 2005: 27). Indeed, this was the manner in which the proposal was framed in speeches by the candidate and through propaganda in the mass media outlets (García, 2008). The program was treated as an award based on a combination of merit, needs and background-specific criteria for selection of recipients and given directly to the students, and not to the families. Meanwhile, social policy experts pictured Avancemos as a CCT, considering it as a poverty-targeted and household-oriented form of aid that incorporated some degree of conditionality. This meant that the program should not only emphasize on education alone but that it should include other obligations regarding periodic healthcare, and even nutritional checkups as well (Trejos, J.D., 2013, interview). These experts were much informed of the prior experiences of both the Chilean and Mexican CCTs and were inclined on using the 'name brand' and 'lessons learned' in order to muster political support behind their agenda (Martínez Franzoni and Voorend, 2011: 288). This debate on the 'identity' of Avancemos is pivotal to understand the history of the program.

Another important debate had to do with the overall scope of the program. IFOs and international NGOs were interested in getting involved in the planning of Avancemos and even hinted at providing external funding to establish new public institutions to operate it (Ibid: 288; Trejos, J.D., 2013, interview). But, besides two meetings financed by the Inter-American Development Bank (IADB) on which mid-level officials from Chile Solidario (Chile's CCT) and Oportunidades (Mexico's CCT) were brought to discuss their experiences with Costa Rican bureaucrats running Avancemos, little else support was accepted by national authorities (Sauma, P., 2013, interview). The reason was that, at the time, local authorities and social policy experts never viewed Avancemos as something more than a short-term policy measure that was coherent with a wider social policy regime (Martínez Franzoni and Voorend, 2011: 288). Moreover, the expenditure of political capital by the incumbent administration on passing new bills for approving foreign loans or establishing new public agencies was probably unfeasible. The then political conjuncture was dominated by the ratification process of the

much contested free trade agreement with the United States, which would inevitably wear down the political muscle of the administration. It was simply easier to use resources already available through FODESAF and state agencies that already existed and handled poverty-related programs.

Avancemos began implementation on June 2006, roughly four months after the presidential election. This process happened in two stages: a preparatory phase (2006-2007) and formal implementation (2007 until now). The first stage was meant as a test-run of the program whereby results would be documented regarding targeting effectiveness and feedback from beneficiaries, not to mention to give some time to state agencies responsible to adjust accordingly (Trejos, J.D., 2013, interview). However, the idea of a preparatory phase did not satisfy government leadership, which wanted the program fully operational within the first year for political purposes. A compromise was reached in that there was to be a preparatory phase, but it should work with triple the population of recipients suggested by the experts originally (Trejos, J.D., 2013, interview). Nevertheless, a comprehensive assessment of the test run was never carried out and the program was made fully operational almost immediately after (CGR, 2008: 13). This issue was strongly criticized by several policy experts involved in the project, which criticized the government for not taking the project seriously (Sauma, P., 2013, interview). In some cases, this led some of them to break away from the program, leading to a more prominent role of government elites and bureaucratic authorities in decision making.

Over the past eight years, the scope and objectives of Avancemos have changed considerably with regards to its original formulation. These changes have been broad, relating to its target population, implementing agencies and the scope of conditions for aid. These decisions have been made following growing political pressures to direct the program towards educational policy but also to increasing pressures by the government elites to widen the program – often times, to people that probably should not benefit from it – in order to extract political and electoral recognition out of it. Meanwhile, policy experts and more particularly, bureaucrats (which were almost not involved in the original planning of Avancemos) have become very influential either by proposing or resisting reforms.

III.3. Changes in institutions executing Avancemos

The issue of which institution should administer Avancemos was a serious debate between political leadership and social experts from the beginning, and is perhaps the clearest image of the ‘identity crisis’ of the program. Social experts that considered Avancemos a CCT were adamant on putting the Institute of Social Aid (IMAS) in charge of administering it, whereas people supporting Avancemos as a scholarship for poor students were more inclined of giving it to the National Scholarship Fund (FONABE).

While both institutions have worked together on countless occasions, their background and objectives are very different, which is why this discussion is very relevant. IMAS is a unique agency, given that it is responsible for handling mostly poverty-targeted programs, but it is also bound by law to coordinate every action it takes with other agencies handling universal social programs, such as the Ministry of Education (MEP) or the CCSS. The objective of this is to make targeted programs an accompanying mechanism to more robust universal social policy ones. For example, while IMAS mostly runs social assistance programs for poor people, these are to be coordinated with other entities in order to involve specific

educational, healthcare or community-based components, thereby becoming a liaison between universality and targeting. Simultaneously, this serves the objective of maintaining certain degree of multidimensionality, even within targeted social policy, given that IMAS works comprehensively with education programs, but also with healthcare, social security, pensions and housing benefits (Román Vega, 2012: 30-31). FONABE is a much simpler and straightforward institution. It was created in 1996 as part of an effort made by public universities and some Costa Rican pro-business organizations with the objective of bringing financial assistance specifically to students from poor backgrounds thereby supporting their social mobility and economic opportunities. Contrary to IMAS, FONABE is not an autonomous institution, but a semi-autonomous department of MEP; which obviously means that their focus is solely concentrated on education. Moreover, dependence of the Ministry also means that the ends of this agency would be somewhat guided by the political needs of MEP and not precisely by the imperative of reaching cooperative political agreements with the other agencies providing, say healthcare services. In other words, the discussion over which administering institution is related to questions of how to integrate the program with the wider social policy sector and how multidimensional this integration must be.

After the preparatory stage in 2006, the decision was made that FONABE and IMAS had to run it simultaneously. This was partly the result of reports that suggested that, at that time, IMAS did not have the necessary financial resources and labor power to run it alone (CGR, 2008: 13). While this was a more consensus-oriented solution that suited politicians and consultants alike, it became cumbersome for bureaucrats involved with day-to-day operations. First, targeting mechanisms used by the agencies differed. While IMAS used a scoring method reflective of social vulnerability and other data, FONABE concentrated on an income-based poverty-line method (Vargas, O.S., 2013, interview). Moreover, FONABE's selecting procedures were also considerably sketchy because of this. A 2008 report of the Comptroller General's Office (CGR, 2008: 23) argued that 25% of the people receiving Avancemos from FONABE were not fully vetted out regarding their wider socioeconomic status, and on occasions, aid deliveries were exceeding the amount permitted.

