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### Title

The Oligarchic Diffusion of Public Policy

### Permalink

<https://escholarship.org/uc/item/4v79b22n>

### Journal

Urban Affairs Review, 50(1)

### ISSN

1078-0874

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### Publication Date


2014

### DOI

10.1177/1078087413481336

Peer reviewed

# The Oligarchic Diffusion of Public Policy: Deploying the Mexican “Magic Bullet” to Combat Poverty in New York City

Urban Affairs Review  
2014, Vol 50(1) 3–33  
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DOI: 10.1177/1078087413481336  
uar.sagepub.com  


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## Abstract

Conditional cash transfer (CCT) policies are characterized as “magic bullets in development.” The New York City (NYC) CCT program, *Opportunity NYC*, was framed as a policy transfer experiment from Mexico’s *Oportunidades*. This article shows how *Opportunity NYC* was used to legitimate Mayor Michael Bloomberg’s power and symbolize his policy efficacy, while its private funding overrode concerns of democratic accountability. The policy rationales that justify CCTs cannot explain *why* particular models *travel* across borders, nor *how* such ideas are globally diffused. The case is discussed in relation to theories on diffusion of public policies and a new type, *oligarchic diffusion*, is proposed.

## Keywords

social policy, global diffusion, oligarchic appropriation, transnational transfer, Mexico, New York City

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Poverty is the worst form of violence.

—Mahatma Gandhi

The use of conditional cash transfer (CCT) programs as an innovative way to combat poverty and increase investments in human capital has spread globally in the last decade. Most Latin American countries currently implement a CCT program, such as the *Bolsa Familia* in Brazil, currently serving 11 million families, and the *Progres-a-Oportunidades*<sup>1</sup> program in Mexico, that reaches more than 5 million households. In addition, countries as diverse as Turkey, Kenya, Nigeria, and the Philippines also have their own CCT programs. The content and coverage of the programs vary: Some are nationwide while others serve only a regional or small-scale pilot population. Some programs focus mainly on human capital development through incentives to increase the numbers of children in schooling. Others include health-related activities and function more like general social assistance systems (Hanlon, Barrientos, and Hulme 2010).

CCTs have been characterized as “the magic bullet in development.”<sup>2</sup> The increasing popularity of CCTs is viewed as “one of the most significant developments in global social policy since the expansion of social security in industrialized countries” (Fajth and Vinay 2010, p. 1). CCTs have been heavily supported and funded by major global development organizations. A recently published World Bank Report (Fiszbein et al. 2009) devotes 362 pages to learning from the best practices of different CCTs and giving guidelines to prospective countries on how to adopt these policies. On the back cover of the book, Michael R. Bloomberg, the Mayor of New York City (NYC) praises CCT programs as an innovative idea, with which NYC is proud to experiment. Sponsored by the Rockefeller Foundation, Mayor Bloomberg also launched a CCT Learning Network in March 2008 to share the city’s experience designing and implementing *Opportunity NYC*, the nation’s first CCT program (The City of New York 2008). Yet, in March 2010, Mayor Bloomberg announced that once the privately funded three-year pilot phase of the *Opportunity NYC* program ended, the program would not be continued. *The New York Times* declared that “an unusual initiative has produced only modest results” (Bosman 2010) and that there were no specific plans to go forward with a publicly financed version of the program, as was initially planned.

Why did an antipoverty policy that had been successfully diffused across Latin America, Asia, and other nations across the globe not take hold in NYC? By what mechanisms was this policy transferred and how did the process by which the CCT policy traveled to NYC differ from the diffusion of

such policies elsewhere in the world? What accounts the differential success of the *Opportunity NYC* CCT program and the *Oportunidades* CCT program in Mexico on which the NYC program was purportedly based?

This article begins by offering a theoretical overview on the global diffusion of public policy models like CCTs and other “social investment” policies since the 1990s. We then provide an overview of the *Oportunidades* program and offer an analysis of why a program type that has been presented as highly successful in Mexico seems not to have lived up to expectations in the NYC context. Our analysis stresses four contradictory dimensions of this putatively transnational policy transfer: first, the political contradiction of differing political and policy contexts in NYC and Mexico that caused the NYC program conditionalities to be differently constructed and hastily implemented; second, the structural contradiction in the way the two programs were implemented, as the state-run and extensively financed Mexican program was framed as a “philanthropic experiment” and thus adapted to the not-for-profit sector system in NYC; third, the elision of the urban–rural contradiction, as the largely rural Mexican program was misappropriated for use in the New York metropolis; and fourth, the contradictory claim of South–North policy transfer that was used to legitimate the policy transfer, but which both failed to call attention to the undemocratic mechanisms by which the policy was diffused to NYC and masked the power of an alliance of the local Bloomberg administration and the global development elites in promoting, facilitating, and brokering the exercise. In the concluding section, we return to the theoretical frameworks discussed in our overview to link the contradictions revealed in the case study to the theoretical analysis of global diffusion.

## Theorizing the Global Diffusion of Public Policies

Before analyzing the appropriation of the CCT policy model by Mayor Bloomberg and its implementation in NYC, we situate our case study in the context of certain major theories on the global diffusion of public policies. This will help us to determine which, if any, of the prevailing policy diffusion models best fit the adoption of CCTs by Mayor Bloomberg and may also help to explain why the policy was quickly abandoned.

In a World Bank assessment of the effects of CCT programs, Fiszbein et al. (2009) reviewed empirical evidence of the efficacy of various policy rationales. They distinguish “paternalistic,” from “political economy,” and “social efficiency” arguments that justify making cash transfers to poor people conditional on certain behaviors. In the case of paternalism, policy elites may prefer a CCT because they assume limited rationality on the part of poor

people. If such distortions of private rationality are deemed by policy makers to be pervasive, they provide support for the paternalistic belief that governments “know better” what is good for poor people than do the poor themselves (Fiszbein et al. 2009, p. 50).

In contrast, in analyzing the political economy of funding redistribution, the World Bank Report shifts attention from the limitations of individuals to the wider context of political-economic decision making. Whether conditional or not, income transfers are funded by budget allocation decisions influenced by political-economic dynamics. CCTs can be represented politically not as public assistance but as a social contract between the “deserving poor,” the state, and society to *improve the general welfare*. Fiszbein et al. (2009, p. 64) concluded, “The political process may make significant cash transfers to the poor close to impossible unless those transfers are tied somehow to clear evidence of commitment and ‘positive behaviors’ on the part of beneficiaries.”

Fiszbein et al. offer a third set of “social efficiency” rationales for conditioning, namely, justifying transfers in the name of human capital externalities. In the case of educational transfers, *positive* externalities might arise if there are increasing returns to skilled labor in production at the *aggregate* level. They cite empirical studies supporting the idea that more education to those who otherwise might not seek it may have spillover effects to other workers. The obverse is also true. “(E)ven if the levels of human capital investment by the poor were privately optimal, they might not be socially optimal because of the presence of market failures, particularly, externalities” (Fiszbein et al. 2009, p. 50). Expressed broadly, in the three perspectives presented in the World Bank Report on CCTs, public policy plays a central role in providing the institutional foundations within which markets operate, in providing public goods, and/or in correcting market failures.