Second, while IMAS considered the possibility of cancelling benefits if the student failed a school year twice, FONABE allowed for continuous failing as long as the Scholarship Committee of the institution allowed it (Román Vega, 2010: 49). Furthermore, FONABE lacked of a centralized information system of beneficiaries, which means that many characteristics of the receivers were unknown. Given that no coordination existed between both institutions, there were many cases in which payments were sent twice to beneficiaries. This, along with criticisms by poor families and the media, to the fact that FONABE gave the aid directly to the student and not to the family (using a scholarship-like model), caused a public relations crisis in 2008, including accusations of government corruption in the operation of Avancemos. This certainly ended up hurting the program and the Arias Sánchez administration. By October of that year, IMAS was restored as the only agency implementing the program. This was viewed as good move by bureaucrats and technicians given that the program was more easily manageable under one roof and, especially, under one resource pile. Tapping of one single database of recipients and the experience of personnel that knew each other elevated efficiency (Román Vega, 2010: 50-52). However, it also limited operational capacity, particularly with regards to coordinating with MEP, which was the institution that received most public criticism against FONABE

III.4. Changes in conditions of aid

Conditions for receiving aid are the core of a conditional cash transfer program (Aber and Rawlings, 2011: 3). Like in the case of the public agencies involved in administering Avancemos, the issue of the conditions of aid also reflects the contradiction between social experts arguing for multidimensionality of human capital and those focused on education. While the program was publicized as a scholarship for the 2005-2006 presidential campaign, by mid-2006, debates over its implementation had widened its scope making it a CCT based on meeting two conditions: health and education. Conditions of aid in education were originally related to two criteria: school attendance and academic performance. The threshold for school attendance was that beneficiaries were supposed to be enrolled in high school and regularly attend lessons there. This is the basic obligation that most CCT programs demand (Peck and Theodore, 2010: 203). Apart from that, students were supposed to avoid failing the academic year once. If they did, they would be automatically removed from the program. The conditions in healthcare were loosely related to students and families being obliged to receive at least one comprehensive health assessment using the CCSS every month.

Both conditions involved new administrative problems for IMAS, MEP and CCSS, the latter two being the agencies in charge of providing the educational and healthcare services. The main problem is follow-up. Control of conditions is complicated for IMAS, given that it fully depends on workers from the other two institutions to check that the students are in fact fulfilling the terms of the aid. Healthcare was particularly problematic from the start. The CCSS is currently facing a serious financial crisis. One way in which users are experiencing this crisis is in the form of waiting lists. Given that there are considerable expenditure restrictions, specialized personnel is lacking, there is not enough infrastructure to cover daily demand and there is little investment made on developing a formal computerized information system to arrange appointments (Román Vega, 2012: 20). Therefore, to visit the healthcare system has become seriously time consuming to poor people. For IMAS employees, this became a daily problem since families often did not fulfill these terms. Indeed, out of the 187,000 beneficiaries, about 25,000 attended the medical checkup in 2010 (Vargas, O.S., 2013, interview). Moreover, when they confronted recipients over these, they justifiably argued that to fulfill this condition left for little time to do other important household or work-related chores. In some cases, students were losing a whole school day waiting to be checked up by the doctors and, along with the rising costs of public transportation to the hospital or clinic; the whole condition became counterproductive on its own (Bermúdez, O., 2013, interview). By late 2011, the bureaucrats in charge of the program asked for this condition to be eliminated and political leadership acquiesced (Herrera, R., 2013, interview).

There had been problems with follow-up of the educational conditions of the aid, as well. One particular concern that bureaucrats and policy experts raised had to do with the decision by the government to relax the performance requisite by allowing students the possibility to fail each school year twice before losing their right to Avancemos aid. For them, this decision would end up making Avancemos a program that could potentially provide aid to students for up to fifteen years; despite high school education only lasts for five. The concern is that this could become an adverse incentive that would lead them to leave secondary education later than they should be (Guillén, W., 2013, interview). In this sense, Avancemos has tended to

loosen significantly its conditions, thereby giving rise to the impression and treatment of the transfer as another form of aid by recipient families (Guillén, W., 2013, interview).

III.5. Changes in target population

A crucial innovation of CCTs has to do with the careful process through which the targeted poor population is defined and reached (Rawlings y Rubio, 2005: 36-38). The targeting mechanism of Avancemos is one that has experienced many changes, many of which appear to be oriented towards the loosening restrictions for potential beneficiaries, thereby augmenting the number of people that use it. These changes have happened in the context of two different criteria: the definition of poverty and age of the recipient.

On one hand, poverty and how it is defined matters a lot in the decision of make any CCT available for a household. The technical criteria that Avancemos uses is a method of calculation whereby the demographic and socioeconomic situation of the families requesting the program is measured and compared to other families within the Target Population Information System (SIPO). SIPO catalogues families in four levels, with 1 being that which included families facing extreme poverty and 4 being the least poor of the families applying. During the preparatory phase targeting was only accepted for families falling within levels 1 and 2, but since August 2006, the criteria changed allowing recipients from levels 3 and 4. Although there is no inherent problem with doing this, these changes were not justified technically but were decided politically in order to “incorporate the majority of teenagers and their families” (CGR, 2008: 13). By September of that year, IMAS decided that incorporation of people from levels 3 and 4 was left to the discretion of the each household case officer (Herrera, R., 2013, interview). Indeed, according to statistics provided by IMAS, while in 2006 level 3 and 4 beneficiaries amounted for about 14% of all people included in Avancemos, by 2010, they equaled 36%. While these changes allowed many students from poor backgrounds to access Avancemos, it also allowed for other who should not access it, as well. Given that court rulings have declared that once given, these aids cannot be taken away (except if the recipients fail to meet the conditions), this has led to a growing lack of financial resources available to cover new people from levels 1 and 2 soliciting this aid (more on this in chapter 4).

On the other, changes in the age requirements of potential beneficiaries have also led to an expansion of the program. Initially, Avancemos was designed to favor teenagers 13 to 17 years-old, which were studying between the first and third of the five years of secondary education. However between 2008 and 2012 these requisites have been loosened first by extending it to people at least 21 years-old, and later on to 25 and broadening help to people coursing any level of high school. While these efforts to widen the scope of the target mechanisms may seem excessive, they appear to have been a reaction of bureaucrats which was totally justified given that poor people whom dropout appear to build-up lags for three to four years in average, which means that serving a 25 year-old high school dropouts is reasonable within the bounds and objectives of the program.

In short, changes in targeting have been politically or technically motivated and not necessarily responsive to differences regarding the multidimensionality of the program. These have been focused mainly to expanding overall recipient population, in part motivated by the nature of dropout population, but also in part because of political decisions probably motivated by political performance of the program. However, these changes in targeting

mechanisms have not dealt with a key problem that has been overlooked: that the program operates by focusing on people still within the educational system and not by reinserting the ones who have already dropped out (Sauma, P., 2013, interview).

III.6. Final remarks on the changes made to Avancemos

Avancemos has been transformed in a manner that is coherent to the macroeconomic context described above. It has removed most of the multidimensional well-being perspective and ended up embracing a more neoliberal-minded human capital theory position. The program has moved from emphasizing in aid conditioned on household healthcare benefits and educational goals to a much looser focus on education alone. This seems consistent with the overall inclination of social policy in the country, whereby attention has centered on investing on education as a way to build a qualified labor force that may be attractive to a specific type of foreign direct investment. Moreover, this is consistent with the framing of Avancemos within the Chinchilla administration (2010-2014) as part of a comprehensive education program including the bulk up of funding behind promoting English as second language in primary and secondary levels, computer services and other incentives in that sense.

The healthcare condition has been completely abandoned by the program. While from the perspective of IMAS employees interviewed this was a pragmatic choice made by the fact that the CCSS was not able to keep up with demand, what we have here is a more complex problem, given that the historical lack of funding in healthcare has been partly the result of overemphasizing educational and poverty-targeted programs within social expenditure. That the CCSS is not able to match up with social service demand built by Avancemos is a problem that depends on the social relationships that underpin both institutions and not solely the former. Moreover, the implications of this for poor families may be greater as well. Abandoning more emphasis in healthcare may lead to higher morbidity in poor families, which then could impinge on their capacity to access a reasonable income and then limit their ability to get out of poverty (Slon and Vargas, 2010: 3). The nature and potential implications of this concentration in linking poverty-targeting with education alone and not other more multidimensional concerns can be indeed problematic, as it will be seen in chapter 5.