These explanations for the adoption of CCTs are useful in determining which type of policy logic may be present in a particular case. Yet, they cannot tell us much about *why* particular policy models *travel* from country to country, nor about *how* policy models, ideas, or practices are globally diffused. Two other bodies of literature, one a series of case-specific transnational policy transfer studies, the second a more theoretically useful literature on the global diffusion of policy ideas, do offer paths forward in addressing these questions.

The transnational policy transfer literature is substantial yet very case specific, seeking to explain, for instance, transfer in such domains as how transnational feminist networks promote “gender mainstreaming” policies (True and Mintrom 2001), how policy entrepreneurs transfer business improvement district policies (Hoyt 2006), or how multinational corporations transfer

human resource policies (Yu and Wu 2009). In contrast, the literature on the global diffusion of public policies (see especially, Dobbin, Simmons, and Garrett 2007; Jenson 2010) does offer compelling alternative models on transnational policy transfer. An influential recent theoretical overview on this literature, “The Global Diffusion of Public Policies” (Dobbin, Simmons, and Garrett 2007), identifies four theories to explain the diffusion of public policies across space: *social constructivism*, *social learning*, *coercion theory*, and *competition theory*. Each theory centers around a distinct driving force. Two of these, social constructivism and social learning theory attribute policy diffusion to changing *ideas*. Constructivists trace the movement of policy norms to the activities of expert epistemic communities and collaborative organizations that shape prevailing international discourses in such domains as economic growth and human rights. Learning theorists suggest that policy makers learn from and adopt policies based both upon their own past experience and on the experiments of their peers in other countries.

Coercion and competition theory, in contrast, point to changing *material incentives*. The key actors of coercion theory are powerful international financial institutions and nation-states that “threaten sanctions or promise aid” (Dobbin, Simmons, and Garrett 2007, p. 449) in return for the adoption of policies such as fiscal austerity or free trade. The competition theory, however, shifts attention to the competitive global economic context in which national (and, by inference local) decision makers operate, prompting them to offer similar policy incentives to attract investment or otherwise lower the cost of doing business within their borders. Dobbin, Simmons, and Garrett (2007, p. 450) pointed out that these four diffusion models are “sometimes commingled.” For example, coercion by international lending agencies and competition in the world economy may cause fiscal austerity policies to diffuse across the borders of developing countries.

On a more positive note, Jane Jenson (2010) has usefully combined elements of Dobbin, Simmons, and Garrett’s social constructivism and social learning perspectives in her influential analysis of the emergence of a “social investment” approach as a distinct “post” neoliberal social policy alternative to classic neoliberalism in Europe and Latin America. Her study examines the rise of the CCT as a public policy strategy across Latin America to deal with the failure of the labor market to provide sufficient income for the vast numbers of poor people left out of formal employment and excluded from shrinking social protection schemes (Jenson 2010). CCT policies in Latin America have spread across borders in part because a new postneoliberal discourse of “co-responsibility,” termed by Jenson the “social investment perspective” has caught on as a socially constructed postpaternalist policy rationale for conditional transfers. The policy architects of the CCT program

in the case of Mexico, for example, have clearly expressed this policy rationale. Key institutional actors responsible for promoting the social investment perspective in Latin America include the Economic Commission for Latin America and the Caribbean, the World Bank, the Inter-American Development Bank (IADB), United Nations Children's Fund (UNICEF), and the policy architects at the national level in the 14 nations that had enacted CCT programs by 2007 (Jenson 2010).

Arguing that constructivists often conflate ideas with agency apart from the processes and mechanisms that account for their diffusion, Jenson insightfully argues that the "social investment" perspective has taken hold because of three mechanisms: (1) the political creation of a discursive space in global policy making and governance environment for alternatives to the neoliberal "Washington Consensus" to emerge, circulate, and become part of policy debates; (2) the polysemic character of the socially constructed concepts used to define and characterize "social investment," which constitute a cognitive mechanism facilitating its diffusion, and (3) the boundary crossing work done by specific networks and policy communities to sustain social learning about "social investment" and to forge links and alliances promoting this alternative.

Following Jenson and Dobbin then, four distinct theories—*social constructivism*, *social learning*, *coercion theory*, and *competition theory*—are sufficient, either separately or in combination, to fully explain the global diffusion of public policies. But in considering the case of NYC's brief adoption and quick abandonment of the Mexican version of CCT, it is useful to add to these options a fifth theoretical model, namely, *oligarchic diffusion*.

There are multiple examples of extremely wealthy oligarchs either *directly* pursuing and exercising political power or seeking to shape policy discourses *indirectly* by deploying their wealth individually or in the form of billionaire-driven policy networks to set agendas at different levels of government around the world. Three prominent examples of using wealth and the political resources that money can buy to directly exercise political power are Silvio Berlusconi in Italy, Thaksin Shinawatra in Thailand, and Michael R. Bloomberg in NYC. Such figures generally appeal to voters with technocratic arguments about their managerial expertise. In so doing, they sometimes introduce new policy ideas or appropriate policy schemes already in global circulation to demonstrate their technocratic skill. Other such actors include presidents and other major politicians, for whom launching high-profile policy initiatives may have more to do with generating positive publicity than addressing the problems at hand with the best possible means.

Perhaps the best example of *indirect oligarchic diffusion* is found in the political practices of billionaire George Soros. Soros has used his Open

Society Foundations to subsidize “Rose Revolutions” in several former Soviet Bloc countries and financed experimental social policy models in various cities and countries. Among these have been his collaborations with Mayor Bloomberg on some of the mayor’s NYC antipoverty initiatives, such as Opportunity NYC and his more recent “Young Men’s Initiative” (on the latter, see Paybarah 2011). Other examples of indirect oligarchic diffusion that readily come to mind are the interventions in educational and environmental policy by billionaire Bill Gates and his foundation, as well as the policy advocacy and representations of media mogul Rupert Murdoch.

Oligarchic diffusion’s defining feature is its lack of democratic accountability: It is hard to say no to rich, powerful actors. Their projects chosen to justify their power and symbolize their policy efficacy may override the usual democratic debate that might raise questions about the appropriateness of policy borrowings. Thus, in this model, ordinary people have little say in the diffusion process unlike the explicit power of the public assumed in the political economy perspective of the World Bank Report and implicitly assumed in the political and discursive mechanisms of diffusion discussed by Jenson (2010). When wealthy local elites forge alliances with powerful institutional actors like the World Bank elites to “fast track” conditioned cash transfers across the globe (Peck and Theodore 2010, p. 206), popular accountability is even less likely. The CCT policy implementation in NYC, as we shall see, illustrates well these undemocratic weaknesses of *oligarchic diffusion*.

The basic rationale and logics of these five models of public policy diffusion are displayed graphically in Table 1.

## **Mexico’s *Oportunidades*: The Magic Bullet from the South**

The *Progresas/Oportunidades Program* (“Programa de Educación, Salud y Alimentación”) is Mexico’s largest poverty alleviation program. It was created in 1997 under President Ernesto Zedillo (1994-2000), following a pilot stage that was implemented in 1996 in the state of Campeche (Levy 2006). The *Oportunidades* program was designed with three components in mind: nutrition, education, and health. It seeks to reduce current and future poverty levels through cash transfers that target households in extreme poverty and that are conditioned on school attendance and continued visits to health clinics. Luccisano (2004, p. 32) argued that this change in tone to the social construction of poor people “as ‘adults’ with rights, choices and responsibilities” represented a shift from the previous interventionist and paternalistic orientation of the Mexican state. Thus, consistent with the “social efficiency”



**Table 1.** Models of Global Diffusion of Public Policy.

	Policy Diffusion Rationale	Logic of Policy Adoption
Social constructivism	Diffusion to change ideas	To learn from international expert epistemic communities
Social learning		To learn from past experience and the experiments by others abroad
Coercion theory	Diffusion to change material incentives	To avoid sanctions and to receive aid from the international community
Competition theory		To stay globally competitive in relation to other countries
Oligarchic diffusion	Diffusion to gain political credit and power to set policy agendas	To display wealth and power with high-profile initiatives

Note: The first four models are based on the analysis of Dobbin, Simmons, and Garrett (2007). Jenson (2010) combined social constructivism and social learning into a “social investment” theory.

and “social investment” rationales discussed above, a stated goal of the new policy orientation was to treat poor people as actors capable of overcoming poverty through exercise of rational calculation and becoming “co-responsible” for their fate.

Despite this focus on individual responsibility used to legitimate *Oportunidades*, in practice, the policy focused on influencing the practices of *families* rather than *individuals*, providing financial support for parental efforts to promote their children’s education, health, and nutrition. It thus resembles a traditional welfare program that redistributes income to families in extreme poverty and increases their probability of attaining a minimum level of consumption. The program started with a budget of \$58.8 million that covered 300,000 families in 6,344 localities in 12 states. By 2007, its budget had expanded to \$3.2 billion, covering 24.06 million people or 5 million families in 92,672 localities in all 31 Mexican states. In all, 86% of the localities are in rural areas, but the program also covers the Federal District, the capital Mexico City.<sup>3</sup>

Participant households are selected based on demographics, assets, and other measurable characteristics (Levy 2006). Benefits are guaranteed for three years, after which the cash transfers may be renewed. The nutrition component is a monthly stipend of cash and in-kind benefits received by all households regardless of their composition. It is conditioned on regular visits to a health clinic. The education component consists of three elements: (1) Girls and boys who attend school for 85% or more of school days each

month receive a monthly cash allowance for 10 months each year. These cash transfers increase with each school year, and after secondary school, they are larger for girls than for boys because dropout rates are higher for girls. (2) All students who finish high school receive an additional one-time cash transfer. (3) Subsidies are also given for school supplies. All cash and in-kind components of the program add up to an average transfer of \$35 per month, equivalent to between 15% and 20% of poor urban household income.

The *Oportunidades* program has gained much international attention and has been evaluated more than any other government program in Mexico. The main external evaluation, done during 1998 to 2000 by International Food Policy Research Institute (IFPRI; see, for example, Skoufias 2005), found significant positive results: increased school attendance, lengthening of educational careers, better nourishment, and improved health among the program participants (Escobar Latapí 2009).

The successes of the *Oportunidades* program also include the political fact that it survived the sexenio (six-year presidential term) of PRI (Partido Revolucionario Institucional [Institutional Revolutionary Party]) President Ernesto Zedillo (1994-2000) and continued to expand under PAN (Partido Acción Nacional [National Action Party]) President Vicente Fox (2000-2006). In no small measure, this transition was aided by the fact that the rhetoric of individual responsibility surrounding *Oportunidades* served to mask the more traditional social welfare policy-oriented dimension of the program.

### *The Contradictory Urban Politics of Transnational Policy Transfer*

NYC is the most populous city in the United States (U.S. Census Bureau 2011). Poverty is a long-standing problem of the global city, and it is thus understandable that Mayor Bloomberg made reducing poverty a central focus of his second term in office (2005-2008). To achieve this, Bloomberg founded a not-for-profit organization called the *Center for Economic Opportunity* (CEO) in 2006 (CEO 2009a). It is somewhat contradictory that on a theoretical level, the Bloomberg administration contributed to the understanding of the long-term roots of poverty in a place-based context, as shown below. Yet on a practical level, the political timing of Bloomberg's initiation of *Opportunity NYC* was quite short term, geared largely toward NYC's election cycle. Its rapid implementation was facilitated by Bloomberg's ability to quickly attract philanthropic financial support from his network of wealthy friends and foundations. This political capacity to jump-start a promised "innovative solution" undermined the possibilities for Opportunity NYC's

policy success. Professor Lawrence Aber, who confesses to having originally suggested adopting a CCT program to NYC officials and who took part in its planning, admitted that such a political logic played a key role in the program's setup:

Due to the political imperative of getting the initiative off the ground in time for some short-term results to be ready before Bloomberg left office after his second term, the process of preliminary research to inform the design and of piloting the intervention before it was evaluated was short-circuited. (Aber 2009, p. 61)

For the project team in New York, the process resembled "building the aeroplane as it was flying it" (Aber 2009, p. 61).

Under Bloomberg's leadership, the CEO sought to move conceptually beyond the accepted U.S. national definition of poverty established in the 1960s, which relied entirely on the annual cost of buying groceries in that decade. A more reliable poverty measure would reflect NYC costs that families must spend on food, rent, utilities, clothing, and child care, as partially offset for some low-income residents by the Earned Income Tax Credit and the existing benefits they might receive in public assistance, such as food stamps and housing vouchers (Kaufman 2007). The CEO used these place-based measures and the recommendations of the National Academy of Sciences' (NAS) Panel on Poverty and Family Assistance to calculate a new and more comprehensive poverty measurement. In 2008, the national poverty threshold for a two-adult, two-child family in NYC was \$24,755. However, the CEO threshold, taking into account the high cost of living in the City, was \$30,419. By this measure, New York's poverty rate is almost twice that of the nation at about 22% (CEO 2010).

As a part of his practical attack on poverty, Mayor Bloomberg personally raised \$50 million in foundation grants and private donations from wealthy individuals to fund the pilot CCT program, *Opportunity NYC*, which began in the fall of 2007.<sup>4</sup> Interestingly, although Bloomberg had appointed a *Commission for Economic Opportunity* known as the *Poverty Commission* in 2006, to set a general framework for addressing poverty and advocating policy solutions, the Commission did not specifically recommend CCTs. Although considered by one of the working groups, CCTs were not included in the Commission's final report to the Mayor (The City of New York 2006). Rather, it was Mayor Bloomberg himself, to the surprise of his Commissioners, who chose the CCT as his key issue in addressing poverty, almost certainly with a keen eye on the political and public relations effect of a "headline grabbing" South-North policy transfer.