In conclusion, Avancemos is the condensation of policy changes that have happened in Costa Rica over the course of more than three decades. First it mirrors the aftermath of significant reductions in funding and expenditure of social policy-related agencies in the country, most notably the limitations faced by the healthcare system and that have led to its current crisis. Second, it reveals the growing attention in Costa Rica on targeted programs vis-à-vis universal policy measures, while also recognizing the growing relative importance of educational goals over any other social sector objectives, thereby becoming a mirror of how economic policy has made social policy a cog solely working for competitiveness. The next sections will delve upon the implications of this, mainly regarding the nature of poverty targeting and the overemphasis in education policy in a neoliberal labor market.

IV. Targeting with Avancemos

Even though poverty constitutes one of the main issues of the global development agenda, a clear-cut and commonly accepted definition of it is very hard to find. Poverty is an extremely

contested subject in development studies, which means that there are plenty of alternative definitions of it. On the one hand, this is reflective to new breakthroughs and debates in our understanding of what is a very complex issue. A good example of this is how the discussion on poverty has been considerably widened from early interpretations of this phenomenon as being purely economic – by which poverty was an income problem – to a more multidimensional perspective whereby even psychological (i.e.: vulnerabilities and risks) and political factors (i.e.: empowerment and participation) must be considered as well (Sumner, 2007: 7-8). On the other, such contestation about the term also has political origins. Any political intervention made to address poverty, such as a CCT, will always be somewhat based on the measurements we make of them. These measurements are indisputably bound by how we define poverty in the first place (Cubillo, 2011: 118-119). In other words, a definition of poverty is not solely a perspective on a complex issue, but it can also be used as the basis of political action and for forming political coalitions around alternatives of how to deal with it (Ibid: 121).

This chapter aims to determine if Avancemos is effectively reaching poor people. To do this, it begins by presenting the definitions and methods used to measure poverty in Costa Rica, and afterwards, it compares these with the definitions and methods used to measure poverty in the case of Avancemos. Secondly, the chapter will determine if the program is reaching the poor by comparing the characteristics of poverty defined by the program with the real characteristics of the beneficiary households, according to the National Household Survey elaborated by the National Institute of Statistics and Census (INEC). It concludes by arguing that Avancemos has tended to shift towards a narrower understanding of poverty that have left aside some potential beneficiaries that also need the program. Moreover, even in terms of the narrow definition of poverty used, Avancemos has equally been unable to reach some of them.

IV.1. The meaning of poverty in Costa Rica

Debates over the meanings of poverty are wide and very much complex (see: Kanbur, 2004; Maxwell, 1999; White, 2002). Suffice to say that, as a result of this, the global mainstream approach to poverty has been gradually including new forms of measuring it over the past fifty years. Poverty has been increasingly understood and measured through new economic variables other than income per capita (e.g.: income inequality, unemployment, wages, etc.) including a variety of non-economic variables (i.e.: education, health and nutrition, environment, etc.) (Sumner, 2007: 8-10). Having said that, poverty definitions and indicators that are mostly economic remain prevalent in development theory, policy and discourse. One reason is that economic-based poverty indicators are far easier and cheaper to quantify, they reflect on much tangible things (i.e.: income and expenditure) and therefore, are seen as being more objective compared to other more ‘subjective’ variables (i.e.: empowerment) (Ibid: 5). Another reason is that income is not a relational concept, meaning that it obscures the fact that poverty is often a reflection of structural power relations created by the economic system itself. In turn, this suits certain dominant discourses in development thinking (Cubillo, 2011: 121).

The discussion on what should be the appropriate definition of poverty used in social policy-making is highly contested in Costa Rica, as it is globally. So far, the most influential approach within state agencies, such as the INEC and IMAS, has been the basic needs approach (Ibid: 115). This is a somewhat balanced view on poverty, considering that it sees it

as a problem resulting from the combination of lack of income, but also of social exclusion from non-economic necessities, like healthcare, education, shelter, etc. (Sumner, 2007: 6). However, there are ongoing political pressures to open up official understandings of poverty in order to integrate an even more multidimensional view (Cubillo, 2011: 119). Ongoing publications from the National Council of Public Universities (CONARE) and studies made by local scholars have challenged these measurements to include variables related to gender, environmental, political and cultural dimensions of poverty (see: Meoño, 2008; PEN, 2012; Sojo, 2000).

Despite the main perspective on poverty is related to basic needs, actual measurement of poverty in Costa Rica is done through the poverty line method (PLM). Implementation of this method depends on the calculation of the monetary cost of a set of basic goods and social services, including the ones defined as basic needs by the government. The value obtained from this calculation determines a poverty line, which then serves as an income threshold that defines who is and who is not poor, by comparing it with existing household incomes (Sauma, 2012: 16). In other words, this is a sustenance-based method which is much wider and country-relative than the much-known and arbitrary ‘one-dollar-a-day’ poverty line method used by the World Bank, considering that the specific value of goods and, most importantly, services required for sustenance is considered (INEC, 2012: 51-53). However, the obvious implication of this measurement is that it fosters a view of poverty as an income-related problem, easily solvable if one gives people enough income to surpass the poverty line, thereby losing perspective on other structural underpinnings of this phenomena (Cubillo, 2011: 121).

Table 1. Methods of poverty measurement used in Costa Rica

	Poverty Line	Unsatisfied Basic Needs	Integrated Poverty Measurement
Measurement of poverty	Income of the household	Basic needs of households	Income and basic needs of households
Poverty levels determined	Extreme and total poverty	Minor, moderate, severe or extreme poverty	Chronic, recent or inertial poverty
Aspects considered	Income	Access to a healthy life, to a decent shelter (housing quality, overcrowding and electricity), to knowledge (school attendance and school achievement) and other goods and services.	Income, housing quality (condition, overcrowding, and sanitation and wellness), education and occupation of head of household, and assets of household (equipment and homeownership).
Limitations	Partial vision of poverty, due to excessive focus on income	All basic needs have same weight Partial vision of poverty, focus the satisfaction of basic needs on ownership of assets and on the access to basic services	Although is a multidimensional it still does not consider important elements of poverty (i.e.: political, environmental and gender-related dimensions) and rely only in the information of the head of the household

Source: constructed with information of Méndez and Trejos (2004), Boltvinik (1992), Trejos and Saénz (2007), Viquez (2005) and Elizondo and Poltronieri (2001).