The Mayor made the most of the bold and innovative character of his new policy initiative. The Mexican representatives of the *Oportunidades* program

visited New York in January 2007 and the scope and incentives of the *Opportunity NYC* program were launched in March 2007 touting it as the nation's first CCT program, which can "help families break the cycle of inter-generational poverty" (City of New York 2007a). Mayor Bloomberg and his team even made a brief site visit to Mexico in April 2007 to observe how *Oportunidades* works and "to develop effective implementation strategies which can be uniquely applied in New York City" (City of New York 2007a). In September 2007, Mayor Bloomberg personally welcomed newly enrolled families to *Opportunity NYC*. He further underlined his determination to make the program work by announcing the formation of "a new partnership with eight financial institutions to offer 'no fee' accounts to every *Opportunity NYC* program participant" (City of New York 2007b).

*Opportunity NYC* established monetary incentives for participant households to meet specific targets in three key areas: education, health, and employment and training. In the aggregate, participating families could earn between \$3,000 and \$5,000 per year, varying by family size and targets met (The City of New York 2007a). The program also included an evaluation with a sample of 4,800 families—half of which were randomly assigned to a control group receiving the ordinary services and benefits to which they were entitled. Families were selected from two neighborhoods each in Manhattan, Brooklyn, and the Bronx (Aber 2009).

The *Opportunity NYC* program's educational incentives were intended to promote both immediate effects like superior attendance and greater parental involvement in children's education, and behavioral changes such as improved *performance on tests* and greater educational achievement. The health incentives were intended to maintain "*adequate health coverage* for all children and adults in participant households as well as age-appropriate medical and dental visits for each family member" (The City of New York 2007a, emphasis added). Employment and training incentives were given either to *increase employment and earnings* or to combine work and job training activities. The scope of the NYC program, as well as its rhetorical promotion of private health insurance and public-private partnerships for both educational testing and employment training, was therefore both wider and more neoliberal in tone and scope than those of the Mexican *Oportunidades*, which focused solely on direct government financial incentives for the provision of education, health care, and nutrition to poor children.

The *Opportunity NYC* program was designed and put into operation quickly within nine months. Time was of the essence if the program was to have a chance of producing promising results during the time Bloomberg had in office. Considerations concerning its complexity for the intended beneficiaries were raised early on. A 2009 "Research Note for Funders"

concludes, “In fact, the program’s designers expected that some families would not begin to respond appreciably to the incentives offered until well past the first year, and this was an important consideration in proposing a three-year incentives program” (Miller, Riccio, and Smith 2009, p. 9). Yet as already noted, because short-term politics played a key role in the program’s setup, the piloting phase that provided essential information for the planners of the *Oportunidades* program in Mexico was never done in NYC.

## **State-Run *Oportunidades* Transforms into Not-for-Profit-Run *Opportunity NYC***

In the mid-1990s, 24% of all Mexican households, almost 30% of the population, lived in extreme poverty. The situation was even worse in the rural areas, where more than 50% of all households lived in poverty. As the primary architects of the *Oportunidades* program like to stress, despite the existence of some 15 antipoverty programs, food subsidies rarely reached the poor families of rural and remote areas as these programs were “inefficient, poorly coordinated and targeted mainly the urban poor” (Levy 2006, pp. 4-7). *Oportunidades* was designed to replace these programs and be the de facto only government program offering social security to those living in poverty. The implementation of the program relied on the competence of the state civil servants managing the program (Aber and Rawlings 2011). This would not be the case in NYC, however, where the complexity of the *Opportunity NYC* program is only outmatched by the complexity of the network of organizations tasked by Bloomberg to implement the various components of the program on the ground.

The *Opportunity NYC* program was organized in three separate subprograms: *Opportunity NYC: Family Rewards*, *Opportunity NYC: Work Rewards*, and *Opportunity NYC: Spark*. The *Family Rewards* program was by far the largest of the three, with actual expenses for fiscal year 2009 of \$13,264,000.<sup>5</sup> This component offered families cash payments for activities related to education, preventive health, employment, and training. These payments were aimed at both reducing short-term material hardship and building human capital in the long term. The expenses of the *Work Rewards* program during 2009 were \$5,059,000. This component provided work and job training incentives to adults living in subsidized housing by giving the participants housing vouchers and employment assistance, for example. Both of these programs were overseen by the CEO along with two key nonprofit organizations in the field of social policy: *Seedco* and *MDRC*<sup>6</sup> that were in charge of implementing and evaluating the programs. Additional players in

the game were the *Department of Housing Preservation and Development* and the *NYC Housing Authority*, both of which cooperated with the *Work Rewards* program, and six community-based organizations in implementing the *Family Rewards* program.

The smallest, but perhaps the most controversial of the programs was the main educational component of the *Opportunity NYC*, the *Spark* program, which was largely designed by Dr. Roland Fryer, an economics professor from the *Education Innovation Laboratory* at Harvard University. The program was implemented by the *NYC Department of Education* and it aimed to improve academic achievement by providing small monetary incentives to elementary and middle school students for achievement on periodic assessment tests. Its expenses for the year 2009 were reported as \$2,000,000. Unlike the Mexican *Oportunidades* program, the *Spark* included conditions based on student performance on academic achievement tests, not mere school attendance (CEO 2009b). Interestingly, the *Family Rewards* program also had cash incentives related to school attendance and academic performance. The selection criteria, monetary rewards, as well as the organizational structures of these programs differed. *Spark* operated under the *Department of Education* and targeted specific schools, while the *Family Rewards* operated completely outside the education system (Morais de Sá e Silva 2008).

The *Opportunity NYC* education components represented a clear diversion from the logic of the CCTs implemented in the developing world, as their rewards were merit based rather than being rights based (Morais de Sá e Silva 2008). In programs aiming for increased school attendance, such as the *Oportunidades*, the expected outcomes are volitional, and therefore it is possible for students and their parents to influence the desired outcome. In contrast, with programs rewarding better performance, like *Opportunity NYC*, the expected outcomes are aspirational, and the desired outcome may not be reached no matter how much harder the student studies (Slavin 2010). Rather than investing money to improve the actual conditions at schools, raising salaries of teachers, or providing them with further education, *Opportunity NYC* thus aimed at improving performance via incentivizing some of the students through a complex system that was hardly transparent on the ground to the teachers, parents, or students involved. A representative of the CEO is quoted in Morais de Sá e Silva (2008) as acknowledging “the programme’s greatest challenges have been related to operational issues” (Morais de Sá e Silva 2008, p. 16).

In addition, unlike the Mexican case, the *Opportunity NYC* programs were far from being the only social support system available to participants: They were rather a drop in the ocean of various government support programs,

nongovernmental assistance initiatives, and charity-based services. The CEO itself, for instance, oversees more than 40 different assistance programs targeting various subgroups around NYC. Altogether, nine agencies and organizations were involved in implementing the *Family Rewards* component of *Opportunity NYC*: CEO provided funds and produced program materials, *Seedco* was responsible for selecting the qualifying families and overseeing program implementation, the program was evaluated by *MDRC* and implemented by six very different community-based organizations—*Groundwork, Inc.*, *Brownsville Multi-Service Family Health Center*, *Bronx Works*, *Catholic Charities Community Services*, *Union Settlement Association*, and the *Urban Health Plan* (CEO 2009b; Miller, Riccio, and Smith 2009). This complexity blurred the transparency of program actions and thus the accountability of the program.