While the PLM is the most used measuring method among Costa Rican public agencies, there are two other alternatives: the unsatisfied basic needs (UBN) and the integrated poverty

method (IMP). The Economic Commission for Latin American and the Caribbean of the United Nations (ECLAC) created the UBN method in the 1970s; in order to identify unmet basic needs of households using data from population censuses (Méndez and Trejos, 2004: 206). In this sense, different thresholds for poverty are defined by measuring the actual limitations that people face to access poverty. Méndez and Trejos (2004: 206) talk about moderate, severe or extreme poverty depending on the number of basic needs that are unfulfilled. Obviously, UBN entails an a priori definition of what is to be understood as a basic need for the population. So far, social policy experts and public agencies in Costa Rica have not reached a consensus over what is to be defined in this sense. However, most studies often identify four major groups of basic needs: a healthy life (including access to physical healthcare infrastructure, access to decent shelter (including measurements of housing quality, overcrowding, access to electricity, clean water and sanitation, etc.), access to knowledge (i.e.: school attendance and level of education), and other goods and services related to household consumption (i.e.: social security and pensions, among others) (see: Méndez and Trejos, 2004; PEN, 2012; Sauma, 2012; Trejos, 2012; Chant, 2008; Barahona and Sauma, 1997; Seligson et al., 1997). One limitation of this method is that all the basic needs carry the same weight regardless of their type, which may often lead to debates about what should be considered a basic need or not. Indeed, the selection of what are basic needs is often a very politicized question that limits the capacity of the method to develop political consensus around it (Boltvnik, 1992: 355). However, UBN do has some advantages, mainly that it provides a more nuanced picture of how poverty looks for different people in different context, albeit in one single country (Méndez and Trejos, 2004: 206-207).

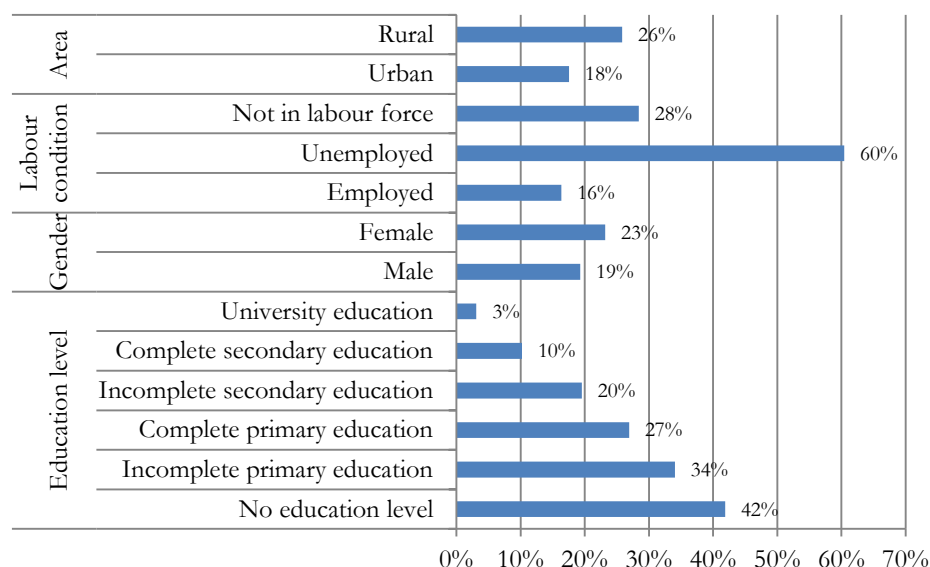
Efforts to improve poverty measurements in Costa Rica has led to attempts to combine the PLM and the UBN methods in a manner that makes their own perspective on poverty complementary. The IMP is based on the analysis of a combination of variables related to income, housing, education and occupation (Boltvnik, 1992: 356). Income and other economic-related variables are measured and verified through PLM, whereas non-economic ones, such as education, healthcare, shelter or occupation-related, are measured with the UBN (Ibid: 355-356). The result is the definition of three possible levels of poverty: chronic, recent and inertial (Elizondo and Poltronieri, 2001: 7). While the IMP has not been appropriated by public agencies themselves, approximations of it have been used in the country for different purposes, mainly, selecting potential beneficiaries of targeted programs. Indeed, IMAS uses a scoring method that functions very similarly to the IMP (see: Elizondo and Poltronieri, 2001; Trejos and Saenz, 2007 Viquez, 2005).

IV.2. Meaning of poverty in Avancemos

The definition of poverty used for Avancemos is solely reflective of the policy guidelines of IMAS, given that it is now the only institution responsible for enacting this program. IMAS (IMAS, 2011: article 4) defines poverty as a fairly complex and almost multidimensional phenomenon characterized by the presence of poor quality housing, poor health conditions, lack of income to satisfy basic needs, the absence of skills to increase household income, low education levels, high social risk conditions and low social participation. Therefore, unlike the perspective of poverty used in the country and which is mostly based on lack of household income, IMAS conceives poverty to be a more complex phenomenon. However, this

definition is not fully multidimensional, which is why subjective factors are not included such as empowerment or participation.

Graph 1. Socioeconomic characteristics of the head of the poor and extremely poor households of Costa Rica in percentages^{1/}, 2012.



Notes: ^{1/}The percentages represent the quantity of poor and extremely poor households that present the characteristics with respect to the total quantity of households in the country with that characteristic. ^{2/} The condition of poverty is determined using the Poverty Line Method.

Source: Elaborated from data of the National Households Survey 2012 of the INEC.

The scoring method that IMAS uses catalogues each household with a 0 to 1 score, which is later divided into four levels of poverty, such as the ones defined in chapter 3. The scoring is calculated by measuring four large variables that are later pondered according to arbitrary weights assigned to them. This gives some of these variables more relevance than others in the overall calculation, albeit recognizing several important issues more than just income, such as the condition of the houses inhabited by potential beneficiaries, the level of overcrowding, lack of sanitation, access to welfare, ownership of the house, etc. (Campos, W., 2013, interview). The weights assigned to the factors and variables tend to be mostly focused on three factors: housing (which includes housing condition, sanitation and overcrowding) with a pondered score of 0,257, the level of education of the head of household (0,249) and the overall income of the household (0,281) (Viquez, 2005: 15). There are other less important factors included in the calculation like homeownership and home equipment (including access to electricity) accounts for a very small weight within the score (between 0,6 and 0,4). Thus, the method appears to be fairly equitable to all factors, except for the assets and occupation of the head of the household (Viquez, 2005: 15). The combination of these variables suggests that the scoring method of IMAS operates as a blend of the PLM and UBN methods, providing a more nuanced measurement of poverty. The inclusion of the level of education of the head of household is very important, given that poverty affects around 42% to 34% of the households

where he or she has no education or has not finished primary school, respectively (see graph 1).

However, it must be said that while it certainly tries to offer a more complex look of poverty, it also fails to account for other critical variables that are very relevant in determining poverty in Costa Rica (Trejos and Sáenz, 2007). Important factors determining poverty in Costa Rica today include: first, the gender of the head of the household. According to the 2012 National Household Survey of INEC, of all the households in Costa Rica ran by women, 23% are poor, whereas this percentage is of 19% in the case of man-headed households. Moreover, frequently, when women take over the household they do so alone contrary to households headed by men, where it is expected that there would be two parents (Morales, 2013: 10). This also implies questions regarding aid provided by Avancemos to these women-headed households, considering that they are both income-providers and responsible of care-taking tasks. A second important factor that needs to be included is the level of economic dependence, which is the rate between the numbers of household members currently working compared to those who are not. Whereas only 7.2% of households who face a level of dependence between 0.5 and 1.3 (meaning that at least one member does not work for everyone that does), almost 46% of those facing dependence of 3 (meaning where 3 or more members does not work for everyone that does) or more are poor (see: Trejos, 2012; Sauma, 2012; PEN, 2012). Curiously enough, the only economic variable included in the scoring method has to do with income, albeit other crucial ones such as the nature of the occupation of the head of household or the economic sector in which he or she works is not taken into account. This is very unexpected considering that these two variables are also essential in explaining poverty in Costa Rican households.