The contrast with how the NYC programs were designed in comparison with the Mexican, government-centered approach is significant. While the poor, rural Mexican mother can attend a community meeting and try to comply with the *Oportunidades* guidelines along with most of her neighbors, the New York mother has to maneuver in an administrative jungle of tax benefits, food stamps, housing assistance vouchers, and various agencies and organizations, that help her if she fits their particular profile, understands the rules involved, and has the energy to find out which benefits she is entitled to.

The difficulties in adapting a program designed as a state-centered social policy system into a not-for-profit environment are symptomatic of the problematic nature of transnational policy transfer. In the classification of Dolowitz and Marsh (2000), both the processes of *incomplete* and *inappropriate policy transfer* were at play in this case. *Opportunity NYC* failed to transfer the “crucial elements of what made the policy or institutional structure a success in the originating country” and paid “insufficient attention . . . to the differences between the economic, social, political and ideological contexts in the transferring and the borrowing country” (Dolowitz and Marsh 2000, p. 17). Instead, with scant attention to transferring actual policy components, Bloomberg’s initiative appropriated little more than the name and international reputation of the Mexican model and attracted private foundations, including his own, to cover the costs.

## The Urban–Rural Contradiction

*Oportunidades* has been presented as unique not only because of its integral approach to poverty alleviation but also because, since its creation, it has been very “results-oriented” being subject to systematic policy evaluation annually, and modified according to the evaluators’ recommendations. It is

presented as a program that is straightforward and gets money to poor families. According to its evaluations, it has been relatively successful at alleviating poverty and preventing intergenerational transmission of poverty, as well as reducing inequality (see, for example, Behrman and Skoufias 2006; Escobar Latapí 2009; Soares et al. 2007). However, these evaluations relate mostly to the rural areas of Mexico that can now claim a full primary schooling rate close to 100% (Escobar Latapí 2009), while the impact of the program has been much less clear in urban areas. At first glance, in the abstract, it might have made some sense to transfer a policy that had shown promise in Mexico City, with a population of 8,851 million (Instituto Nacional de Estadística y Geografía [INEGI] 2011) to NYC, with a similar population of 8,175 million (U.S. Census Bureau 2011). Yet despite their comparable size and the persistently high rate of poverty in both cities, the lived realities of poverty in these two global megacities are dramatically different. Their natural, economic, and social contexts differ, as do their political realities.

Considered contextually, the problems of poverty differ substantially in urban and rural areas, and these differences need to be taken into account in policy design. Commenting on the fact that Brazil's CCT program has been more effective in rural areas than in that nation's cities, a recent article in *The Economist* (2010a) notes that whereas in rural areas poverty is largely a matter of basics—lack of food, water, primary schooling, and basic health care—in cities “the problems of poverty are compounded by violence, drugs, family breakdown and child labour” which require different interventions in law and order, regulation of domestic abuse, labor practices, and the like. At the same time, opportunities for household reproduction and survival by formal and informal work opportunities are likely to be greater in urban than in rural areas, leaving households with options for survival other than cash transfer policies. The World Bank (2005, p. 143) study of rural poverty in Mexico, for instance, noted that Mexico's urban poor “are surrounded by services and opportunities, even if they have limited access to them, not available to the rural poor.” In rural areas, in contrast, because of very limited economic activity, aside from participating willingly in CCT cash transfer scheme, rural households may have no alternative survival strategy other than to migrate domestically or globally.

Political contradictions have also limited the efficacy of *Oportunidades* in Mexico City and other urban areas. The sharp partisan difference between the PAN national government and the social democratic PRD (Partido de la Revolución Democrática [Party of the Democratic Revolution])—dominated Federal District was a key reason for the late arrival and limited implementation of *Oportunidades* in Mexico City. The *Oportunidades* program was extended to urban areas in 2001 and initiated in Mexico City only in 2004.



According to the official evaluation schedule of the program, these urban areas were to be evaluated in 2009–2010; therefore, no extensive review of how successful the program was in Mexico City was available at the time Mayor Bloomberg claimed to be interested in importing best practices from the South (Gobierno Federal/La Secretaría de Desarrollo Social [SEDESOL] 2009). It has been noted that in general *Oportunidades* has been less successful in Mexican urban areas, as interest in participating in the program has been low at around 50% of those eligible and the success in increasing school attendance has been modest (see, for example, Angelucci and Attanasio 2009; Attanasio et al. 2008; Behrman et al. 2006).

Despite the political resistance to *Oportunidades* by PRD political elites in Mexico City, in strictly policy terms, the New York policy innovators might have been wiser to wait until they were able to use the experiences gained from the *Oportunidades* program in Mexico City—especially as the problematic impact of CCTs in urban areas has been noted in other successful CCT programs in Latin America, such as the *Bolsa Familia* of Brazil (*The Economist* 2010b; Peck 2011b). As Jamie Peck (2011b, p. 178) a prominent researcher of this “fast-track” policy has shown, despite the surge of CCT policy initiatives in the past decade, such policies have “decisively stuttered” in many large cities for a range of “local reasons.” Yet the policy problematic of varying local contexts, both rural–urban and urban–urban, was not necessary clear to Bloomberg and his staff, who were eager to appropriate the symbolic success of the *Oportunidades* program and launch a new poverty initiative before the end of Bloomberg’s second term in office, to set the stage for his successful effort to change the political rules to allow him to run for a third term.

This particular case of South–North transfer therefore exemplifies also the third difficulty as described by Dolowitz and Marsh (2000): arbitrary and uninformed policy transfer. Despite the extensive evaluation materials available testifying to the success of the CCT program, the New Yorkers had insufficient information on how the program operated on the ground, and failed to take into account the dearth of evaluations done in urban settings. In the following section, we discuss why the whole exercise, experimenting with a CCT program in NYC, was destined to be difficult from the outset, as the Mexican and American social policy analysts were by far not the only players in the field.

## The Closed Circuitry of Transnational Policy Networks

In Mexico, both neoliberal pressures arising from international financial institutions, such as the IADB and the World Bank, and the shifting public

discourses of Mexican presidential administrations with respect to “social investments” have shaped antipoverty programs in the past three decades. The *Oportunidades* program has been presented as a Mexican innovation, where the inefficient food distribution programs were replaced by a new and locally developed approach that relies on vigorous outside evaluation.<sup>7</sup> However, the multilateral lending institutions have played important roles in the program’s creation and development as there has been a long-standing “policy dialogue” between lending institutions and borrower governments and technocrats on both sides. As Judith Teichman (2007, p. 561) concluded,

The role of international organizations in conditional cash transfer programs was particularly notable in the case of Mexico, where a tightly knit and highly integrated transnationalized network, involving a high degree of trust and personal friendships, had an important impact on the continuity and nature of the program.

Even though the history of *Oportunidades* is written as a success story because the CCT approach “works,” the program has faced its share of criticism in Mexico. The program has been criticized for being too technocratic, overlooking civil society participation, and excluding many who would deserve assistance. In 2000, the newly elected President Fox and his administration faced pressures to change the program to include more community participation, for example, in beneficiary selection, which relies on the use of quantitative data rather than participatory methods. However, in the negotiations on the funding and evaluation of the program, the IADB influence continued strong, and the old technocratic approach prevailed (Teichman 2007).

To ensure the continuity of *Oportunidades*, some key actors, such as the main architect, U.S.-trained economist Santiago Levy, sought help from global development elites as early as 1997 and the IADB agreed to finance the Washington-based consultants of the IFPRI to conduct the program evaluation. The IADB gave \$2 billion in loans to the program in 2001 and 2005, thus also effectively binding the Fox administration to support the program (Teichman 2007). Peck and Theodore (2010, p. 201) concluded the following on the political-economic logic of *Oportunidades* main architect Santiago Levy:

Knowing full well how closely the Progresista philosophy reflected ascendant currents in international development orthodoxy, especially amongst the multilateral banks, his presentation of the program as “home grown” rather than an “import,” had more to do with political calculation than misplaced immodesty.

In a similar vein, the much celebrated evaluations of *Oportunidades* served a dual purpose: helping the program survive a presidential change in Mexico

and a way of promoting it abroad and securing its status as “a model that works” (Peck and Theodore 2010, p. 206; see also Peck 2011b for a more extensive interpretation of the “global market in policy experimentation”).

The English language *Oportunidades* (2013) website concludes, “During its 15 years of operation, *Oportunidades* has demonstrated that it does work.” The World Bank’s desire to join in this social construction of CCTs worldwide as the future of social policy is evident in its 2007 press release, “Successful Anti-Poverty Policies Are Now Applied in New York City: Rich countries learn from experiences in the South.” In its eagerness to construct Mayor Bloomberg’s policy appropriation as a global policy diffusion from South to North, the press release notes,

Traditionally, the expectation is that developing countries learn from the experiences of rich countries in what works and what does not in the fight against poverty. But this time the knowledge flow has gone the other way around . . . The World Bank has a CCT approach portfolio of US\$1.2 billion in 16 loans to 12 countries with an additional pipeline of more than US\$700 million. (The World Bank 2007)

In fact, push for the adoption of the CCT program in NYC largely came from the oligarchic positionality of Mayor Bloomberg, with friendly support from elites in the Rockefeller Foundation, which sponsored the 2007 field trip to Mexico for Mayor Bloomberg, his Deputy Mayor Linda Gibbs, and a number of supportive policy experts (Morais de Sá e Silva 2008). During the trip, Bloomberg was impressed by the innovative and results-oriented character of the *Oportunidades* program as well as its “appeal to political leaders on the right and on the left of the political spectrum” (Aber 2009, p. 58). This “fact finding” mission to Mexico was a typical example of a situation where “policy learners” are presented with a narrative of success during a “tour of preferred-practice sites” with little room to consider dissenting voices or possible program flaws (Peck 2011a, p. 778, see also McCann 2011, p. 118; Wolman 1992, pp. 32-33).

The World Bank likes to present the NYC case as an example of a major shift from North–South to South–North policy design (Fiszbein and Schady 2009), so the apparent problems of the approach in urban areas are rarely discussed. While the abundant publications on the success of the CCT method may contain some references to low interest in the program in Mexico City, for example, they largely still focus on repeating the successes in the rural areas. As this case demonstrates, the roles played by the policy transfer agents (see, for example, Dobbin, Simmons, and Garrett 2007; McCann 2011) in appropriating and promoting preferred policies should not be underestimated.

The global diffusion of public policies is never just the conduct of rational agents looking for the best solutions that work but is always highly embedded in political and institutional interests and specific historical contexts. In the words of Peck (2011a, p. 791), the “field of policy transfer . . . , perhaps above all, it is saturated by power relations.” In this instance, Bloomberg’s desire to maintain his political power and extend his time in office converged with his appropriation of a key element on the global public policy menu being served up by the World Bank. The latter did not coerce NYC into this course of action, as one of the above policy diffusion models might suggest. Rather, the multinational policy elites along with key supportive private foundations colluded with the Mayor in a prime example of the *oligarchic diffusion of social policy*.

The short-lived character of this particular oligarchic diffusion remains to be explained. In a recently published report in the World Bank discussion paper series, Aber and Rawlings (2011) found that the success of first generation CCTs had stemmed from within a particular context: programs that targeted extreme rural poverty in Latin America and had been implemented in societies with a capable civil service sector and schools and health centers within the reach of program participants. They note that in this respect the *Opportunity NYC* experiment might be valuable to the “world development community,” as little is yet known of how these programs work when they complement existing support systems and operate in a “services-rich jurisdiction in the North” (Aber and Rawlings 2011, p. 14). Yet, as the Bloomberg administration realized that *Opportunity NYC* was not going to be a stunning success, but rather offer continued political controversy and “a mixed bag” of results, the interest Bloomberg initially had in playing this role in global policy diffusion became less appealing.

## Discussion

The quantitative evaluations done of the effectiveness of *Oportunidades* show that, at least in the short run, it has been successful in reducing income inequality and increasing the years rural Mexicans spend in schooling, but how this increase translates into breaking the intergenerational cycle of poverty is another matter (see, for example, Peck 2011b; Sant’Anna 2011). As previously noted, despite the rhetoric of “social efficiency” and individual responsibility used to legitimate *Oportunidades*, in practice, the policy has focused on influencing the practices of families rather than individuals. To the extent that it “works,” this is because it operates more like a traditional welfare program integrating education, health, and nutrition interventions by the Mexican state through cash redistributions to families in extreme poverty,

thereby increasing their probability of attaining a minimum level of consumption. Ironically, this on the ground reality differs fundamentally from the magic bullet rhetoric of making markets work for poor people envisaged in the transnational CCT policy discourse.

In representing this transnational policy transfer in strictly linear terms of policies being adopted from South to North, the World Bank downplayed its own role and the involvement of other multilateral agencies and “policy transfer agents” (McCann 2011) in shaping the prevailing international discourse on “social investment” policies for ending global poverty. In coproducing and promoting the CCT model as the magic bullet for ending poverty on a global scale, the World Bank’s role in generating the *policy idea* and circulating it across the globe is consistent with the social constructionist model of global policy diffusion defined by Dobbin, Simmons, and Garrett (2007) and with the mechanisms identified by Jenson (2010) as creating a political space for that policy discourse. But these theoretical perspectives have little to say about *why* particular local actors on the ground, like Mayor Bloomberg, would be attracted enough by the discourse to appropriate it into local policy making.