IV.3. Does Avancemos reach the poor?

An obviously important issue apart from how Avancemos defines, measures and targets the poor has to do with if and how the program is able to actually reach them. To find out, this document presents a brief characterization of who are the users of the program, while comparing them to people who are not using it. This characterization was made with data obtained from the 2012 National Household Survey, which is an instrument developed by INEC that is used to measure poverty, unemployment and pretty much any other household-related indicator in the country. To this end, a comparison was done between three groups. First of which are the beneficiaries of the program, mostly people between 12 and 25 years old which are at different levels of education. This group was compared with a second one that includes all non-beneficiaries under the same age range and a third one which selects a subgroup among these which are those people between 12 and 25 years old that are not accessing secondary education, that is, people which would logically should be participants of the program, but that are not enrolled on it for some reason. Percentage wise, about 27% of all people considered in the Survey were between 12 and 25 years old, of which 87% were not beneficiaries of the program, and about 23% were not accessing high school despite already finishing primary education.

Table 2. Number and percentage of beneficiaries and non-beneficiaries of Avancemos by level of poverty, 2012

Level of poverty	Non-beneficiaries				Beneficiaries	
	Total	Percentage	Not accessing education	Percentage	Total	Percentage
Extremely poor	824	9	265	11	200	14
Poor	1,517	17	516	21	458	32
Not poor	6,748	74	1,659	68	786	54
Ignored	6	0	2	0	0	0
Total	9,095	100	2,442	100	1,444	100

Notes: ^{1/} The poverty level of the household is determined by the Poverty Line Method, which compares the income per capita of the households with poverty lines in order to determine the poverty condition of the household: extremely poor, poor or non-poor (INEC, 2012).

Source: Elaborated from the data of the National Household Survey 2012 of the INEC

According to the data gathered by the survey, the people that were benefiting from Avancemos were indeed the ones that presented the worse poverty conditions of the three groups being compared. Almost the half of them lived in poverty or extreme poverty vis-à-vis the other groups, which also had a considerable percentages of people in that condition, but were not that big as the former (see table 2). Moreover, they also faced slightly worse housing conditions than people not benefiting from Avancemos. Indeed, about half of the beneficiaries inhabited houses that were in regular condition compared to a slightly less percentage of all non-beneficiaries (48%). Moreover, while 54% of the houses of the people that benefited from the program had no ceiling, this percentage was of only 39% for people who were not benefiting from it, though the percentage was exactly the same for non-participants whom had dropped out of secondary education (see annex 1 and 2). This means that among the people being targeted by Avancemos one is able to find some of the poorest households in the country, thereby being consistent with the objectives of the program, and the nature of measuring and targeting.

Having said that, a considerable percentage of people receiving Avancemos (54%) were actually non-poor according to the poverty line method used by INEC. Moreover, a large percentage of the beneficiaries had also satisfied their basic needs, which means that they are not poor from the perspective of the UBN method as well. Most of participants' residences (97%) allowed for access to clean water sources and sanitation (i.e.: bathrooms and toilets), more than 40% of them had houses in good conditions and more than 90% of their homes did not present overcrowding, not to mention that access to electricity for them was outstanding (almost 99%). More than 80% of households among this group accessed optimal basic services as well. However, as said, IMAS uses a method that is different than that the PLM and the UBN. Given that the Scoring Method is a combination of both methods, it is difficult to say if the targeting measures of IMAS are somehow missing the mark, without a more in depth and costly analysis. However, an overall reflection of the main variables already used by IMAS allows casting a reasonable doubt over the effectiveness of targeting mechanisms used by this agency. Indeed, a considerable percentage of recipients of Avancemos, according to income,

housing and basic services received, may be composed of people who are not poor by those measuring standards. Indeed, the CGR reported that at least 13,762 beneficiaries of Avancemos (more than 10% of all people enrolled) were not in poverty, according to the very standards of IMAS, not to mention that over 2,900 households in the program were not vetted out properly (2012: ii).

This perception is further reinforced by the fact that there is a considerably large group of interviewees of the Survey that had similar socioeconomic characteristics to current beneficiaries and that were not going school, but that nevertheless, were not receiving aid from Avancemos. Indeed, this subgroup of non-beneficiaries presented lower levels of education than many of the non-poor people benefiting from the program. Not to mention that a higher percentage of the young people that were not participating in the program (about 30%) were responsible of maintaining their households, compared to the ones that were included in Avancemos (2%). Given the sheer size of this group compared to the total number of people interviewed by the Survey between 12 and 25 years old (23%), this is clear proof that the program may be targeting people that are not relevant to its objectives while leaving others behind on the way.

A reason for this could be related to the nature of the approach that IMAS uses to reach households and young people to offer aid through Avancemos. Given the lack of financial resources to target and address families directly, program officials are often forced to publicize the program through school assemblies or through the administrative personnel in the high schools themselves (Guillén, W., 2013, interview). However, once this is done, people interested must go to IMAS to enroll. In other words, their approach depends on poor people coming to the program, instead of the program coming to them. Once people get to IMAS, aids are assigned to people who have been vetted out by SIPO (Bermúdez, O., 2013, interview). Priority is always given to the people in the lower echelons of SIPO, but later on is distributed between people of other levels as they come. The problem with such an approach is that there is enough chance to fail in the targeting of young people whom already dropped out of high school and who are not attending education presently, and in turn, supports people who are still in education. While this is not precisely an incorrect approach, given that there is always some degree of risk of dropping out among people who are studying, Avancemos fails to get to some of the people who most need the program: the dropouts themselves.

V. Questioning the focus on secondary education

In chapter three it was argued that the economic development model implemented in Costa Rica since the mid-1980s had focused on trade liberalization and the attraction of FDI. The education of young people has gained considerable importance, given that it is the basis for the competitiveness of the country and its overall goals of attracting high value added foreign investment, trade and, eventually overall economic growth (Sauma and Trejos, 1999: 343). In this sense, education has been transformed from one of the policy tools for fighting poverty, to perhaps, the most important one, thereby producing the loss in multidimensionality of social policy that has been mentioned throughout this document.

CCTs fall naturally within this line of social policy thinking. As seen in chapter two, the assumption upon which these are built is that the lack of investment in human capital (mainly

education) by poor families is the main cause of poverty and its intergenerational transmission (Valencia, 2008: 479). Therefore, investment in human capital is the only manner in which to get people out of poverty and break the cycle (Aber and Rawlings, 2011: 6). Avancemos is by no means an exception of this line of thinking. In theory, by completing high school, young people will be able to access better paid jobs, which, in turn, will increase the income of the households and hence, reduce poverty for all. The purpose of this section is to determine if this focus on secondary education prioritized by Avancemos is appropriate or justified. Evaluating how successful people with different levels of education are to integrate in the Costa Rican labor market does this.