Unlike the explicitly democratic constraints on local or national policy making assumed in the political economy rationale for CCTs described above, no such constraints were present in the NYC case. Rather, the Mayor surprised his own Poverty Commission by announcing that he would start a CCT program with limited discussion of the policy in that venue. He then set up a “partnership” program that was entirely privately funded and implemented in substantial respects by private policy evaluation agencies and selected community-based organizations. It was sold to the public as an “experimental” initiative put in place on a trial basis. It thus required no larger policy-specific rationale to voters, whether in the name of paternalism, the political economy of the “general welfare,” or the “social efficiency” or “social investment” potential of its policy elements. In sum, the Bloomberg program was virtually privatized in terms of its funding and implementation, and rendered unaccountable by the low visibility of its policy components.

The *social learning theory* of global public policy diffusion is also contradicted by the case of *Opportunity NYC*. Far from learning from the policy experience of either Mexico or his own past experiences, the policies Mayor Bloomberg pursued under the CCT rubric departed in many respects from the Mexican *Oportunidades* case. It was more of an ad hoc than a globally traveling policy. As noted above, *the Opportunity NYC* education components clearly diverted from the logic of the CCTs implemented in Mexico and the rest of the developing world, because the *Spark* and *Family Rewards* guidelines included far more demanding conditions, requiring higher performance

on academic achievement tests, not mere school attendance. Despite the evaluation materials available testifying to the success of the Mexican CCT program, the New Yorkers had insufficient information on how the program operated on the ground, and failed to take into account the lack of comparable evaluations from urban settings. To repeat, with scant attention to globally transferring actual policy components, Bloomberg's *Opportunity NYC* initiative appropriated little more than the name and international reputation of the Mexican model and attracted private foundations, including his own, to cover the costs.

We found even less evidence for either *coercion* or *competition* theories of global diffusion at play in the *Opportunity NYC* case. The key actors in *coercion theory* are powerful international financial institutions or nation-states that “threaten sanctions or promise aid” (Dobbin, Simmons, and Garrett 2007, p. 449) in return for the adoption of certain public policies. While the World Bank is an international financial institution, it neither threatened nor incentivized Bloomberg, who is said to be the 11th richest man in the United States (Forbes 2012) and is hardly a prime target for policy coercion. While the World Bank promotes CCTs by financing them in developing countries, it would be unseemly of the Bank and contrary to its mission to offer financial incentives to one of the world's richest cities. *Competition theory* also does not appear to be applicable to the domain of ending world poverty. It seems tailored to explain the diffusion of corporate tax incentive policies because of the competitive global economic context in which local and national economic development policy makers operate, prompting them to offer similar policy incentives to attract foreign investments.

As already noted, the *social construction theory* of global diffusion, along with the mechanisms for opening up a political space for the diffusion of “social investment” policies like CCTs, do seem, in part, to fit the *Opportunity NYC* case insofar as they help to explain the role of the World Bank and related international institutions in opening up a global political space for circulating the polysemic discourse on “social investment” by means of CCT policies. But, by itself, this theory is insufficient to account for why Mayor Bloomberg would be attracted enough by this global discourse to appropriate it locally.

As we have shown, the flow of policy influence in the CCT policy domain is more complicated than what a linear South–North ideational diffusion model would indicate. As Peck and Theodore (2010) noted, the currents of policy transfer are local as well as transnational. While the philosophical direction and some particular policy routines may have originated in the ideological space created by global policy networks and circuits, “certainly, there are strong indigenous currents in such policymaking” (Peck and Theodore 2010, p. 204).

In this article, we offer a fifth theoretical model—*oligarchic diffusion*—to explain the indigenous currents of the unique variant of CCT found on the ground in NYC. Oligarchic diffusion theory begins with the acknowledgment that throughout the world extremely wealthy oligarchs exercise political power at different levels of government (e.g., Berlusconi in Italy or Bloomberg in NYC). These elites generally appeal to voters with technocratic arguments about the efficacy of their managerial expertise. In so doing, they may introduce new policy ideas or appropriate and modify policy schemes already in global circulation to demonstrate their technocratic prowess.

This was clearly the case in NYC. The *Opportunity NYC* program aimed at finding ways to increase parental investment in the human capital of their children and reduce transmission of poverty across generations. Yet, the reports and publications of the CEO focus more on a continuous technical search for experimental new innovations than on choosing a long-term approach and letting the selected programs have an impact that would be visible in the next generation. The emphasis on “innovation,” “experimentation,” and “new approaches” seem to have turned many of the social policy agencies in the NYC policy advisory system into a kind of clan of alchemists. While searching for the chemical composition of gold to make the magic bullet that will end poverty, they placed far more emphasis on launching new initiatives putatively modeled on other places than on learning from local experience and making long-term commitments to reducing poverty in place. The NYC policy makers have succumbed to what Peck (2011b, p. 176) has termed a “technocratic replication fantasy”—A belief that policy designs and outcomes can be magically transferred from place to place despite differing local social, economic, and political contexts.<sup>8</sup> Experimenting in this way makes it unlikely that the millions of dollars spent in the effort will produce the kinds of results that the world of social policy development expects to see.

Moreover, a defining feature of oligarchic diffusion is its lack of democratic accountability. It is very hard to say no to rich, powerful actors, particularly when their preferred policy appropriations are framed as privately financed, and thus publicly costless, experiments. Our case study shows definitively that the CCT project chosen to justify Mayor Bloomberg’s power and symbolize his policy efficacy overrode the key venues for conducting the usual democratic debate that might have raised questions about the appropriateness of his policy borrowings. Neither his own *Poverty Commission*, nor the voters of NYC, nor the participants in the program itself were given voice in the process. The policy itself, unlike Mayor Bloomberg, never came up for a public vote, as it was shielded from that possibility by its private funding and experimental character. In sum, policies adopted oligarchically give little purchase to democratic avenues of policy critique.

## Conclusion

The *Opportunity NYC* program was envisioned, at least by the World Bank advocates of the policy, to become a showcase for the rest of the world to see how the magic bullet of CCTs could transform the lives of poor New Yorkers. The world development community hoped to learn much from the NYC experiences especially in paying students for learning outcomes, including performance on standardized tests (Fiszbein and Schady 2009). Yet, in March 2010, Mayor Bloomberg and his *Opportunity NYC* staff held a press conference on the results of a midterm evaluation of the program's *Family Rewards* component (Riccio et al. 2010) and announced that the program would not be continued, even though the results that were already known were mixed, rather than solely failures. As we have shown above, the program fell prey to a number of contradictions—due to the uninformed, incomplete, and inappropriate nature of the transnational policy transfer—that proved too difficult to overcome.

Mayor Bloomberg created *The CEO* in 2006 amid much political fanfare “as an innovation lab to test diverse new generation anti-poverty programs” and “break cycles of intergenerational poverty.”<sup>9</sup> From the outset, *Opportunity NYC* was sold more as a means—a symbol of “smart” and “fast-track” policy innovation—than as a proven solution to urban poverty.