The conclusion that is reached here is that evidence is inconclusive to suggest that secondary education truly constitutes the panacea of future development in the country. On one hand, it must be admitted that secondary education slightly increases the monthly income of households and also faintly reduces unemployment compared to people that has not finished high school. But, on the other, these differences are not that marked enough to suggest that the country would see significant change by solely focusing on secondary education. Moreover, diverting funds to this agenda may entail losing sight of the fact that significant investment is required on the quality of education. Again, evidence is inconclusive. This is why this focus cannot be completely criticized; yet, reasonable doubts may be casted.

The main assumption of Avancemos is that the wages of young people will increase considerably with a high school diploma. Such assumption is based on the fact, that according to INEC (2012: 13), 80% of the income of poor households comes from the wage of the people that composes them, meaning that a slight improvement in that part of household income would carry enough weight to sling them out of poverty. This assumption has been supported by research on the relationship between the impacts of the level of education in overall earnings of households in Costa Rica, which is measured by the returns to education rate (see: Trejos and Gindling, 2004; Funkhouser, 1998; Robbins and Gindling, 1999; Rojas, 2013). Trejos and Gindling (2004: 2) estimated that the difference in income between people who had relatively high education levels and people who had low education levels was of about 8% to 9% between 1983 and 1999. This difference was possible due to the growth on demand of skilled workers due to the integration of new productive activities (i.e.: tourism, consumer services, finances, etc.) deriving from new forms of investment attracted by Costa Rica during and after the structural adjustment. In other words, the reinforcement of the process of liberalization and attraction of FDI led to the arrival of new high added value companies which demanded more qualified workers and ended up elevating wages for them as a result. From this, it has been said that by fostering education, people get a higher chances to attain a better paying job.

At first glance, this assumption seems to be correct. If one reviews the minimum wages of people with different levels of education it is very clear that there are positive differences between someone who has a high school title and someone who has not. The minimum wage of a high school graduate is about 20 euros more than that of a worker who dropped out of secondary education. Nevertheless, such differences are not that considerable at least to be determining if a family is poor or no. More attention could be given to support young people into obtaining higher levels of education, given that there is where guarantees of higher wages are more plausible. Having said that, the minimum wage is just a legal limit established by the

state, which may not be reflective of the actual situation of workers in reality. That is why the next table shows the differences in monthly income between people with different levels of education. Table 3 shows that 86% of people that has not completed secondary education earn less than 400,000 colones (594 euros), whereas this percentage is of 66% for people who has finished their secondary education. The difference here is more noticeable.

Table 3. Percentage of population employed by level of education and total monthly income in Costa Rica, 2012

Total monthly income (colones)	Education level					University
	No education ^{1/}	Incomplete primary education	Complete primary education	Incomplete secondary education	Complete secondary education	
Less than 199,999 ^{2/}	78	71	52	49	26	12
From 200,000 to 399,999	18	24	37	37	40	21
From 400,000 to 599,999	2	4	7	9	17	22
From 600,000 to 799,999	1	1	2	3	7	14
From 800,000 to 999,999	1	0	1	1	4	12
More than 1,000,000	0	0	1	1	4	19
Total	100	100	100	100	100	100

Notes: 1/This category also includes persons with preschool and especial education. 2/ This category includes people who are not earning an income for their job (0 income).

Source: Elaborated from data of the National Household Survey 2012 of the INEC.

However, it is important to realize that the differences between the activities performed by people with or without a high school diploma are not that different from each other, not to mention that it is mostly related to activities which may not be that demanding of highly qualified personnel (see table 4). In reality people with both levels of education tend to engage in exactly the same types of economic activities and have a similar degree of participation in them, except perhaps differences in particular sectors such as agriculture. This implies that actual differences between workers with secondary education and that have dropped out may not weigh that much for employers in the labor market, meaning that further analyses are needed to explore more closely the nature of integration of people with secondary education.

Table 4. Percentage of population employed by level of education and main activity of employment in Costa Rica, 2012

Activity	Education level						Average monthly income
	No education ^{1/}	Incomplete primary education	Complete primary education	Incomplete secondary education	Complete secondary education	University	
Agriculture, livestock, forestry and fishing	37	36	22	10	5	3	242,005
Manufacturing	6	9	12	15	13	7	384,584
Construction	11	10	9	7	4	2	361,212
Business and repair	11	10	17	24	25	13	355,470
Transport and storage	4	3	6	7	7	3	433,920
Accommodation and food services	6	4	5	7	6	2	333,732
Administrative and support services	5	4	5	4	6	6	n.a.
Public administration	0	1	2	3	5	10	766,159
Teaching	0	1	2	2	3	18	623,104
Health	0	0	1	1	4	7	765,602
Households as employers	13	13	11	8	5	1	139,524
Total	100	100	100	100	100	100	-.

Notes: 1/This category also includes persons with preschool and especial education.

Source: Elaborated from data of the National Household Survey 2012 of the INEC.

Moreover, while the rate of returns to education signals positive reinforcement of education and wages for people obtaining college tiles, it is not that conclusive when considering the geographical regions that people inhabit. Table 5 shows the difference between wages obtained by a worker who has not studied anything and people with diverse levels of education. While the table shows that there are substantial differences in the returns people obtain from education in certain particular regions, this difference is not that considerable in others. In the Chorotega and Brunca regions, which are located in the North and South Pacific areas of the country, the difference in wages between someone that finished high school and someone that did not is very limited. Both of these are outlying regions of the main urban centers of the country where key activities such as tourism, non-traditional agriculture and construction are the economic drivers. Here demand of more qualified labor power becomes less necessary and therefore, emphasis in secondary education is not that determinant, except if this education includes a more vocational focus. Meanwhile, other regions, such as the Central, Pacífico Central and Huetar Norte, which constitute the ones where most large urban centers and main industrial hubs are located, such differences are more effectively recognized, thereby justifying the current focus on secondary education.

Table 5. Return to education by region and level of education in percentages^{1/}, 2011

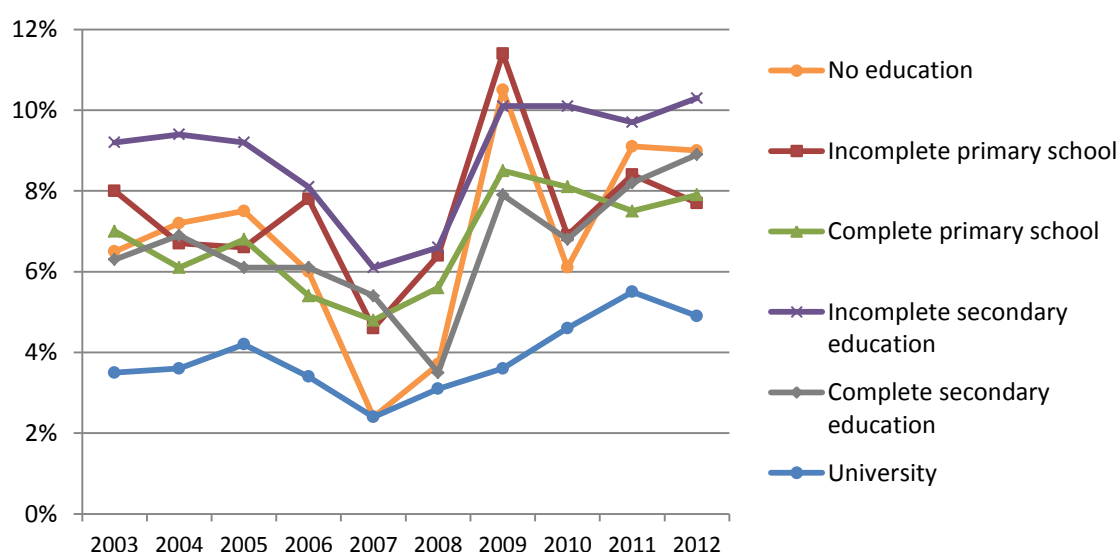
Education level	Region						Average
	Central	Chorotega	Pacífico Central	Brunca	Huetar Atlántica	Huetar Norte	
Incomplete primary education	-0.1	61.7	15.6	14.2	-1.7	14.8	17.4
Complete primary education	12.3	88.0	15.0	25.6	6.6	25.7	28.9
Incomplete secondary education	26.7	109.5	31.7	49.4	18.8	41.8	46.3
Complete secondary education	44.0	104.8	51.9	54.8	35.7	66.9	59.7
University	91.1	151.2	87.3	130.6	90.7	97.5	108.1

Notes: ^{1/} These percentages show the difference in the income received by a person with the correspondent education level compared with the income received by a person who does not have formal education.

Source: Constructed with data from PEN (2012: 104).

Another important issue that needs to be discussed is the nature of future integration with the labor market. Avancemos takes for granted that there will be enough good jobs waiting for these high school graduates to achieve this overall wage increase. This is simply doubtful, considering the nature of the labor market. Minimum wages, as well as other employment regulations and social guarantees (i.e.: social security and job insurance) are only existent in the formal sector of the economy, people in the informal sector work under significantly worse conditions (PEN, 2013a: 40). In 2012, the formal sector only accounted for 55% of the entire jobs existent in the labor market, with the rest of the jobs being offered in the agricultural and informal sectors, which are very much characterized for being very low paid and offering no health insurance or social security payments (Ibid: 19).

Graph 2. Unemployment rate by level of education in Costa Rica, 2003-2012



Source: elaborated from data obtained from PEN (2013: 427-428).

Furthermore, there is absolutely no guarantee of finding a good job or at least a stable and well-paid job in the near future. During the last decade, the labor market has not been able to absorb the entire labor force thereby producing an unemployment rate of about 7.8% in 2012 (PEN: 2013: 427-428). While people with different levels of education were affected by unemployment, those with high school education were amongst the most affected by it, only behind people who had dropped out. This of course shows that it is slightly beneficial for people not to drop out from high school, given that they are the people who have seen the worse consequence of unemployment. But it certainly does not necessarily justify all of our attention being set on that alone, given that this is not an assured guarantee of finding suitable employment. So far, the only manner in which to guarantee a relatively stable job in the country is to have a university title (see graph 2). Besides this, it has to be mentioned that jobs required less skilled labor, such as informal workers and unskilled workers, are generally those with less favorable conditions for workers: unrecognized extra hours worker, not paid vacations or disabilities, no bonus is paid at the end of the year, and, in many cases, minimum wages are not recognized (PEN, 2012).

This is even clearer if we revise which are the most productive jobs that have been attracted by the new economic model since the 1980s. As said before, the structural adjustment program and the later economic reforms made in the country has managed to establish a revitalized industrial and services sector based on their integration with foreign markets (i.e.: business services, tourism, finances, high-tech manufacturing sector, etc.). These sectors employ less than 20% of the labor force of the country, however, in 2012, the jobs created were very limited (no more than 50,000 countrywide), mainly in the form of call centers, finances, tourism and some other related business and consumer services (PEN, 2013a). All the emphasis given to the formation of human capital has been oriented to focus and meet the supply of this type of jobs (thereby offering a case for increasing much more FDI in these sectors). Despite the attractiveness of some of the employment offered in this sector for secondary education, they depend on holding higher degrees than secondary education, not to mention a thorough knowledge of English and the familiarity of workers with computer software.

Having said that, it must be said as well that a significant percentage of students from public high schools (to which Avancemos is aimed) do not command English or any type of software, due to lack of emphasis on educational programs improving this part of overall public education. A study made by the Multilingual Foundation of Costa Rica in 2012, determined that about 53% of students from public high schools showed a low level of control of the English language and 27% a level that could be considered intermediate, whereas students from private high schools had a significantly high control of the language (Castro, 2013: 99). Moreover, although MEP has made efforts to develop computer education, these have not been countrywide. In 2009, only 54% of public high schools had a computer room compared to 82% in private high schools (PEN, 2011: 141). Also, in that same year, for each 100 students there were four computers in public high schools and almost 15 in private ones (Ibid: 141). Meaning that overall, the highest paying jobs created by the new economic model have probably ended up being controlled by people coming from private education and not from public education. This follows suit with regards to superior education as well. The disparity in the quality of education between public and private high schools has led to public

universities to increasingly become more easily accessible to private school students instead of those coming from public schools. (PEN: 2013: 213; PEN, 2011: 185).

In general, one could say that in recent decades, these were not the only problems faced by public secondary education in the country. Some other problems regarding the coverage, the quality and the educational attainment have been also faced. In 2011, achievement levels were very low, with only 46.3% of young people between 17 and 21 years old actually completing high school and a dropout rate of 10.7% (PEN, 2013: 51 and 54). Avancemos is seriously facing this problem as well, given that about 14% of current beneficiaries are undergoing the same year of education for the third time (CGR, 2012: 11). The problem is not solely the result of lack of school attendance, but a reflection of seriously underfinanced universal education services, given that problems are reflected on lack of qualified professional teachers, the poor condition of infrastructure (particularly in rural areas) (PEN, 2013: 35-36). All of these factors, coupled with the socioeconomic conditions of the households from which these young people come have led to poor performance of public high school students compared to students from private high schools (Ibid: 52). In this way, for example, in 2011, 88.4% of private school students were able to pass the tests that MEP applies at the end of high school in order to obtain a high school diploma (called 'bachillerato'), while only 57.3% of students from public schools approved them (Ibid: 52). In addition, only 34.6% of public high schools achieved a promotion rate of 90% in the bachillerato tests. Regarding international tests, the results of the Program for International Student Assessment also showed that a majority of public school students had a low or medium performance levels (Ibid: 52).

Although secondary education in Costa Rica provides relatively higher monthly incomes and more stability (lower unemployment) compared to those who have lower levels of education, this difference is mostly ambiguous and non-conclusive without further studies. In this sense, while one cannot say that Avancemos is an unjustifiable expenditure, it could be interesting to determine if the costs of sending this people to school, particularly those who are not poor, is worth not be oriented towards improving the overall education system of the country. In this sense, further cost-benefit analysis are recommended in order to provide more evidence in order to determine the focus on secondary education. However, the evidence established above allows considering other important factors as well. First, as Valencia (2008: 478-479) argues, the simple fact of increasing the years of high school studies of these young people without considering the quality of education provided to them will not fix the problem. The focus on secondary education of Avancemos should be accompanied by a major investment in the quality of education, including intensive teaching of the English language and computer classes that allow graduates to compete in the labor market more effectively. Moreover, attention should be focus as well not only on the supply of labor markets, but also on the demand side (Fischer, 2012). It is difficult to fathom such an expenditure in making these young persons attain their education if there is not a similar response by the labor market to formalize employment and reduce flexibility and informal labor, thereby creating truly productive employment.