As noted at the outset, perhaps the most important contradiction of this failed transnational policy transfer was political. Differing political contexts in NYC and Mexico affected the implementation of both programs and impeded their transferability. In Mexico, the PRD-driven political logic of stopping the PAN from gaining political credit for reducing poverty in Mexico City delayed the implementation of *Oportunidades* there until 2004. Thus, policy makers in New York, keen to launch Mayor Bloomberg's program in 2007, lacked the evaluation of a metropolitan-based policy model upon which to shape their program. The political logic of the timing of electoral politics in NYC prompted the Bloomberg administration to prematurely start a much heralded antipoverty initiative for which they could gain electoral credit before subsequently abandoning the program as an unsuccessful policy experiment once Bloomberg was elected to a third term in 2009. In both instances, the politics of local credit taking and its denial trumped policy making and its transnational transferability and global diffusion.

Organizational differences also weakened the prospects for the survival of *Opportunity NYC*. While in Mexico the *Oportunidades* program was administered by the state and offered the only source of support for most of the poor and marginalized participants, the NYC variant competed with a number of other initiatives and support systems. In addition, the administrative setup



involved in running the largest component of *Opportunity NYC*—The *Family Rewards* program was very complex. Even though CEO was formally placed in charge of the overall program, in reality it was implemented by *MDRC* and *Seedco*, which, in turn, delegated the implementation to six different community-based organizations. Having such a bureaucracy involved in program implementation does not generally lead to either low administrative costs or optimal efficiency, especially because the program was implemented on a very tight schedule.

The oligarchic diffusion model developed in this article highlights the lack of public accountability that characterizes the use of private wealth to implement public policy goals. Two final examples drawn from the practices of Mayor Bloomberg illustrate why this approach can be used in future research to shed light on the pitfalls of deferring to the initiatives of wealthy oligarchs. First, Mayor Bloomberg's penchant for the privatization of antipoverty policy has characterized over a decade of poverty policy making and unmaking under his regime. In early May of 2011, Bloomberg held a "learning network" kick-off event to celebrate a five-year, \$100 million expansion of the mayor's array of privately funded antipoverty pilots, now bundling these policy experiments together under the rubric of the "Social Innovation Fund Learning Network." Although such "philanthropic" efforts have won him much credit, they overlook what the Mayor did to the public budget for poverty programs over that same decade. In July 2011, Bloomberg and the NYC Council, in the name of fiscal constraints, settled on a budget for fiscal year 2012 that included the 10th consecutive annual cutback of publicly funded antipoverty agencies (Pasanen 2011). Sharp cuts were made in public agencies whose primary constituencies are poor and working-class New Yorkers—in education, child care, health care, homeless services, housing, and public parks. These agencies were downsized by staff cuts ranging from 6% to more than 26% of their staffs. As Pasanen (2011) concluded, "The city faces real budget problems, but anti-poverty programs are not only not a priority; they are a target." NYC council member Melissa Mark-Vevirito has called attention to the small scale of the privately funded programs touted by Bloomberg, in comparison with the scale of public cutbacks that have continued into fiscal year 2013. She succinctly captured the harmful character of this trade-off for poor New Yorkers:

The mayor has supported a number of "boutique" pilot programs to help low-income New Yorkers . . . but at the same time he is undermining more substantial efforts to fight poverty by decimating long-standing safety net programs upon which millions of people rely. (Mark-Vevirito 2012)

A second recent example is even more distressing with respect to the accountability issue. In August 2011, Mayor Bloomberg announced a \$127 million program to help minority men in NYC with job training, better access to health care and housing, and end their disproportionately high recidivism rate in prisons. To fund the program, Mr. Bloomberg reached into his own pocket for \$30 million, with another \$30 million coming from billionaire financier George Soros. The remainder is coming from the city treasury, requiring taxpayers to fund fully half of the program's cost (Paybarah 2011). It seems that the oligarchic diffusion process is still ongoing and the mayor and his wealthy allies have not learned anything from the *Opportunity NYC* failures: By giving his own money, Bloomberg can get any program he favors into the limelight, regardless of the actual content or whether similar programs are already running elsewhere.

Finally, as already noted, we agree with Dobbin, Simmons, and Garrett (2007, p. 450) that in practice, theoretical diffusion models are "sometimes commingled." It is therefore important to consider what role, if any, global multilateral institutions played in this CCT oligarchic diffusion? Neither the World Bank nor its transnational institutional allies should be automatically excluded from the oligarchic model or the question of democratic accountability. As Teichman (2007) has shown, because of the formative role of the World Bank and the IADB in promoting this program type, while CCTs have been implemented in many locales across the globe, the circuitry of the CCT discursive global policy diffusion network is itself both closed and relatively top-down. Indeed, even in the Mexican case, the close links between the global development financing organizations and *Oportunidades* suggest that what Peck and Theodore (2010, p. 206) termed the "Washington consensus of (post-welfare) policy"<sup>1</sup> also plays a role in "fast-tracking" policy transfer with scant attention to questions of democratic accountability. In this respect, we close with the following thoughts: Viewed on a continuum, socially constructed global diffusion policies may be relatively more oligarchic or democratic depending on which *actors* and *networks* shape the diffusion process and how much *political power* they have in getting their message heard. We should never romanticize an imperfect world. Nor should we relinquish the hope for a democratic future.

## Acknowledgment

The authors wish to thank Matt Bakker and the anonymous reviewers for their comments and Fred Block for his insightful reviews of several earlier versions of this article.

## Declaration of Conflicting Interests

The author(s) declared no potential conflicts of interest with respect to the research, authorship, and/or publication of this article.

## Funding

The author(s) received no financial support for the research, authorship, and/or publication of this article.

## Notes

1. Levy and Rodríguez (2005) and Levy (2006) used this name. We refer to the program by its more popularly recognized name, *Oportunidades*.
2. *The New York Times* quotes Nancy Birdsall, President of the Center for Global Development, a nonprofit research group in Washington on conditional cash transfer (CCT) programs and development (Dugger 2004).
3. *Oportunidades* (2013): <http://www.oportunidades.gob.mx>.
4. For a description of how the program was initiated in New York City (NYC), see Morais de Sá e Silva (2010).
5. These are the privately funded actual expenses according to *Center for Economic Opportunity* (CEO; 2009b).
6. *Seedco* was founded in 1986. It “helps low-income people and communities move toward economic prosperity,” <http://www.seedco.org/about/>. *MDRC* was founded in 1974 and is best known for mounting large-scale demonstrations and evaluations of real-world policies and programs targeted to low-income people: <http://www.mdrc.org/about/about-mdrc-overview-0>. Both sites accessed on December 19, 2012.
7. For how the program also benefited from South–South policy transfer from the Bolsa Familia in Brazil, see Peck and Theodore (2010) and Morais de Sá e Silva (2010).
8. The policy transfer process is still ongoing. The CEO was awarded the “Harvard University’s Kennedy School of Government Innovations in American Government Award” for “its pioneering approach to anti-poverty programs and for sharing its innovative best practices. CEO’s successful programs are currently being expanded in NYC and replicated in cities across the country through the federal Social Innovation Fund” (The City of New York 2012).
9. Mayor Bloomberg in his letter to the readers of report CEO (2009a).

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