VI. Conclusions

CCTs are the apex for much of the most important buzzwords that serve as the basis of current discussions in social policy. Indeed, these policies mix themes about empowerment through human capital investment, national ownership, accountability and political participation, thereby offering considerable promises for implementation. The question of this research was to know how do these promises performed in reality. For that it addressed Avancemos, a CCT established in Costa Rica, a country that offered a strong domestic social policy community and an established welfare state on which these ideas, especially ownership, political participation and coherence with prior social policies would logically thrive. Reality however has been very different from what appeared to be in the first place, given the context of reform in social policy that the country is undergoing and the nature and interests of political elites driving the policy process.

First, Avancemos is a program that has been formulated in the context of a closed policy process in which political party leaders, government elites and international and domestic social policy experts have been the only ones involved. Thus, the program has been formulated taking into consideration the foreign ideas that have been obtained and synthesized from experiences with CCTs, but on the service of mainly domestic ideas and perceptions about poverty in Costa Rica. This is evidenced in the adoption of a CCT program and not a scholarship to fight poverty, thereby following a theme, which was very popular at the time, including elements which were accustomed for these programs such as medical checkups; but, also, integrating other innovative elements compared to other CCTs in the Latin American region, such as the focus on secondary education, a phased process in the granting of cash transfers to encourage education achievements and components designed to reinforce this type of education.

However, with the passage of time after its implementation, and more importantly, the gradual formation of a new balance of forces between the actors involved which gave renewed influence to government elites and technicians in charge of administering the program, Avancemos has drifted from this original human development perspective to a focus more concentrated on human capital. As a result, it has abandoned a lot of its characteristic multidimensionality and has ended up addressing the problem of secondary education dropouts as its only purpose. In this way, the health conditionality and other broader education requirements were eliminated, essentially becoming a program that solely provides cash transfers in exchange of young people accessing high school, almost making it resemble a scholarship program.

This reflects the fact that in recent years, the social strategy of the country has focused on giving a great importance to education, by expanding its coverage and increasing its quality in order to link it with the competitiveness of foreign companies established in the country, leaving aside other important social agendas, such as health. Proof of this is the great importance that the government has given to education in public expenditure, in which, even new laws have been proposed to ensure that a certain percentage of the GDP is devoted to this area. Meanwhile, spending on health has declined considerably, leading to a major financial crisis in the core institutions responsible for this area of social policy.

However, as demonstrated in this research, the evidence regarding the earnings and the conditions of workers is ambiguous, to determine if this focus on secondary education of the program is the best way to address the problem of poverty in Costa Rica. Even though this type of education generates small increases in monthly wages and lower unemployment rates compared to workers who had lower educational levels, the activities performed by workers with a complete secondary education are not very different from the activities performed by workers with incomplete secondary education. This could possibly imply that there is not a significant difference between finishing high school and not finishing it in the Costa Rican labor market. Therefore, further analyses that take into account the costs side of the public spending of sending these young people to complete their secondary education are needed to determine the justification of this focus. What is evident about promoting secondary education in the country is that its quality needs need to be significantly improved by increasing the teaching levels of English, Computing, and the creation of decent employment opportunities.

Finally, Avancemos has moved towards a narrow conception of income poverty, meaning that people who are in poverty by a wider definition are being missed. However, even in terms of income poverty, there has been some mis-targeting by the program. It has been subject to political pressures in order to expand its target population. Since the implementation of the pilot phase of the program, the interest of political leaders has been to increase the number of beneficiaries of the program without considering the consequences it could bring. In this sense, most of the changes that have been made to the program have revolved around the expansion of its target population by increasing the age range of potential beneficiaries, by expanding their socioeconomic status and their levels of poverty. This has led to the inclusion of non-poor beneficiaries in the program, which in 2012 represented a majority of the beneficiaries, leaving aside possible poor or extremely poor beneficiaries who are not capable of accessing secondary education due to economic or social reasons, for whom Avancemos was initially intended.

Furthermore, the expenditure of resources intended to increase more and more the number of beneficiaries of the program had resulted in a lack of operational capacity to implement the attention and control of the program, making it almost impossible to verify the compliance of the conditionality of the beneficiaries and their characteristics to ensure their participation in the program.

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Appendices

Appendix 1. Presence of toilet and bathroom and source of drinking water of the houses of the beneficiaries and non-beneficiaries of Avancemos, 2012

Characteristics of the house	Non-beneficiaries				Beneficiaries	
	Total	Percentage	Not accessing education	Percentage	Total	Percentage
<i>Presence of toilet</i>						
No	44	0	14	1	7	0
Yes	8,725	96	2,297	94	1,373	95
Latrine	306	3	126	5	62	4
Other system	20	0	5	0	2	0
Total	9,095	100	2,442	100	1,444	100
<i>Presence of bathroom</i>						
No	58	1	18	1	8	1
Yes	9,037	99	2,424	99	1,436	99
Total	9,095	100	2,442	100	1,444	100
<i>Source of drinking water</i>						
Institutions or cooperatives	8,100	89	2,095	86	1,252	87
Well	515	6	177	7	61	4
River	452	5	162	7	129	9
Rain or other source	28	0	8	0	2	0
Total	9,095	100	2,442	100	1,444	100

Source:: Elaborated from the data of the National Household Survey 2012 of the INEC.

Appendix 2. Housing conditions of the beneficiaries and non-beneficiaries of
Avancemos, 2012

Characteristics of the house	Non-beneficiaries				Beneficiaries	
	Total	Percentage	Not accessing education	Percentage	Total	Percentage
<i>Condition of the house^{1/}</i>						
Bad	1,047	12	411	17	214	15
Regular	3,306	36	1,051	43	643	45
Good	4,741	52	980	40	587	41
Ignored	1	0	0	0		0
Total	9,095	100	2,442	100	1,444	100
<i>Precense of ceiling</i>						
No	3,563	39	1,317	54	777	54
Yes	5,526	61	1,124	46	665	46
Ignored	6	0	1	0	2	0
Total	9,095	100	2,442	100	1,444	100
<i>Type of floor</i>						
Without floor (dirt floor)	116	1	50	2	17	1
40osaico r ceramic	5,538	61	1,118	46	746	52
Cement	2,728	30	1,019	42	569	39
Wood	686	8	246	10	106	7
Natural materials	8	0	4	0	2	0
Other	16	0	4	0	3	0
Ignored	3	0	1	0	1	0
Total	9,095	100	2,442	100	1,444	100

Note: The physical condition of the houses is determined by giving a score to the physical conditions of the walls, floor and roof of the house (INEC, 2012: 23). According to this criteria, a property is a) in good condition, if two of the elements are not deteriorated and at least one requires reparation; b) in regular condition, if one element is not deteriorated and the other two require some repair that do not represent a danger to the inhabitants; and c) in bad condition if two elements require some repair that represents a hazard for the inhabitants and at least one presents a serious deterioration (INEC, 2012: 52).

Source: Elaborated from the data of the National Household Survey 2012 of the INEC